

CITY COUNCIL AGENDA

Regular Meeting

December 4, 2023 at 7:00 PM



- 1) **CALL TO ORDER**
- 2) **ROLL CALL**
- 3) **INVOCATION**
- 4) **PLEDGE OF ALLEGIANCE**
- 5) **APPROVAL OF AGENDA** - Items can be added or deleted from the Agenda by City Council action.
- 6) **PUBLIC COMMENT ON AGENDA ITEMS** Persons addressing City Council are required to give their name and address for the record when called upon by the Mayor. Members of the public shall be limited to speaking for a maximum of three (3) minutes. Comments shall address AGENDA ITEM topics. Public Hearing items should be addressed during the PUBLIC HEARING portion (Item 10) of the meeting agenda. Non-Agenda items shall be addressed during the PUBLIC COMMENT-NON-AGENDA ITEMS (Item 14) portion of the meeting agenda.
- 7) **CONSENT AGENDA**
 - A. **City Council Minutes**
Regular Session - DATE
 - B. **City Bills**

Purchases 11/17/2023	\$274,642.17
Purchases 11/22/2023	\$156,187.41
Purchases 12/05/2023	\$221,310.77
TOTAL	\$652,140.35
 - C. **2024 CITY COUNCIL MEETING DATES**
 - D. **2024 BOARD AND COMMISSION VACANCIES**
 - E. **SPECIAL EVENT APPLICATION - ICE, WINE, BEER AND BLUES**
- 8) **PRESENTATIONS AND RECOGNITIONS**
 - A. **2023 ANNUAL FINANCIAL AUDIT**
- 9) **INFORMATIONAL ITEMS**
- 10) **PUBLIC HEARINGS & SUBSEQUENT COUNCIL ACTION** Persons addressing City Council are required to give their name and address for the record when called upon by the Mayor. Members of the public shall be limited to speaking for a maximum of three (3) minutes per public hearing.
 - A. **SPECIAL LAND USE (SLU) APPLICATION #23.03- TRACTOR SUPPLY
15861 WEST MICHIGAN AVENUE**
 - B. **CREATION OF AN OPRA DISTRICT - 135 WEST MANSION STREET**
- 11) **OLD BUSINESS**
- 12) **REPORTS AND RECOMMENDATIONS**

MAYOR: Jim Schwartz CITY MANAGER: Derek N. Perry

Joe Caron, Theresa Chaney-Huggett, Jacob Gates,
Ryan Traver, Ryan Underhill, Scott Wolfersberger
Council Chambers, 323 W Michigan Ave, Marshall, Michigan 49068

- A. PARKING ORDINANCE UPDATE**
- B. 135 WEST MANSION STREET OPRA EXEMPTION REQUEST - SET PUBLIC HEARING**
- C. COUNTY HAZARD MITIGATION PLAN ADOPTION**
- D. WWTP CLARIFIER REHABILITATION**
- E. MDOT CONTRACT- NORTH APRON AND WEST TAXIWAY BROOKS FIELD**

13) APPOINTMENTS / ELECTIONS

- 14) PUBLIC COMMENT ON NON-AGENDA ITEMS** Persons addressing City Council are required to give their name and address for the record when called upon by the Mayor. Members of the public shall be limited to speaking for a maximum of two (2) minutes. Comments shall address NON-AGENDA ITEM topics. Public Hearing items shall be addressed during the PUBLIC HEARING portion (Item 10) of the meeting agenda. Agenda items should be addressed during the PUBLIC COMMENT-AGENDA ITEMS (Item 6) portion of the meeting agenda.

15) COUNCIL AND MANAGER COMMUNICATIONS

16) ADJOURNMENT

CITY COUNCIL MINUTES

November 20, 2023
Regular Meeting - 7:00 PM

1) CALL TO ORDER

IN A REGULAR SESSION held on Monday, November 20, 2023 at 7:00 PM in the Council Chambers of City Hall, 323 West Michigan Ave, Marshall, MI 49068, the Marshall City Council was called to order by Mayor Schwartz.

2) ROLL CALL

Roll was called:

Present: Mayor Schwartz, Caron, Chaney-Huggett, Underhill and Wolfersberger

Also Present: Manager Perry and Clerk Eubank

Absent: Gates and Traver

Motion by Caron, supported by Wolfersberger to excuse members Gates and Traver. On a voice vote; **Motion carried.**

3) INVOCATION

4) PLEDGE OF ALLEGIANCE

Mayor Schwartz led the Pledge of Allegiance.

5) APPROVAL OF AGENDA - Items can be added or deleted from the Agenda by City Council action.

Moved by Scott Wolfersberger, supported by Ryan Underhill to approve the agenda as submitted. On a voice vote: **Motion carried.**

6) PUBLIC COMMENT ON AGENDA ITEMS Persons addressing City Council are required to give their name and address for the record when called upon by the Mayor. Members of the public shall be limited to speaking for a maximum of three (3) minutes. Comments shall address AGENDA ITEM topics. Public Hearing items should be addressed during the PUBLIC HEARING portion (Item 10) of the meeting agenda. Non-Agenda items shall be addressed during the PUBLIC COMMENT-NON-AGENDA ITEMS (Item 14) portion of the meeting agenda.

Barry Wayne Adams of 622 W Green St stated that there is an underlying go ahead with the Ford project, even though it seems the pause ending is unlikely due to poor economics and the crash in demand of electric vehicles, that he believes the recent court hearing was just a rehash of the August 30 case and Marietti not making a decision yet is just kicking the can down the road, and finally stated that the Industrial Development District is out of the authority of the government.

7) CONSENT AGENDA

Moved by Scott Wolfersberger, supported by Ryan Underhill to approve the consent agenda as submitted. On a roll call vote:

Ayes: James Schwartz, Joe Caron, Theresa Chaney-Huggett, Ryan Underhill, Scott Wolfersberger

Nays: None

Abstain: None

Motion carried.

A. City Council Minutes

Regular Session - November 6, 2023

B. City Bills

Purchases 11/03/2023	\$218,038.41
Purchases 11/10/2023	\$137,801.76
Purchases 11/21/2023	\$445,922.92
October Power Invoice	\$813,625.25
TOTAL	\$1,615,388.34

C. DISTRIBUTION TRANSFORMER PURCHASES

D. SET SPECIAL MEETING - DECEMBER 9, 2023 AT 9 AM

8) PRESENTATIONS AND RECOGNITIONS

9) INFORMATIONAL ITEMS

10) PUBLIC HEARINGS & SUBSEQUENT COUNCIL ACTION Persons addressing City Council are required to give their name and address for the record when called upon by the Mayor. Members of the public shall be limited to speaking for a maximum of three (3) minutes per public hearing.

A. EXHIBITION DRIVING ORDINANCE UPDATE

Mayor Schwartz opened the public hearing on Ordinance 2023-12- exhibition driving.

Barry Wayne Adams of 622 W Green St stated that this is evidence of corporate fascism, due to the police making legislative suggestions, that tax payer money is used to train police to drive this way, and that this is just another revenue source.

Mayor Schwartz closed the public hearing on Ordinance 2023-12- exhibition driving.

Schwartz stated that the recommendation came from the city prosecutor, not the police and that it is not a revenue source, but a penalty.

Moved by Joe Caron, supported by Theresa Chaney-Huggett to enact Ordinance 2023-12, An Ordinance amending City of Marshall Code of Ordinances Section 70.06, Exhibition Driving, and publish the ordinance in full in the local newspaper. On a roll call vote:

Ayes: Theresa Chaney-Huggett, Ryan Underhill, Scott Wolfersberger, James Schwartz, Joe Caron

Nays: None

Abstain: None

Motion carried.

City of Marshall, Michigan

Ordinance #2023-12

AN ORDINANCE AMENDING CITY OF MARSHALL CODE OF ORDINANCES,
SECTION 70.06

WHEREAS, Marshall City Code Section 70.06 addresses the subject of exhibition driving; and

WHEREAS, the City Manager, the Chief of Police and other city officials have determined that it is in the best interests of the city to revise Section 70.06; and

WHEREAS, the health, safety and welfare of city residents and visitors to the City will be furthered by the revisions set forth herein;

NOW, THEREFORE, THE CITY OF MARSHALL ORDAINS that the current version of Section 70.06 be amended as set forth herein;

§ 70.06 EXHIBITION DRIVING.

- (A) Exhibition driving is the driving of a motor vehicle in such an unusual manner or out of the usual flow of traffic, whether or not other traffic is present, so that it is likely to attract the attention of the public, whether or not there is anyone present, or is shall consist of, any two or more of the following:
- (1) Rapid acceleration;
 - (2) Squealing, peeling or burning of the tires;
 - (3) The swaying of the motor vehicle from side to side, commonly referred to as fish-tailing;
 - (4) Racing or running of the engine of a motor vehicle at such high revolutions per minute, combined with the engaging of the gears, causing excessive or unusual noise;
 - (5) Unnecessary and excessive changing of lanes; and/or
 - (6) The emission of any unreasonably loud or raucous or disturbing noise from the engine or exhaust system of any motor vehicle;
 - (7) **Intentional and unnecessary driving in a manner that causes the vehicle to move in random, zigzag or circular directions.**
- (B) Any person who engages in exhibition driving on any public street, highway, or other place open to the general public or generally accessible to motor vehicles, including an area designated for the parking of vehicles, is responsible for a civil infraction.

(Prior Code, §72.096; Ord. passed 11-16-1992; Am. Ord. 2013-07, passed 6-17-2013 Ord. Am. Ord. 2023- 12, passed 11-20-2023)

REPEALER

All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect, and the City of Marshall City Code shall remain in full force and effect, amended only as specified above.

SEVERABILITY

If any section, clause or provision of this Ordinance shall be declared to be unconstitutional, void or illegal by any Court of competent jurisdiction, such section, clause or provision shall thereby cease to be a part of this Ordinance, but the remainder of this Ordinance shall stand and be in full force and effect.

CODE EDITS

The editors of the Marshall City Code are hereby authorized, subject to approval of the City Manager, or designee, to update and revise code section numbers to effectuate the provisions of this Ordinance.

ENACTMENT

This ordinance is declared to have been enacted by the City Council of the City of Marshall at a meeting called and held on the 20th day of November, 2023, and ordered to be given publication in the manner prescribed by law.

AYES: Schwartz, Caron, Chaney-Huggett, Underhill, and Wolfersberger

NAYES: None

ABSTENTIONS: None

ABSENT: Gates and Traver

Mayor

STATE OF MICHIGAN

COUNTY OF CALHOUN

I, the undersigned, the qualified and acting City Clerk of the City of Marshall, Calhoun County, Michigan, do certify that the foregoing is a true and complete

copy of the ordinance adopted by the City Council of the City of Marshall at a meeting called and held on the 20th day of November, 2023, the original of which is on file in my office.

Clerk

Adopted: 11/20/2023

Published: 11/25/2023

B. DEER FEEDING AND BAITING ORDINANCE

Mayor Schwartz opened the public hearing on Ordinance 2023-13, deer feeding and baiting prohibited.

Barry Wayne Adams of 622 W Green St stated that it was a pointless attempt to control nature, that it is a man-made problem due to deforestation, that it violates the natural law, and that deer forage in yards without additional feeding.

Mayor Schwartz closed the public hearing on Ordinance 2023-13, deer feeding and baiting prohibited.

Council clarified that foraging in yards is not prohibited, just intentional feeding. Chief Lankerdt stated that was correct, no one would be punished for deer foraging in yards.

Moved by Scott Wolfersberger, supported by Ryan Underhill to enact Ordinance 2023-13, An Ordinance adding section 97.08, Deer Feeding and Baiting Prohibited, to the City of Marshall Code of Ordinances, and publish the ordinance in full in the local newspaper. On a roll call vote:

Ayes: Ryan Underhill, Scott Wolfersberger, James Schwartz, Joe Caron, Theresa Chaney-Huggett

Nays: None

Abstain: None

Motion carried.

CITY OF MARSHALL, MICHIGAN

ORDINANCE 2023-13

AN ORDINANCE ADDING SECTION 97.08 TO THE CITY OF MARSHALL CODE OF ORDINANCES

WHEREAS, Michigan Public Act 451 of 1994, known as the Natural Resources and Environmental Protection Act, MCL 324.101 – 324.90106, was enacted for the purpose of protecting the state’s natural resources; and

WHEREAS, Part 401 of the Natural Resources and Environmental Protection Act, MCL 324.40101 – MCL 324.40120, in combination with Wildlife Conservation Orders WCO 3.100 and WCO 3.100a, provide that it is unlawful for a person to make use of bait to aid in the taking of deer, or for persons to feed deer for recreational viewing or supplemental feeding; and

WHEREAS, the Natural Resources and Environmental Protection Act provides that a person in violation of the referenced sections of Part 401 is guilty of a misdemeanor punishable by a fine of not more than 90 days or a fine of not less than \$50.00 or more than \$500.00; and

WHEREAS, the City Manager, the Chief of Police and other city officials believe that the enactment of a local ordinance which substantially corresponds to the referenced sections of Part 401, but which decriminalizes the penalty for persons who feed deer for recreational viewing or supplemental feeding, is in furtherance of the public health, safety and welfare of the citizens of the City of Marshall, as well as visitors to the City;

NOW, THEREFORE, THE CITY OF MARSHALL ORDAINS:

§ 97.08 Deer; feeding and baiting prohibited.

1. Definitions. As used in this section:

1. Bait. “Bait” means a substance intended for consumption by deer composed of grains, minerals, salt, fruits, vegetables, hay, or any other food materials, whether natural or manufactured. “Bait” does not include scents – whether composed of natural or synthetic materials – made inaccessible for consumption by deer and placed in such a manner to prohibit any physical contact with deer, the establishment and maintenance of plantings for wildlife, foods found scattered solely as a result of normal agricultural planting or harvesting practices of livestock feeding if the area is occupied by livestock actively consuming the feed on a daily basis, or standing farm crops under normal agricultural practices.
2. Baiting. “Baiting” means to place, deposit, tend, distribute, or scatter bait.
3. Feed. “Feed” means a substance composed of grain, mineral, salt, fruit, vegetable, hay, or any other food material or combination of these materials, whether natural or manufactured, that may attract deer. “Feed” does not include plantings for wildlife, standing farm crops under normal agricultural purposes or agricultural

commodities scattered solely as the result of normal agricultural practices.

4. Feeding. "Feeding" means the depositing, distributing, or tending of feed for the purpose of feeding or attracting deer, or which may reasonably be expected to result in the consumption of feed by deer.
5. Single bite bait. "Single bite bait" means shelled corn, nuts, beet pulp, deer feed or pellets, wheat, or other grain.

1. A person shall not feed deer for the purpose of recreational viewing or supplemental feeding, except as follows:

1. Feeding by veterinarians, city/county animal control officers, or county state or federal game officials who are acting in the course of their duties or have deer in custody under their management.
2. Feeding for the purposes of trapping or taking deer where such trapping or taking is pursuant to a permit issued by the Michigan Department of Natural Resources.
3. Feeding wild birds or other wildlife if done in such a manner as to exclude deer.
4. Feeding, or the scattering of feed, if done for agricultural purposes in an area occupied by livestock who consume the feed on a daily basis.

1. A person shall not bait deer for the purpose of aiding in the taking of deer.

1. A person who violates subsection (B) is responsible for a municipal civil infraction.

1. A person who violates subsection (C) is guilty of a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not less than \$50 or more than \$500.00, or both, plus the costs of prosecution.

REPEALER

All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect, and the City of Marshall City Code shall remain in full force and effect, amended only as specified above.

SEVERABILITY

If any section, clause or provision of this Ordinance shall be declared to be unconstitutional, void or illegal by any Court of competent jurisdiction, such section, clause or provision shall thereby cease to be a part of this Ordinance, but the remainder of this Ordinance shall stand and be in full force and effect.

CODE EDITS.

The editors of the Marshall City Code are hereby authorized, subject to approval of the City Manager, or designee, to update and revise code section numbers to effectuate the provisions of this Ordinance.

ENACTMENT

This ordinance is declared to have been enacted by the City Council of the City of Marshall at a meeting called and held on the 20th day of November, 2023, and ordered to be given publication in the manner prescribed by law.

AYES: Schwartz, Caron, Chaney-Huggett, Underhill, Wolfersberger

NAYES: None

ABSTENTIONS: None

ABSENT: Gates and Traver

Mayor

STATE OF MICHIGAN

COUNTY OF CALHOUN

I, the undersigned, the qualified and acting City Clerk of the City of Marshall, Calhoun County, Michigan, do certify that the foregoing is a true and complete copy of the ordinance adopted by the City Council of the City of Marshall at a meeting called and held on the 20th day of November, 2023, the original of which is on file in my office.

Clerk

Adopted: 11/20/2023

Published: 11/25/2023

11) OLD BUSINESS

A. CREATION OF INDUSTRIAL DEVELOPMENT DISTRICT FOR FORD BOBP

Council asked for clarification on boundaries, how it could be rescinded if council chose to, and whether the district or the request for an IFEC should come first. Perry stated that a property description is included in the resolution, that the district could be rescinded by resolution if there is not a certificate associated with the district and that the district needs to be created before anyone can apply for a certificate in that area.

Moved by Scott Wolfersberger, supported by Joe Caron to approve Resolution 2023-27 which would create an Industrial Development District for the Ford BlueOval Battery Park site. On a roll call vote:

Ayes: Joe Caron, Theresa Chaney-Huggett, Ryan Underhill, Scott Wolfersberger, James Schwartz

Nays: None

Abstain: None

Motion carried.

RESOLUTION 2023-27 RESOLUTION TO ESTABLISH AN INDUSTRIAL DEVELOPMENT DISTRICT

Minutes of a regular meeting of the City Council of City of Marshall, held on November 20, 2023, at Marshall City Hall, 323 West Michigan Avenue, Marshall, MI at 7:00 PM.

PRESENT: Schwartz, Caron, Chaney-Huggett, Underhill, Wolfersberger

ABSENT: Gates and Traver

The following preamble and resolution were offered by: Wolfersberger and supported by: Caron.

Resolution Establishing an Industrial Development District for Ford BlueOval Battery Park

WHEREAS, pursuant to PA 198 of 1974, as amended, this Council has the authority to establish "Industrial Development Districts" within City of Marshall; and

WHEREAS, the City of Marshall on its own initiative seeks to establish an Industrial Development District on property located within the Marshall city boundaries;

WHEREAS, written notice has been given by mail to all owners of real property located within the district, and to the public by newspaper advertisement in the Marshall Advisor and public posting of the hearing on the establishment of the proposed district; and

WHEREAS, on October 16, 2023, a public hearing was held at which all owners of real property within the proposed Industrial Development District and all residents and taxpayers of City of Marshall were afforded an opportunity to be heard thereon; and

WHEREAS, the City Council deems it to be in the public interest of the City of Marshall to establish the Industrial Development District as proposed; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of City of Marshall that the following described parcel of land situated in City of Marshall, Calhoun County, and State of Michigan, to wit:

LEGAL DESCRIPTION OF LAND
LOCATED IN SECTIONS 20, 28, & 29, T2S, R6W, MARSHALL TOWNSHIP,
CALHOUN COUNTY, MICHIGAN

BEGINNING at the W 1 / 4 corner of Section 29, T2S, R6W, Marshall Township, Calhoun County, Michigan,

thence S 89°58' 17" E 33.00 feet along the E-W 1/ 4 line of said Section 29 to the East right-of-way line of 13 Mile Road;
thence N 00°22'04" E 2157.32 feet along said East right-of-way; thence S 89°55' 40" E 3122.60 feet; thence N 00°25'58" E 695.21 feet; thence S 68°23'07" E 3245.71 feet; thence S 68°35'27" E 2960.81 feet; thence S 01°39'06" W 699.69 feet; thence N 88°20'54" W 954.00 feet along the E-W 1/ 4 line of Section 28, T2S, R6W, Marshall Township, Calhoun County, Michigan & the centerline of C Drive North (66.00 feet wide) to the Center of said Section 28; thence S 00°08'50" E 194 7.49 feet along the N-S 1/ 4 line of said Section 28; thence N 71°18'28" W 397.60 feet; thence N 90°00'00" W 6312.27 feet; thence N 76°09' 31" W 1337.71 feet; thence N 00°16'51" E 1599.81 feet along the West line of said Section 29 to the POINT OF BEGINNING.

Being a part Sections 20, 28 & 29, T2S, R6W, Marshall Township, Calhoun County, Michigan and containing 731.40 acres of land, more or less. Being subject to the rights of the public over that portion of land as occupied by C Drive North (66.00 feet wide). Being subject to easements and restrictions of record, if any.

Is established as an Industrial Development District pursuant to the provisions of PA 198 of 1974, as amended, to be known as BlueOval Battery Park Industrial Development District No. 1.

AYES: Schwartz, Caron, Chaney-Huggett, Underhill, Wolfersberger

NAYS: None

RESOLUTION DECLARED ADOPTED.

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of the City of Marshall, County of Calhoun, Michigan, at a regular meeting held on November 20, 2023.

Michelle Eubank
Clerk

12) REPORTS AND RECOMMENDATIONS

A. SET PUBLIC HEARING FOR SPECIAL LAND USE FOR TRACTOR SUPPLY-SLU#23.03

Moved by Joe Caron, supported by Ryan Underhill to schedule a public hearing for December 4, 2023 to consider approval of a Special Land Use (SLU#23.03) for Tractor Supply at 15861 West Michigan. On a voice vote: **Motion carried.**

B. FEE SCHEDULE FOR DEER FEEDING AND BAITING

Moved by Theresa Chaney-Huggett, supported by Joe Caron to approve Resolution 2023-30, authorizing the municipal civil fine fee schedule to include the Deer Feeding and Baiting violations. On a voice vote: **Motion carried.**

CITY OF MARSHALL, MICHIGAN

RESOLUTION #2023-30

RESOLUTION AUTHORIZING SCHEDULE OF CIVIL FINES, PAYABLE TO THE MARSHALL MUNICIPAL ORDINANCE VIOLATION BUREAU FOR ADMISSIONS OF RESPONSIBILITY BY PERSONS SERVED WITH MUNICIPAL CIVIL INFRACTION VIOLATION NOTICES

At a regular meeting of the City Council of the City of Marshall, Michigan, held in the Council Chambers, Town Hall located at 323 W. Michigan Avenue, Marshall, Michigan, on the 20th day of November, 2023 at 7 p.m.

PRESENT: Schwartz, Caron, Chaney-Huggett, Underhill, and Wolfersberger

ABSENT: Gates and Traver

MOTION BY: Chaney-Huggett

SUPPORTED BY: Caron

WHEREAS, Chapter 35 of the Marshall City Code authorizes City Council to establish, by resolution, the schedule of fines applicable to Municipal Civil Infractions processed through the Municipal Ordinance Violations Bureau;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Marshall establishes the following schedule of fines for the municipal civil infractions set forth herein:

<u>Section Amount</u>	<u>Violation</u>	<u>Fine</u>
Chapter 97	Animals	
Section 97.08	Deer; feeding and baiting prohibited	
97.08(B) offense	Deer – Feeding, First	\$100
97.08(B) offense	Deer – Feeding, Second	\$300
97.08(B) offense	Deer – Feeding, Third or subsequent	\$500

AYES: Schwartz, Caron, Chaney-Huggett, Underhill, and Wolfersberger

NAYES: None

ABSTAINED: None

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN)

COUNTY OF CALHOUN) ss:

I, the undersigned, the fully qualified Clerk of the City of Marshall, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Marshall at a regular meeting held on the 20th day of November, 2023, the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto set my official signature this 20th day of November, 2023.

Michelle Eubank, City of Marshall City Clerk

C. MICHIGAN AMP BOARD OF TRUSTEES APPOINTMENT

Moved by Joe Caron, supported by Ryan Underhill to approve Resolution 2023-32, to appoint Director of Electric Utilities Kevin Maynard to represent the City of Marshall on the AMP Board of Trustees. On a voice vote: **Motion carried.**

**CITY OF MARSHALL, MICHIGAN
RESOLUTION NO. 2023-32**

**A RESOLUTION
AUTHORIZING KEVIN MAYNARD, MARSHALL DIRECTOR
OF ELECTRIC UTILITIES, TO REPRESENT
THE CITY OF MARSHALL, MICHIGAN
AS A MEMBER OF THE BOARD OF TRUSTEES OF
AMERICAN MUNICIPAL POWER, INC.**

WHEREAS, the City of Marshall, Michigan ("Marshall") is a member of American Municipal Power, Inc. ("AMP"), a non-profit Ohio corporation whose members are, and must be, political subdivisions of a state, currently the states of Delaware, Indiana, Kentucky, Maryland, Michigan, Ohio, Pennsylvania, Virginia and West Virginia, that own and operate electric utilities or whose members own and operate electric utilities; and

WHEREAS, AMP exists for a public purpose, namely, to assist its Members in obtaining and providing safe, reliable and reasonably priced electric power, and to provide other assistance and technical services to the Members, for the benefit of their respective citizens, customers and/or members; and

WHEREAS, AMP's affairs are managed by a Board of Trustees (the "Board") consisting, as of the date hereof, of twenty-two (22) voting Members elected or otherwise approved by the Members, who meet from time to time at AMP's headquarters in Columbus, Ohio or at other locations as designated by the Board; and

WHEREAS, the City of Marshall, Michigan has been elected, or otherwise holds a position, as a Trustee of the Board (the "Trustee"); and

WHEREAS, the member is required to formally designate a person to represent it on the Board and to exercise the duties of an AMP Trustee; and

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF MARSHALL:

SECTION 1: That Kevin Maynard, the Director of Electric Utilities of the City of Marshall, as an incident of his official capacity be, and is hereby designated for the period of his service, the representative of the Member on the Board to act on behalf of Member in the discharge of its duties as a Trustee and that the Director of Electric Utilities be and hereby is, delegated authority to designate in writing an alternate to such representative to serve in his stead during any period he may be unable to represent the Member.

SECTION 2: That any representative of the Member so designated be, and hereby is, authorized and empowered, acting for, in the name of and on behalf of the Member, and as the Member's agent, to exercise all the functions, powers, rights and privileges, and to fulfill the obligations, that the Member may have as a Trustee of the Board, including without limitation to attend and take part in meetings of the Board and of committees of the Board, to vote on and otherwise act with respect to all matters that may properly come before the Board or any committee of the Board, and to do or cause to be done all acts, and to take all steps as may in each case be, in the opinion of such representative, necessary or desirable in order to represent the Member and exercise its functions, powers, rights and privileges, and to fulfill its obligations, as a Trustee of AMP and to carry out the full intent and purposes of this Resolution and purposes and powers of AMP.

SECTION 3: That said representative shall receive no compensation from AMP for such service but shall be entitled to have AMP and its related organizations provide meals, lodging or transportation related to service as an Alternate or, alternatively, to receive reimbursement from AMP for reasonable out-of-pocket

expenses associated with his service as the Alternate, all in accordance with AMP's policies and procedures.

SECTION 4: That this Resolution supersedes any previous resolutions related to the designation of AMP Board representatives.

SECTION 5: That this Resolution shall take effect upon adoption by the City Council.

Resolution declared adopted this 20th day of November 2023.

Michelle Eubank, City Clerk

I, Michelle Eubank, being duly sworn as the City Clerk for the City of Marshall, hereby certify that the foregoing is a true and complete copy of the resolution adopted by the City Council, City of Marshall, County of Calhoun, State of Michigan, at a regular meeting held on November 20, 2023 and that the said meeting was conducted and that the minutes of the meeting were kept and will be or have been made available.

Michelle Eubank, City Clerk

D. AT&T METRO ACT UNILATERAL PERMIT EXTENSION

Moved by Joe Caron, supported by Ryan Underhill to approve the AT&T METRO ACT RIGHT OF WAY UNILATERAL PERMIT EXTENSION for a term ending on December 31, 2028, and authorize the City Manager and City Clerk to sign the necessary documents. On a voice vote: **Motion carried.**

13) APPOINTMENTS / ELECTIONS

A. BOARD OF REVIEW APPOINTMENTS

Moved by Joe Caron, supported by Scott Wolfersberger to approve the appointments of Desmond Kirkland, Kierith Kurth and Georgia Marsh (alternate) to the Board of Review for terms ending on January 1, 2026. On a voice vote: **Motion carried.**

B. PLANNING COMMISSION APPOINTMENTS

Moved by Scott Wolfersberger, supported by Ryan Underhill to approve the appointments of Carter Bright and Ian Stewart to the Planning Commission for terms ending on December 31, 2026. On a voice vote: **Motion carried.**

14) PUBLIC COMMENT ON NON-AGENDA ITEMS Persons addressing City Council are required to give their name and address for the record when called upon by the Mayor. Members of the public shall be limited to speaking for a maximum of two (2) minutes. Comments shall address NON-AGENDA ITEM topics. Public Hearing items shall be addressed during the PUBLIC HEARING portion (Item 10) of the meeting agenda. Agenda items should be addressed during the PUBLIC COMMENT-AGENDA ITEMS (Item 6) portion of the meeting agenda.

Barry Wayne Adams of 622 W Green St stated that the police chief giving recommendations to council and creating subcommittees and boards are corporate fascism and that the council should be listening to the people.

Victoria McGuffin of Marshall Township stated that the interactions of the board with MAEDA make it difficult for the board to separate the two and goes against ethics.

15) COUNCIL AND MANAGER COMMUNICATIONS

Perry wished everyone a Happy Thanksgiving and reminded them about the Christmas Parade the following Monday at 7 p.m.

16) ADJOURNMENT

The meeting was adjourned at

Respectfully submitted by,

Michelle Eubank
City Clerk

APPROVAL LIST FOR CITY OF MARSHALL
EXP CHECK RUN DATES 11/17/2023 - 11/17/2023
JOURNALIZED
PAID

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
1PVX-MM99-39KY	AMAZON CAPITAL SERVICE	ACCT NO. A1P4GM99HG1EO2 CISCO ROUTER FOR		1,650.00
1GC3-L1R7-9MGK	AMAZON CAPITAL SERVICE	ACCT NO. A1P4GM99HG1EO2 HERBICIDE		35.02
1VRV-6KXN-3H6T	AMAZON CAPITAL SERVICE	ACCT NO. A1P4GM99HG1EO2 INVITATION ENVEL		23.02
143567	ARROW ENERGY, INC.	AVGAS 100LL FOR AIRPORT	2024.151	25,534.94
269781949211-2023	AT&T	ACCT NO. 269 781-9492 594 7 MARSHALL HOU		329.64
269789901111-2023	AT&T	ACCT NO. 269 789-9011 599 1 MRLEC NOV 20		300.32
11/16/2023	AUSTIN LUTZ	UB refund for account: 3206		153.00
225-513210	AUTO VALUE MARSHALL	TRAILER CONNECT		4.29
225-513217	AUTO VALUE MARSHALL	SANDPAPER		53.18
225-513289	AUTO VALUE MARSHALL	OIL FILTER, AIR FILTER		66.61
22131027.00 - 2	BARR ENGINEERING CO.	GENERATION CAPACITY UPGRADE REVIEW/ HYDR	2024.061	4,585.50
11/16/2023	BOYD, ADAM	UB refund for account: 3108110006		7.18
14096	BUD'S TOWING & AUTOMOT	DART BUS INSPECTION & OIL CHANGE 10/17/2		317.76
84753	BUD'S TOWING & AUTOMOT	DART BUS TOW/HOOK FEE 11/6/23		100.00
11092023	CALHOUN COUNTY CLERK	FILING OF EASEMENT FOR 902/1102 W HANOVE		30.00
11142023	CHANEY-HUGGETT, THERES.	SHOE REIMBURSEMENT - SERVICE/MATERIAL IN		84.95
4171804037	CINTAS CORP	UNIFORM SERVICES - ELECTRIC & FIBER 10/2		55.11
4171804031	CINTAS CORP	UNIFORM SERVICES - POWER HOUSE 10/24/23		98.39
4171804030	CINTAS CORP	UNIFORM SERVICES - WASTE WATER 10/24/23		62.71
4171804077	CINTAS CORP	UNIFORM SERVICES - WATER 10/24/23		64.85
11/16/2023	CLIFTON, MARIAH	UB refund for account: 179101		28.72
1011	CODE CONCEPTS GROUP LL	CONSULTING SERVICES FOR BOBP MONTHLY RET	2024.142	5,000.00
11/16/2023	COLLINS, MADISON	UB refund for account: 601800028		5.20
11132023	COULSON, JENNIFER	ENERGY OPTIMIZATION - AIR CONDITIONER &		170.00
179000	D & D MAINTENANCE SUPP	ACCT NO. CIMA1 JANITORIAL SUPPLIES		55.35
178999	D & D MAINTENANCE SUPP	ACCT NO. CIMA1 JANITORIAL SUPPLIES		55.35
179027	D & D MAINTENANCE SUPP	JANITORIAL SERVICE AT MRLEC		440.00
179084	D & D MAINTENANCE SUPP	JANITORIAL SERVICE AT MRLEC		2,000.00
624046	DARLING ACE HARDWARE	ANGLED BROOM, CM TOOL BAGS		40.98
625600	DARLING ACE HARDWARE	CONDUIT COUPLINGS		3.96
82637178	DEFOREST BROTHERS CONC	CONCRETE SIDEWALK AT 540 N. LINDEN STREE		850.00
11102023	ERB, JASON	ARTICLE 32 SECTION 9: MEALS 11/8/23 - 11		10.00
1126516	ERIC DALE HEATING & AI	FURNACE/BOILER TUNE UP & REPAIR 9/20/23		81.36
1127376	ERIC DALE HEATING & AI	SERVICE CALL AT POWER HOUSE 10/23/23		256.00
0189229	FERGUSON WATERWORKS	#3 RIGID COUPLINGS		80.27
0189228	FERGUSON WATERWORKS	#3 FIRELOCK 90 ELL, FLANGE ADAPTER		463.53
0189711	FERGUSON WATERWORKS	#3 4 PNTD 10 GRVD 90 ELL		120.58
0564819-IN	FIBERS OF KALAMAZOO	SNOW/ICE MELTER 50LB BAG (QTY 49)		453.25
11102023	FREDS, MATT	ARTICLE 32 SECTION 9: MEALS 11/8/23 - 11		10.00
11102023	FULLER, MIKE	ARTICLE 32 SECTION 9: MEALS 11/8/23 - 11		10.00
23-10309	GARAGE DOORS UNLIMITED	SERVICE CALL AT MARSHALL HOUSE STORAGE B		125.00
26210076	GRANGER WASTE SERVICES	ACCT NO. 2782490 COMMERCIAL/WASTE NOV 20		1,036.50
26201784	GRANGER WASTE SERVICES	ACCT NO. 18400290 RESIDENTIAL NOV 2023		32,005.69
26210579	GRANGER WASTE SERVICES	ACCT NO. 2890780 875 E. MICHIGAN AVE NOV		183.50
26168315	GRANGER WASTE SERVICES	ACCT NO. 18422860 CITY BUILDINGS/RECYCLI		114.08
11092023	GROSS, JOHN	INSPECTION SERVICES 10/1/23 - 10/31/23		1,000.00
25504	GUTTERS R US, LLC	MRLEC LAWN MAINTENANCE & LANDSCAPING 10/		1,165.00
LMN3782	GUTTERS R US, LLC	MRLEC SNOW REMOVAL & SIDEWALK SALTING 20	2024.152	4,526.40
11102023	HENRY, JUSTIN	ARTICLE 32 SECTION 9: MEALS 11/8/23 - 11		10.00
18986	HOEKSTRA ROOFING COMP	AI SERVICE CALL FOR LEAK AT CITY HALL 10/6/		227.50
19022	HOEKSTRA ROOFING COMP	AI SERVICE CALL FOR LEAK AT MRLEC 10/6/23		285.00
19056	HOEKSTRA ROOFING COMP	AI SERVICE CALL FOR LEAK AT WATER PLANT 10/		773.75
1178	IMPACT LAWN & LANDSCAP	:2023 LAWN MOWING - OCTOBER 2023 ATHLETIC	2023.216	1,730.00
1185	IMPACT LAWN & LANDSCAP	:2023 LAWN MOWING - OCTOBER 2023 INDUSTRI	2023.216	375.00
1190A	IMPACT LAWN & LANDSCAP	:2023 LAWN MOWING - OCTOBER 2023 WASTE WA	2023.216	400.00
1191	IMPACT LAWN & LANDSCAP	:2023 LAWN MOWING - OCTOBER 2023 WATER PL	2023.216	440.00
1199A	IMPACT LAWN & LANDSCAP	:2023 LAWN MOWING - OCTOBER 2023 MARSHALL	2023.216	360.00
11/16/2023	JIM DYER	UB refund for account: 442		50.00
23-0046	MARSHALL AREA FIRE FIG	CPR & AED TRAINING 10/24/23		360.00
315130723036477	MENARDS COMMERCIAL	CREDIT ACCT # 587737 MICROWAVE		77.97
11172023-A	MORRIS STULBERG TRUST	2023 ANNUAL STORM SEWER EASEMENT PAYMENT		24.00
11172023-B	MORRIS STULBERG TRUST	2023 ANNUAL WATER MAIN EASEMENT PAYMENT		10.00
11172023-C	MORRIS STULBERG TRUST	2023 ANNUAL POWER LINE EASEMENT PAYMENT		5.00
6021942	MPH INDUSTRIES, INC.	PATROL CAR RADAR		1,892.00
86083417	MSC INDUSTRIAL SUPPLY	(TRAFFIC CONES		890.25
72434433	MSC INDUSTRIAL SUPPLY	(CREDIT MEMO - TRAFFIC CONES		(712.20)
11/16/2023	NORFOLK HOMES OF EMERA	UB refund for account: 3205570000		160.27
52827032	NORTHERN TOOL & EQUIPM	CREDIT ACCT # 114703 KLUTCH QUICK RELEAS		229.80
2718474	OFFICE THREE SIXTY INC	POST-IT SIGNATURE FLAGS		13.30
2726915	OFFICE THREE SIXTY INC	CLIP MAGNETS		16.63
11102023	PEHRSON, KORY	ARTICLE 32 SECTION 9: MEALS 11/8/23 - 11		10.00
56778449	POWER LINE SUPPLY	#8 SPLIT BOLT		117.00
56778722	POWER LINE SUPPLY	TESTING OF RUBBER GOODS		1,685.50
56778798	POWER LINE SUPPLY	SAFETY PINS		384.00
56779090	POWER LINE SUPPLY	TRANSFORMER CURRENT 200:5		2,133.00
56779110	POWER LINE SUPPLY	TRANSFORMER CURRENT 200:5		622.02
56779103	POWER LINE SUPPLY	EATON GRID ADVISOR SERIES 2 - CONDUCTOR	2023.244	244.00
56779670	POWER LINE SUPPLY	METERING EQUIPMENT FOR FAIRGROUNDS	2023.130	5,799.43
56779903	POWER LINE SUPPLY	ELECTRIC DEPARTMENT INVENTORY - ROADWAY	2023.157	3,789.60

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INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
00195295	PROGRESSIVE AE	SITE PLAN AND STORM SERVICES FOR BOBP TH	2023.280	12,073.04
1289	PULSE BUILDING SERVICE	MRLEC REPAIRS TO CABINET UNIT HEATER 2 &		805.00
11032023	QUADIENT FINANCE USA,	ACCT NO. 7900 0440 5582 9307 POSTAGE OCT		3,000.00
11062023	QUALITY EXCAVATORS INC	PROSPECT STREET WATERMAIN AND STREET IMP	2022.275	84,766.91
11132023	QUALITY EXCAVATORS INC	PROSPECT STREET WATERMAIN AND STREET IMP	2022.275	40,396.00
171667	RIVERSIDE INTEGRATED S	SERVICED SMOKE DETECTOR SYSTEM AT PSB 10		589.48
2905	RJT CONSTRUCTION	RELOCATE WATER SERVICE AT 609 W. MICHIGA	2024.123	5,910.00
11/16/2023	SARK, COURTNEY	UB refund for account: 3202460025		76.22
11102023	SCHIPPER, CLINT	ARTICLE 32 SECTION 9: MEALS 11/8/23 - 11		10.00
1651885030	STAPLES BUSINESS CREDI	CREDIT ACCT NO. 302063 OFFICE SUPPLIES		2,174.11
BLR484616	STATE OF MICHIGAN	BOILER INSPECTION & CERT FEE - MARSHALL		450.00
11/16/2023	STEELE, HARRY	UB refund for account: 2900730039		55.97
11102023	SUNDBERG, KIP	ARTICLE 32 SECTION 9: MEALS 11/8/23 - 11		10.00
912668	TELE-RAD, INC.	INSTALL RADIO IN F-250		380.74
BC-PSINV022160	THERMALNETICS, INC	MRLEC HVAC BEARING & BELT REPLACEMENT	2024.026	3,841.00
189-A	TOP TO BOTTOM TREE SER	ELECTRIC LINE CLEARANCE 11/6/23 - 11/12/ 2024.007		4,620.00
189-B	TOP TO BOTTOM TREE SER	WORK PERFORMED FOR STREET DEPT 11/7/23		396.00
9948282996	VERIZON WIRELESS	ACCT NO. 987146080-00001 NOVEMBER 2023		2,105.66
220967	VISION METERING, LLC	2S REMANUFACTURED ELECTRIC METERS	2024.146	5,300.00
11022023	WOW! INTERNET	ACCT NO. 010040764 MARSHALL HOUSE NOV 20		1,432.03
GRAND TOTAL:				274,642.17

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INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
11/22/2023	ANDREWS, JACOB & LACY	UB refund for account: 701340019		32.10
6216	AUGUST ENVIRONMENTAL S	CONTRACT LAB ANALYSIS		1,451.00
11222023-B	BENEKER, FLOYD D & JUD	REFUND PARCEL #13-53-003-949-00		4,920.23
11142023	BERON'S TREE SERVICE	TOP LARGE TREE AT 401 N LIBERTY STREET	2024.147	3,200.00
1371400	CLARK HILL PLC	CLIENT NO. K9950 SERVICES THROUGH 10/31/		14,249.50
201186249771	CONSUMERS ENERGY	ACCT NO. 1000 9033 6411 AIRPORT NOV 2023		88.08
201453153887	CONSUMERS ENERGY	ACCT NO. 1000 0916 3435 CITY HALL NOV 20		318.81
201453153889	CONSUMERS ENERGY	ACCT NO. 1000 0916 3971 DPW NOV 2023		367.10
205902646457	CONSUMERS ENERGY	ACCT NO. 1000 0759 4680 DPW NOV 2023		194.03
207147331451	CONSUMERS ENERGY	ACCT NO. 1030 1580 0248 FIRE STATION NOV		300.80
202343072600	CONSUMERS ENERGY	ACCT NO. 1000 8921 1096 KP FIREPLACE NOV		604.98
207058781653	CONSUMERS ENERGY	ACCT NO. 1000 0033 5602 MARSHALL HOUSE N		2,891.95
202876997393	CONSUMERS ENERGY	ACCT NO. 1030 1852 1130 MRLEC NOV 2023		1,456.62
205724666966	CONSUMERS ENERGY	ACCT NO. 1030 1852 0884 MRLEC BARN NOV 2		629.22
203143980209	CONSUMERS ENERGY	ACCT NO. 1000 0916 3203 WASTE WATER NOV		94.26
201453153888	CONSUMERS ENERGY	ACCT NO. 1000 0916 3708 WASTE WATER NOV		66.75
202877005865	CONSUMERS ENERGY	ACCT NO. 1030 1352 1119 WASTE WATER LIFT		20.31
203232999699	CONSUMERS ENERGY	ACCT NO. 1000 7224 3312 WATER NOV 2023		341.11
11222023-F	CORELOGIC CENTRALIZED	REFUND PARCEL #13-53-009-246-00		2,929.87
INV-2020033862	CRITERION INC.	TALENT LITE & PROFESSIONAL SERVICES 8/1/2024.161		5,662.50
179139	D & D MAINTENANCE SUPP	JANITORIAL SERVICE AT MRLEC		220.00
11222023-D	ESTATE INVESTMENTS OF	REFUND PARCEL #13-53-001-057-00		1,831.31
S105096904.001	ETNA SUPPLY	CUST NO. 5277 CREDIT MEMO RETURNED GATE		(1,950.00)
S105091357.001	ETNA SUPPLY	CUST NO. 5277 GATE VALVE 5/12/23		1,950.00
S105333494.005	ETNA SUPPLY	CUST NO. 5277 CURB BOX		300.00
S105372464.001	ETNA SUPPLY	CUST NO. 5277 DOUBLE SERVICE SADDLE		180.00
S105372396.001	ETNA SUPPLY	IPERL METERS - WATER METER INVENTORY	2024.145	3,240.00
2500772310	FIRST ADVANTAGE OCCUPA	ACCT NO. 866466 CLINIC COLLECTION		164.71
121206691	GLOBAL INDUSTRIAL	AIR COMPRESSOR HOSE		215.65
08/17/2023	GOFF, JONATHON	UB refund for account: 1902780005		45.34
9889359916	GRAINGER	FLOOR MAT		169.28
9892110124	GRAINGER	PAPER TOWEL		89.95
2419519	GRIFFIN PEST SOLUTIONS	PEST SERVICE AT CITY HALL 10/31/23		35.00
0003-LEGGITT	HUNTER-PRELL COMPANY	LEGGITT ROAD RECONSTRUCTION PAY EST. #3	2023.225	34,178.87
D411855-IN	ILLUSTRATUS, DIVISION	ACCT NO. 01-BT508 MARSHALL HOUSE SUBSCRI		46.93
08/17/2023	KIMBERLY FARRIS	UB refund for account: 3564		26.48
09/21/2023	KRAMER, RAY	UB refund for account: 3200760028		51.39
11222023-A	LANDMARK PROPERTIES OF	REFUND PARCEL #13-53-004-919-00		2,079.26
11222023-E	LERETA, LLC	REFUND PARCEL #13-53-024-050-00		5,376.54
11/22/2023	MARSHALL COMM CREDIT	UB refund for account: 701100002		16,877.85
11222023-C	NEWSOME, AARON M	REFUND PARCEL #13-53-001-143-00		282.10
495180	NORTH CENTRAL LABORATO	LAB SUPPLIES		64.38
495269	NORTH CENTRAL LABORATO	LAB SUPPLIES	2024.005	715.28
495449	NORTH CENTRAL LABORATO	LAB SUPPLIES	2024.005	74.40
68818	OHM ADVISORS	TRAFFIC STUDY AT S. KALAMAZOO AND HUGHES	2023.228	8,379.00
11/22/2023	PETERSON, DANIEL OR SA	UB refund for account: 3101990001		65.22
10262023	POWERPLAN	AIS CONSTRUCTION EQUIPMENT PURCHASES & M	2024.157	9,745.33
00195537	PROGRESSIVE AE	SITE PLAN AND STORM SERVICES FOR BOBP TH	2023.280	3,924.80
00195494	PROGRESSIVE AE	GREEN STREET CONSTRUCTION ENGINEERING TH	2024.017	5,769.47
2024.079-PAY APP #	QUALITY EXCAVATORS INC	S. KALAMAZOO RESURFACING PROJECT - PAY A	2024.079	9,327.93
70902967	ROSE PEST SOLUTIONS	CLIENT NO. 70019775 MARSHALL HOUSE SERVI		1,600.00
70898333	ROSE PEST SOLUTIONS	CLIENT NO. 70019775 MARSHALL HOUSE SERVI		1,465.00
161713	SPARTAN BARRICADING &	BARRICADING FOR SERVICE REPAIR 623 TO 60		1,545.00
BLR484594	STATE OF MICHIGAN	BOILER INSPECTION & CERT FEE - MRLEC		305.00
32960	TELNET WORLDWIDE	ACCT NO. 8948 NOVEMBER 2023		1,010.35
2082	THE WOODHILL GROUP, LL	FINANCE & ACCOUNTING SERVICES FY2024	2023.056	131.25
190-A	TOP TO BOTTOM TREE SER	ELECTRIC LINE CLEARANCE 11/13/23 - 11/19	2024.007	3,168.00
190-B	TOP TO BOTTOM TREE SER	WORK COMPLETED AT EATON PARK (HANOVER ST		1,056.00
X106011776:01	TRI-COUNTY INTERNATIONAL	FUEL FILTER KIT, AIR FILTER		164.78
INV00180683	USABUEBOOK	LAB SUPPLIES		577.38
INV00185155	USABUEBOOK	LAB SUPPLIES		1,181.04
127653	VC3 INC	ACCT NO. MAR11 OFFICE 365		598.88
11172023	WAGNER, NATHAN	BOOT ALLOWANCE - WAGNER, NATHAN		89.04
GRAND TOTAL:				156,187.41

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INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
1XWD-X9KH-NCG7	AMAZON CAPITAL SERVICE	ACCT NO. A1P4GM99HG1EO2 NAME PLATE HOLDE		50.67
1GQL-VMKF-MJ46	AMAZON CAPITAL SERVICE	ACCT NO. A1P4GM99HG1EO2 TRASH LINERS, DO		95.92
11TF-RNRH-6PCK	AMAZON CAPITAL SERVICE	ACCT NO. A1P4GM99HG1EO2 POPCORN KERNELS		49.95
14G4-7W7K-16G7	AMAZON CAPITAL SERVICE	ACCT NO. A1P4GM99HG1EO2 OFFICE CHAIRS		270.28
1431-C1T3-FLWP	AMAZON CAPITAL SERVICE	ACCT NO. A1P4GM99HG1EO2 TRASH CAN, FLY T		83.82
225-514006	AUTO VALUE MARSHALL	WASHER FLUID		4.49
225-513796	AUTO VALUE MARSHALL	MUFFLER/TAILOPIPE BANDAGE & WRAP		15.87
225-513798	AUTO VALUE MARSHALL	LOCKING PADDLE LATCHES		97.16
225-513800	AUTO VALUE MARSHALL	HD BACKUP W/ SHIPPING		1,052.94
225-513825	AUTO VALUE MARSHALL	VEHICLE BATTERY, CORE RETURN, TERMINAL H		149.85
225-513832	AUTO VALUE MARSHALL	AIR FILTER		27.58
225-513847	AUTO VALUE MARSHALL	CYLINDER KEYS		37.71
225-513848	AUTO VALUE MARSHALL	CREDIT MEMO LOCKING PADDLE LATCHES		(97.16)
225-513862	AUTO VALUE MARSHALL	CREDIT MEMO CYLINDER KEYS		(16.76)
225-513881	AUTO VALUE MARSHALL	HYD COUPLERS		15.98
225-513895	AUTO VALUE MARSHALL	1K HS CLEAR, HEADLIGHT, ULTINON LED		103.17
225-513896	AUTO VALUE MARSHALL	ULTINON LED FOG		54.89
225-513969	AUTO VALUE MARSHALL	TARP STRAP, 100PC FUSE, CAR FUSE		57.37
225-514027	AUTO VALUE MARSHALL	CHANNEL LOCK		21.18
225-514028	AUTO VALUE MARSHALL	LIGHT STROBES		321.54
225-514067	AUTO VALUE MARSHALL	VEHICLE BATTERY, MC BATT 180 CCA		324.00
225-514078	AUTO VALUE MARSHALL	REMANUFACTURED ALTERNATOR		205.02
225-514149	AUTO VALUE MARSHALL	OIL FILTER		8.37
225-514237	AUTO VALUE MARSHALL	HEAVY DUTY		306.09
225-514261	AUTO VALUE MARSHALL	16 14 GAUGE		7.75
4173984942	CINTAS CORP	UNIFORM SERVICES - ELECTRIC & FIBER 11/1		55.11
4173984897	CINTAS CORP	UNIFORM SERVICES - POWER HOUSE 11/14/23		98.39
4173984906	CINTAS CORP	UNIFORM SERVICES - WASTE WATER 11/14/23		65.63
4173984944	CINTAS CORP	UNIFORM SERVICES - WATER 11/14/23		64.85
4174586203	CINTAS CORP	UNIFORM SERVICES - ELECTRIC & FIBER 11/2		55.11
4174586227	CINTAS CORP	UNIFORM SERVICES - POWER HOUSE 11/20/23		98.39
4174586215	CINTAS CORP	UNIFORM SERVICES - WASTE WATER 11/20/23		65.63
4174586207	CINTAS CORP	UNIFORM SERVICES - WATER 11/20/23		64.85
2023 - 320	COURTNEY & ASSOCIATES	ELECTRIC COST OF SERVICE AND RATE DESIGN 2023.026		6,000.00
627036	DARLING ACE HARDWARE	BATTERIES		9.99
627050	DARLING ACE HARDWARE	BRUSH WHEEL, AUTO SPRAY PAINT		53.95
627200	DARLING ACE HARDWARE	BATTERIES		8.99
627294	DARLING ACE HARDWARE	METAL CUT-OFF WHEEL, FLAP DISC		15.16
627312	DARLING ACE HARDWARE	DRAWER LINER, CORNER BRACES		79.96
627365	DARLING ACE HARDWARE	3-DRAWER TOOLBOX, WALL MOUNT, SCREWDRIV		723.94
627091	DARLING ACE HARDWARE	TRIGGER SNAP, BOLT EYE W/ NUTS		18.54
2480	DEWOLF & ASSOCIATES	FTO TRAINING - HUG, ERIN		275.00
46053	DUNCAN & ALLEN LLP	CLIENT NO. 003154 SERVICES THROUGH 10/31		828.00
S105399369.001	ETNA SUPPLY	CUST NO. 5277 18X18 FLEX COUPLINGS		313.48
14083	FAIRBANKS MORSE, LLC	FIELD SERVICE TECHNICIANS FOR GENERATOR 2024.131		17,747.05
2427468	GRIFFIN PEST SOLUTIONS	PEST SERVICE AT PSB 11/20/23		51.00
357	HERMAN ELECTRIC	REPLACED CLOCK CONTROL PANEL AT CITY HAL		1,075.00
358	HERMAN ELECTRIC	LABOR TO REPLACE HAND DRYER		75.25
365	HERMAN ELECTRIC	CONVERT LIGHTS TO LED AT PSB		785.88
0004-PROSPECT	HUNTER-PRELL COMPANY	PROSPECT STREET RECONSTRUCTION PAY EST. 2023.225		65,700.38
178085	IMPACT SOLUTIONS	PROCESSING/SHIPPING FEE FOR ENVELOPES		24.00
018921	LEWEY'S SHOE REPAIR	BOOT ALLOWANCE - WISE, JOSH		259.00
2023.01DD	MARSHALL PUBLIC SCHOOL	2024 DADDY DAUGHTER DATE NIGHT FACILITY		427.50
11202023	MCGINTY, HITCH, PERSON	CLIENT NO. 4030.001 SERVICES THROUGH 10/		15,862.00
15221	MDK GROUP	MRLEC SHRED SERVICES THROUGH 11/13/23		155.00
M500-152	MEDALLION MANAGEMENT,	MARSHALL HOUSE CONSULTING FEES NOV 2023 2023.188		4,800.00
M500-153	MEDALLION MANAGEMENT,	MARSHALL HOUSE PAYROLL/INSURANCE/HOTMA T 2023.188		10,651.21
2020-09152	MICHIGAN RURAL WATER A	REGISTRATION FOR PERMIT REQUIRED CONFIN		215.00
868754	NYE UNIFORM COMPANY	MARSHALL PD - POTTER SHIRTS		134.75
4788-376288	O'REILLY FIRST CALL	ACCT NO. 1741510 1QT MOTOR OIL		5.99
2739627	OFFICE THREE SIXTY INC	CALENDARS, PENCILS		16.33
56783000	POWER LINE SUPPLY	VALLEY VIEW		193.08
56783001	POWER LINE SUPPLY	LAMP FUSELINK		216.77
56783199	POWER LINE SUPPLY	4/0 UNDERGROUND CABLE	2024.158	4,067.10
56783630	POWER LINE SUPPLY	WINTER GLOVES		486.00
56784013	POWER LINE SUPPLY	METER SEALS		500.00
30309	PRO SERVICES, INC.	WORK ORDER 32371 COMMERCIAL PLUMBING 11/		167.50
30399	PRO SERVICES, INC.	WORK ORDER 32372 HYDRONIC BOILER 10/30/2		836.46
30404	PRO SERVICES, INC.	WORK ORDER 32239 COMMERCIAL PLUMBING 10/		763.11
30412	PRO SERVICES, INC.	WORK ORDER 32549 HYDRONIC BOILER 11/15/2		456.46
30418	PRO SERVICES, INC.	WORK ORDER 32281 BOILER LEAK REPAIRS 10/2024.153		4,886.69
23-1444	QUALITY EXCAVATORS INC	1/2 YARD OF STONE		20.00
2024.098-CHANGEORDI	QUALITY EXCAVATORS INC	2023 STREET IMPROVEMENTS - ROAD MILLAGE 2024.098		77,541.61
11132023	THE TOWER CLOCK COMPAN	SERVICED CITY HALL TOWER CLOCK		600.00
INV0665VC3	VC3 INC	ACCT NO. 44996 INTERNAL HARD DRIVE		248.00
55877	VILLA ENVIRONMENTAL CO	AIRPORT QUARTERLY OPERATOR INSPECTION 11		200.00
GRAND TOTAL:				221,310.77

ITEM: 7.C

ADMINISTRATIVE REPORT



TO: Honorable Mayor and City Council
FROM: Derek N. Perry, City Manager
Michelle Eubank, City Clerk
DATE: December 4, 2023
SUBJECT: 2024 CITY COUNCIL MEETING DATES

The Michigan Open Meetings Act (PA 267 of 1976) requires public notice of the regularly scheduled meetings of a public body and must include the date, time and place of the meeting.

Additionally, the Marshall City Charter requires that the Marshall City Council shall meet at least once every month at such time and place as the City Council may prescribe.

For your consideration is the regular meeting schedule for 2024. It is based upon the Marshall City Council Rules of Procedure requiring meeting on the first and third Monday of each month in regular session. If any regularly scheduled meeting falls on a legal holiday, the regular meeting shall be held on the next business day, which is not a holiday, and we have adjusted the meeting dates to comply.

BUDGET IMPACT:

The setting of the 2024 City Council regular meeting calendar has no budget impact.

RECOMMENDATION:

Approve the 2024 City Council Regular meeting schedule and direct the City Clerk to publish the attached public notice.

CITY OF MARSHALL
PUBLIC NOTICE

THE MARSHALL CITY COUNCIL MAY HOLD WORK SESSIONS PRIOR TO COUNCIL MEETINGS AT 6:00 P.M., at TOWN HALL IN THE TRAINING ROOM, 323 WEST MICHIGAN AVENUE, MARSHALL, MI 49068.

THE MARSHALL CITY COUNCIL WILL HOLD ITS REGULAR MEETINGS IN THE YEAR 2024 AT 7:00 P.M., AT TOWN HALL IN THE COUNCIL CHAMBERS, 323 WEST MICHIGAN AVENUE, MARSHALL, MI 49068, ON THE FOLLOWING DATES:

Tuesday, January 2nd

Monday, February 5th

Monday, March 4th

Monday, April 1st

Monday, May 6th

Monday, June 3rd

Monday, July 1st

Monday, August 5th

Tuesday, September 3rd

Monday, October 7th

Monday, November 4th

Monday, December 2nd

Tuesday, January 16th

Tuesday, February 20th

Monday, March 18th

Monday, April 15th

Monday, May 20th

Monday, June 17th

Monday, July 15th

Monday, August 19th

Monday, September 16th

Monday, October 21st

Monday, November 18th

Monday, December 16th

Michelle Eubank, Clerk
12/3/2023

ITEM: 7.D

ADMINISTRATIVE REPORT



TO: Honorable Mayor and City Council
FROM: Derek N. Perry, City Manager
Michelle Eubank, City Clerk
DATE: December 4, 2023
SUBJECT: **2024 BOARD AND COMMISSION VACANCIES**

The Marshall City Charter, Section 2.13 (d) requires that in December of each year, a listing of all boards or commission positions which are scheduled to expire the following year be published. The notice shall state the term of office and how applicants may apply for such vacancies.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDATION:

Approve the 2024 Board and Commissions position vacancy notice and direct the City Clerk to publish it in a newspaper of general circulation within the City prior to the end of December 2023.

**CITY OF MARSHALL
PUBLIC NOTICE
2024 Boards and Commissions Positions**

Section 2.13: Appointment of Boards and Commissions, of the City Charter, requires publication, in December, a listing of all Board and Commission positions which are scheduled to expire the following year and the term of office.

The following is a listing of Boards and Commissions positions whose terms are scheduled to expire in 2024. Interested parties wishing to volunteer their services may apply by filling out an application and submitting a resume to the Mayor, Marshall City Hall, 323 West Michigan Avenue, Marshall, MI 49068. Some expired seats may be filled by the incumbent member.

<u>Board or Commission</u>	<u>Term of Office</u>
AIRPORT One position	10/1/2024 to 9/30/2027
BOARD OF REVIEW Three positions	1/1/2024 to 12/31/2027
BROOKS NATURE AREA Three positions	8/15/2024 to 8/14/2027
DISTRICT LIBRARY One position	3/31/2024 to 3/30/2027
DOWNTOWN DEVELOPMENT AUTHORITY/ LOCAL DEVELOPMENT FINANCE AUTHORITY Two positions	9/15/2024 to 9/14/2027
DART LOCAL ADVISORY COMMITTEE One position	2/1/2023 to 1/31/2026
MARSHALL FARMERS MARKET ADVISORY Three positions	10/20/2024 to 10/19/2027
NORTHEAST NEIGHBORHOOD IMPROVEMENT AUTHORITY Two positions	12/31/2024 to 12/30/2027
PARKS AND RECREATION Two positions	7/01/2024 to 6/30/2027
PLANNING COMMISSION Four positions	11/01/2024 to 10/31/2027
SOUTH NEIGHBORHOOD IMPROVEMENT AUTHORITY Two positions	12/31/2024 to 12/30/2027
ZONING BOARD OF APPEALS Three positions	3/10/2024 to 3/09/2027

Michelle Eubank, Clerk
12/5/2023



ITEM 7.E

TO: City Council
FROM: Derek N. Perry, City Manager
Joshua Lanker, Chief of Police
DATE: December 4, 2023
SUBJECT: **SPECIAL EVENT APPLICATION - ICE, WINE, BEER AND BLUES**

The City received an application from The Franke Center for the annual Ice, Wine, Beer and Blues event to be held on February 2nd and February 3rd, 2024. The event runs from 5:00 – 10:00 pm on Friday and all day Saturday. The event will include live ice sculpting, shopping specials, along with beer and wine tastings at local businesses on Friday, as well as a concert on Saturday evening at The Franke.

The Franke is requesting electric service, as well as a suspension of the Social District for the Friday evening portion of the event. There is no road or parking lot closure associated with the event. The City has received a copy of insurance from The Franke naming the City as additionally insured.

The DDA approved this event request and social district closure at their November 16, 2023, meeting.

BUDGET IMPACT:

The only city service being requested is electric service. The Franke is a non-profit and the expenses are not expected to exceed the \$500 waiver amount.

RECOMMENDATION:

Approve the Franke Center Ice, Wine, Beer and Blues Special Event Application and suspend the Social District for Friday, February 2, 2024, from 4 PM-10 PM.

ITEM: 8.A

ADMINISTRATIVE REPORT



TO: Honorable Mayor and City Council
FROM: Derek N. Perry, City Manager
William Dopp, Finance Director/ City Treasurer
DATE: December 4, 2023
SUBJECT: 2023 ANNUAL FINANCIAL AUDIT

As required by the Marshall City Charter, Section 9.10, an independent auditor shall be made of all accounts of the city government at least annually. The audit shall be made by accountants experienced in municipal accounting and qualified pursuant to state law.

On Monday night, Mr. Aaron Stevens of Maner Costerisan will provide an overview of the FY 2023 Annual Financial Audit.

BUDGET IMPACT:

The cost of the annual audit is approximately \$35,000. This cost is spread out over multiple funds, and is included in the annual budget.

RECOMMENDATION:

Approve the receipt of the FY2023 Annual Financial Audit and place it on file in the office of the City Clerk.



2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
☎ 517.323.7500
🖨 517.323.6346

November 24, 2023

To the Honorable Mayor and
Members of the City Council
City of Marshall, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Marshall, Michigan (the City) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 2, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 16 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-based Information Technology Arrangements*, during the year ended June 30, 2023. There was no material impact resulting from the accounting changes to the financial statements or note disclosures. We noted no transactions entered into by the City of Marshall during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's calculation of the fair value of investments, which is defined as the amount that the City could reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller, is generally measured on a recurring basis using net asset value per share of the investment companies as a practical expedient.

Management's calculation of the depreciation expense is based on the estimated useful lives of the capital assets.

Management's calculation of the current and noncurrent portions of compensated absences liability is based on an estimate of the percentage of employees' usage of compensated absences.

The calculation of the net pension liability and related deferred outflows and inflows of resources is based on an actuarial study which utilized certain actuarial assumptions.

The calculation of the net other post-employment benefits liability and related deferred outflows and inflows of resources is based upon an actuarial study which utilized certain actuarial assumptions.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 24, 2023.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

Restriction on Use

This information is intended solely for the use of the Honorable Mayor, members of the City Council, and management of the City of Marshall and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Manes Costeiran PC

**CITY OF MARSHALL
CALHOUN COUNTY, MICHIGAN**

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

YEAR ENDED JUNE 30, 2023



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2425 E. Grand River Ave.,
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
City of Marshall, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Marshall, Michigan (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City'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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, 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 the City 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.

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 the City'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 the City'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 the City'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, budgetary comparison information, and historical pension and other post-employment benefits 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 the City's basic financial statements. The combining and individual nonmajor fund financial statements and transit schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and transit schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Nonurban Regular Service Nonfinancial Report, as identified in the table of contents, 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 24, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the City'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 the City's internal control over financial reporting and compliance.

Maney Costerian PC

November 24, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Marshall, Michigan (the "City" or "government"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the basic financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$41.1 million (*net position*).
- The City had total revenue of \$39.59 million and total expenses of \$34.9 million resulting in an increase in total net position by \$4.7 million.
- As of the close of the 2023 fiscal year, the City's *governmental funds* reported combined ending fund balances of \$8.5 million, a decrease of \$1.1 million in comparison of the prior year. Approximately 28% of the combined fund balances, or \$2.38 million was available for spending at the government's discretion (*"unassigned fund balance"*).
- The General Fund balance was \$3.62 million, or 45% of the total General Fund budgetary revenues and other financing sources. Of the total \$3.62 million fund balance, \$1.06 million was nonspendable, leaving \$2.56 million, or 70.73% of budgetary revenues and other financing sources. The unassigned fund balance for the General Fund was \$2.38 million, or 29.36% of total General Fund revenues and other financing sources.

Overview and Analysis of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Marshall's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these items reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation and sick leave).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community development, and recreation and culture. The business-type activities of the City include electric, wastewater, water, public transit, public housing, fiber to the premise, and solid waste disposal.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also legally separate entities for which the City is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself. The Building Authority, although also legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the City's General Fund, which is considered to be a major fund of the City. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements have been provided herein to demonstrate compliance with those budgets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary Funds

The City maintains two different types of proprietary funds, *enterprise funds* and *internal service funds*. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the electric, wastewater, water, Dial-A-Ride, public housing (Marshall House), solid waste disposal, and fiber to the premise funds. *Internal service funds* are an accounting device used to accumulate and allocate cost internally among the City's various functions. The City uses an internal service funds to account for its motor pool, employee safety services, and data processing/computer technology. These services predominantly benefit governmental rather than business-type functions, therefore, they have been allocated to *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, wastewater, water, and FiberNet, which are considered to be major funds of the City. The nonmajor enterprise funds and internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements include the *statement of cash flows*. The *statement of cash flows* allows financial statement users to assess the proprietary funds' adequacy or ability to generate sufficient cash flows to meet its obligations in a timely manner. The statement is classified into four categories: 1) cash flows from operating activities, 2) cash flows from non-capital financing activities, 3) cash flows from capital and related financing activities, and 4) cash flows from investing activities.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to schedules concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor enterprise funds, as well as Dial-A-Ride transit schedules, are presented immediately following the required supplementary information.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Marshall, assets exceeded liabilities by \$41,080,093 at the close of the most recent fiscal year. The following chart illustrates the composition of net position:

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
ASSETS						
Current and other assets	\$ 13,715,415	\$ 10,595,255	\$ 10,921,881	\$ 17,086,931	\$ 24,637,296	\$ 27,682,186
Capital assets, net	31,472,130	31,875,372	30,209,229	30,236,739	61,681,359	62,112,111
TOTAL ASSETS	45,187,545	42,470,627	41,131,110	47,323,670	86,318,655	89,794,297
DEFERRED OUTFLOWS OF RESOURCES	956,431	2,123,463	735,768	1,392,120	1,692,199	3,515,583
LIABILITIES						
Current liabilities	4,118,237	2,141,962	3,222,636	3,186,043	7,340,873	5,328,005
Noncurrent liabilities	20,432,785	22,762,661	21,719,825	24,024,600	42,152,610	46,787,261
TOTAL LIABILITIES	24,551,022	24,904,623	24,942,461	27,210,643	49,493,483	52,115,266
DEFERRED INFLOWS OF RESOURCES	1,364,241	114,521	759,112	-	2,123,353	114,521
NET POSITION						
Investment in capital assets	24,666,799	24,444,135	17,016,153	15,645,937	41,682,952	40,090,072
Restricted	5,261,845	4,683,257	966,024	972,012	6,227,869	5,655,269
Unrestricted	(9,699,931)	(9,552,446)	(1,816,872)	4,887,198	(11,516,803)	(4,665,248)
TOTAL NET POSITION	\$ 20,228,713	\$ 19,574,946	\$ 16,165,305	\$ 21,505,147	\$ 36,394,018	\$ 41,080,093

A significant portion of the City's net position, \$40,090,072, reflects its investment in capital assets (e.g., land, land improvements, buildings, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$5,655,269, represents resources that are subject to external restrictions on how they may be used. Restricted net position includes amounts set aside for endowments, debt service, debt-financed projects, and externally mandated commitments. The remaining balance of *unrestricted net position*, the amount that may be used to meet the government's ongoing obligations to citizens and creditors, is (\$4,65,248), representing the amount of resources that the City could utilize to promptly satisfy all accrued future liabilities.

Generally accepted accounting principles (GAAP) require that the City show our liability for pension benefits promised in the future as a liability on our entity-wide financial statements. An actuarial valuation as of December 31, 2022, provided a total pension liability of \$41,520,372. The City had plan fiduciary net position of \$22,520,846 as of plan year-end, with a net pension liability of \$18,999,526. The net pension liability was allocated to the Governmental Activities and Business-type Activities.

GAAP also require that the City show our liability for retiree health care and death benefits or other post-employment benefits (OPEB) promised in the future as a liability on our entity-wide financial statements. An actuarial valuation as of June 30, 2023 provided a total OPEB liability of \$6,501,336. The City's plan fiduciary net position was \$2,145,799. The resulting net OPEB liability of \$4,355,537 was allocated to the Governmental Activities and Business-type Activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The government's total net position increased by \$4.7 million or 12.92%. This net increase was a combination of a \$0.65 million decrease in governmental activities net position and a \$5.35 million increase in business-type activities net position.

City of Marshall's Changes in Net Position For the Year Ended June 30, 2022 and June 30, 2023

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
REVENUES						
Program revenue						
Charges for services	\$ 1,225,624	\$ 1,802,749	\$ 22,807,243	\$ 25,328,307	\$ 24,032,867	\$ 27,131,056
Operating grants and contributions	2,836,801	3,722,130	1,008,054	947,312	3,844,855	4,669,442
Capital grants and contributions	84,943	118,439	-	-	84,943	118,439
General revenue						
Property taxes	4,698,214	4,926,077	220,778	209,600	4,918,992	5,135,677
State shared revenues - unrestricted	866,453	879,307	-	-	866,453	879,307
Investment earnings	(35,284)	313,641	40,381	244,074	5,097	557,715
Gain on disposal of capital assets	33,302	28,674	-	-	33,302	28,674
Other	241,407	800,753	214,645	273,332	456,052	1,074,085
TOTAL REVENUES	9,951,460	12,591,770	24,291,101	27,002,625	34,242,561	39,594,395
EXPENSES						
General government	2,169,641	2,906,019	-	-	2,169,641	2,906,019
Public safety	3,925,073	5,126,545	-	-	3,925,073	5,126,545
Public works	2,452,705	2,717,863	-	-	2,452,705	2,717,863
Community development	916,807	1,810,453	-	-	916,807	1,810,453
Recreation and culture	436,263	453,824	-	-	436,263	453,824
Interest on long-term debt	267,485	237,262	-	-	267,485	237,262
Electric	-	-	13,214,253	15,163,352	13,214,253	15,163,352
Wastewater	-	-	1,574,065	1,842,746	1,574,065	1,842,746
Water	-	-	1,463,989	2,034,864	1,463,989	2,034,864
DART	-	-	427,132	424,464	427,132	424,464
Marshall house	-	-	836,777	805,670	836,777	805,670
Solid waste	-	-	346,154	420,951	346,154	420,951
FiberNet	-	-	1,013,484	964,307	1,013,484	964,307
TOTAL EXPENSES	10,167,974	13,251,966	18,875,854	21,656,354	29,043,828	34,908,320
Change in net position before transfers	(216,514)	(660,196)	5,415,247	5,346,271	5,198,733	4,686,075
Transfers (out) in	1,330,854	6,429	(1,330,854)	(6,429)	-	-
Change in net position	1,114,340	(653,767)	4,084,393	5,339,842	5,198,733	4,686,075
Net position - beginning of year	19,114,373	20,228,713	12,080,912	16,165,305	31,195,285	36,394,018
Net position - end of year	<u>\$ 20,228,713</u>	<u>\$ 19,574,946</u>	<u>\$ 16,165,305</u>	<u>\$ 21,505,147</u>	<u>\$ 36,394,018</u>	<u>\$ 41,080,093</u>

Governmental Activities

Governmental activities decreased the City's net position \$0.65 million in 2023 as compared to a net increase of \$1.11 million in 2022. Governmental revenues increased by \$2.64 million or 26.53% due primarily to operating grants and contributions. There was an increase of total governmental expenses as compared to 2022 of 29.49%, due primarily to public safety and community development projects.

Business-type Activities

Business-type activities increased the City's net position by \$5.34 million as compared to a prior year increase of \$4.08m. The net increase is primarily related to increase in charges for services due to rate increases.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available at the end of the fiscal year.

As of the close of the current fiscal year, the City's *governmental funds* reported combined ending fund balances of \$8,497,326, a decrease of \$1,104,741 in comparison of the prior year. This is primarily due to increases in expenditures for public safety and community development. Approximately 28% of the combined fund balances, or \$2,376,495 was available for spending at the government's discretion ("*unassigned fund balance*").

The remainder of fund balance is *nonspendable, restricted, committed, or assigned* to indicate that it is not available for new spending because it has already been committed 1) for encumbrances, inventories, and prepaid expenditures, 2) for advances to other funds and component units, 3) to generate income to pay for the municipal cemetery and future recreation programs, and 4) designated for use for next year's expenditures.

General Fund

The General Fund fund balance was \$3,619,919, or 45% of the total General Fund revenues. Of the total, \$3.62 million fund balance, \$1.24 million was nonspendable or committed, leaving \$2.38 million of unassigned fund balance, or 29.3% of revenues.

During the year the City amended the General Fund's budgeted revenues and other financing sources to reflect an increase of \$179,961, primarily related to intergovernmental revenues and charges for services. Actual revenues and other financing sources were \$187,850 more than the amended budget. The City also amended the General Fund's budgeted expenditures and other financing uses to reflect an increase of \$969,905, primarily related to general government, public works, and transfers out. The savings in General Fund operating expenditures of \$277k was due primarily to tightened budgetary control. Expenditures exceeded revenue by \$10,784 largely due to an increase in projects being done in the CY. The General Fund fund balance decreased by a total of \$435k, which is \$478k lower than the amended budget.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government wide financial statements, but in more detail.

Electric Fund

The electric fund had an unrestricted net position of \$2,438,843 with a total net position of \$9,006,856. The fund had an increase in net position of \$3,672,182.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Wastewater Fund

The wastewater fund had an unrestricted net position of \$1,656,348 with a total net position of \$3,863,466. The fund had an increase in net position of \$342,862.

Water Fund

The water fund had an unrestricted net position of \$1,940,270 with a total net position of \$5,602,205. The fund had an increase in net position of \$195,679.

FiberNet Fund

The FiberNet fund had a deficit unrestricted net position of \$(3,273,502) with a total deficit net position of \$(388,377). The fund had an increase in net position of \$579,701.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2023, totaled \$62.11 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, vehicles, machinery and equipment, and infrastructure. Construction in progress includes capital outlay expenditures for projects that are not completed at June 30, 2023 and the asset has not yet been placed into service.

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
Land	\$ 1,759,160	\$ 1,759,160	\$ 377,033	\$ 377,033	\$ 2,136,193	\$ 2,136,193
Building and improvements	15,366,724	14,808,144	1,614,775	1,455,637	16,981,499	16,263,781
Land improvements	205,808	148,058	517,150	487,256	722,958	635,314
Machinery and equipment	950,500	946,045	3,729,694	3,697,604	4,680,194	4,643,649
Vehicles	2,253,621	2,150,847	175,937	135,868	2,429,558	2,286,715
Infrastructure	9,969,815	10,665,745	23,092,367	22,933,476	33,062,182	33,599,221
Construction in progress	966,502	1,397,373	702,273	1,149,865	1,668,775	2,547,238
Total	<u>\$ 31,472,130</u>	<u>\$ 31,875,372</u>	<u>\$ 30,209,229</u>	<u>\$ 30,236,739</u>	<u>\$ 61,681,359</u>	<u>\$ 62,112,111</u>

Additional information on the City's capital assets can be found in note 6 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$22,960,000.

The City's balance of long-term obligations increased by \$514k during the current fiscal year. The City made scheduled bond principal payments totaling \$1.42 million.

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
General obligation bonds	\$ 9,310,000	\$ 8,640,000	\$ 8,860,000	\$ 8,220,000	\$ 18,170,000	\$ 16,860,000
Revenue Bonds	-	-	4,010,000	6,100,000	4,010,000	6,100,000
Total bonded debt	<u>\$ 9,310,000</u>	<u>\$ 8,640,000</u>	<u>\$ 12,870,000</u>	<u>\$ 14,320,000</u>	<u>\$ 22,180,000</u>	<u>\$ 22,960,000</u>

The following table depicts the City's credit rating for the various outstanding debt by Standard & Poor's:

	Standard & Poor's
General obligation limited tax bonds	AA-
General obligation unlimited tax bonds	AA-
Revenue bonds	AA

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10 percent of its total state equalized valuation. The current debt limitation for the City is \$30,930,870 which is greater than the amount of issued general obligation debt as of year-end.

Additional information on the City's long-term debt can be found in Note 7.

Economic Factors and Next Year's Budgets and Rates

In FY2024, the City plans to use current revenues to provide essential services and to maintain the City's financial reserves at levels in line with financial policies. The City is currently contracting to have professional rate studies completed for all of its utilities in order to assure rates remain competitive while continuing to cover the costs associated with maintaining sustainable operations.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 323 West Michigan Avenue, Marshall, Michigan 49068-1578.

BASIC FINANCIAL STATEMENTS

CITY OF MARSHALL
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash and investments	\$ 8,741,241	\$ 10,806,779	\$ 19,548,020	\$ 1,969,920
Receivables				
Accounts, net	183,218	1,217,211	1,400,429	9,602
Interest	125,000	86,422	211,422	125,000
Leases	114,521	-	114,521	-
Special assessments	-	26,893	26,893	-
Due from other governmental units	320,052	-	320,052	-
Inventories	52,376	1,288,364	1,340,740	-
Prepays	58,847	10,719	69,566	500
Total current assets	9,595,255	13,436,388	23,031,643	2,105,022
Noncurrent assets				
Cash - restricted	-	972,012	972,012	-
Internal balances	1,000,000	(1,000,000)	-	-
Advances to primary government	-	-	-	1,000,000
Investment in MSCPA	-	3,678,531	3,678,531	-
Capital assets not being depreciated/amortized	3,156,533	1,526,898	4,683,431	6,882,866
Capital assets, net of accumulated depreciation/amortization	28,718,839	28,709,841	57,428,680	1,333,179
Total noncurrent assets	32,875,372	33,887,282	66,762,654	9,216,045
TOTAL ASSETS	42,470,627	47,323,670	89,794,297	11,321,067
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	-	27,073	27,073	-
Deferred outflows of resources related to pensions	2,079,426	1,336,751	3,416,177	-
Deferred outflows of resources related to OPEB	44,037	28,296	72,333	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,123,463	1,392,120	3,515,583	-

See accompanying notes to financial statements.

CITY OF MARSHALL
STATEMENT OF NET POSITION (continued)
JUNE 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current liabilities				
Accounts payable	\$ 290,708	\$ 1,639,061	\$ 1,929,769	\$ 260,316
Accrued liabilities	241,425	121,577	363,002	1,296
Accrued interest payable	56,314	456,977	513,291	68,103
Unearned revenue	676,022	25,817	701,839	-
Current portion of compensated absences	91,654	52,734	144,388	-
Current portion of long-term debt	785,839	889,877	1,675,716	351,563
Total current liabilities	2,141,962	3,186,043	5,328,005	681,278
Noncurrent liabilities				
Advances from component unit	-	1,000,000	1,000,000	-
Noncurrent portion of compensated absences	274,961	158,200	433,161	-
Noncurrent portion of long-term debt	8,271,039	13,727,998	21,999,037	6,878,005
Net other post-employment benefits liability	2,651,651	1,703,886	4,355,537	-
Net pension liability	11,565,010	7,434,516	18,999,526	-
Total noncurrent liabilities	22,762,661	24,024,600	46,787,261	6,878,005
TOTAL LIABILITIES	24,904,623	27,210,643	52,115,266	7,559,283
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to leases	114,521	-	114,521	-
NET POSITION				
Net investment in capital assets	24,444,135	15,645,937	40,090,072	986,477
Restricted				
Nonexpendable	321,851	-	321,851	-
Expendable, restricted for:				
Debt service	107,285	972,012	1,079,297	-
Streets	3,367,955	-	3,367,955	-
Regional Law Enforcement Center	511,751	-	511,751	-
Drug law enforcement	1,826	-	1,826	-
Capital projects	50	-	50	-
Leaf, brush, and trash removal	23,560	-	23,560	-
ARPA	14,765	-	14,765	-
RAP Grant	24,475	-	24,475	-
Cemetery perpetual care	309,727	-	309,727	-
Unrestricted	(9,552,446)	4,887,198	(4,665,248)	2,775,307
TOTAL NET POSITION	\$ 19,574,946	\$ 21,505,147	\$ 41,080,093	\$ 3,761,784

See accompanying notes to financial statements.

**CITY OF MARSHALL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 2,906,019	\$ 460,704	\$ 571,760	\$ 5,555	\$ (1,868,000)	\$ -	\$ (1,868,000)	\$ -
Public safety	5,126,545	323,432	210,911	3,836	(4,588,366)	-	(4,588,366)	-
Public works	2,717,863	741,873	1,149,593	80,732	(745,665)	-	(745,665)	-
Community development	1,810,453	36,301	1,706,125	-	(68,027)	-	(68,027)	-
Recreation and culture	453,824	240,439	27,278	28,316	(157,791)	-	(157,791)	-
Interest on long-term debt	237,262	-	56,463	-	(180,799)	-	(180,799)	-
Total governmental activities	13,251,966	1,802,749	3,722,130	118,439	(7,608,648)	-	(7,608,648)	-
Business-type activities								
Electric	15,163,352	18,572,038	-	-	-	3,408,686	3,408,686	-
Wastewater	1,842,746	2,105,748	-	-	-	263,002	263,002	-
Water	2,034,864	2,105,386	32,632	-	-	103,154	103,154	-
FiberNet	964,307	1,533,561	-	-	-	569,254	569,254	-
Marshall House	805,670	442,395	608,130	-	-	244,855	244,855	-
DART	424,464	32,248	306,550	-	-	(85,666)	(85,666)	-
Solid waste	420,951	536,931	-	-	-	115,980	115,980	-
Total business-type activities	21,656,354	25,328,307	947,312	-	-	4,619,265	4,619,265	-
Total primary government	<u>\$ 34,908,320</u>	<u>\$ 27,131,056</u>	<u>\$ 4,669,442</u>	<u>\$ 118,439</u>	<u>(7,608,648)</u>	<u>4,619,265</u>	<u>(2,989,383)</u>	<u>-</u>
Component units								
Local Development Finance Authority	\$ 104,836	\$ -	\$ 207,026	\$ -	-	-	-	102,190
Downtown Development Authority	180,088	-	101,627	-	-	-	-	(78,461)
Northeast Neighborhood Improvement Authority	4,049	-	-	-	-	-	-	(4,049)
South Neighborhood Improvement Authority	71,879	-	-	-	-	-	-	(71,879)
Total component units	<u>\$ 360,852</u>	<u>\$ -</u>	<u>\$ 308,653</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,199)</u>
General revenues								
Property taxes					4,926,077	209,600	5,135,677	898,415
Unrestricted state shared revenues					879,307	-	879,307	-
Investment earnings					313,641	244,074	557,715	48,049
Gain on disposal of capital assets					28,674	97,063	125,737	-
Miscellaneous					800,753	176,269	977,022	35
Transfers					6,429	(6,429)	-	-
Total general revenues and transfers					<u>6,954,881</u>	<u>720,577</u>	<u>7,675,458</u>	<u>946,499</u>
Change in net position					(653,767)	5,339,842	4,686,075	894,300
Net position, beginning of the year					<u>20,228,713</u>	<u>16,165,305</u>	<u>36,394,018</u>	<u>2,867,484</u>
Net position, end of the year					<u>\$ 19,574,946</u>	<u>\$ 21,505,147</u>	<u>\$ 41,080,093</u>	<u>\$ 3,761,784</u>

See accompanying notes to financial statements.

**CITY OF MARSHALL
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023**

	General	Nonmajor Governmental Funds	Total
ASSETS			
Cash and investments	\$ 2,655,263	\$ 5,337,259	\$ 7,992,522
Receivables			
Accounts, net	145,306	26,139	171,445
Interest	125,000	-	125,000
Leases	114,521	-	114,521
Due from other funds	115,000	-	115,000
Due from other governmental units	32,000	288,052	320,052
Advances to other funds	1,000,000	-	1,000,000
Inventories	37,254	15,121	52,375
Prepays	22,170	-	22,170
TOTAL ASSETS	<u><u>\$ 4,246,514</u></u>	<u><u>\$ 5,666,571</u></u>	<u><u>\$ 9,913,085</u></u>
LIABILITIES			
Accounts payable	\$ 170,654	\$ 102,441	\$ 273,095
Accrued liabilities	226,546	10,575	237,121
Due to other funds	-	115,000	115,000
Unearned revenue	114,874	561,148	676,022
TOTAL LIABILITIES	<u>512,074</u>	<u>789,164</u>	<u>1,301,238</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - leases	<u>114,521</u>	<u>-</u>	<u>114,521</u>
FUND BALANCES			
Nonspendable	1,059,424	336,972	1,396,396
Restricted	-	4,402,599	4,402,599
Committed	184,000	137,836	321,836
Unassigned	2,376,495	-	2,376,495
TOTAL FUND BALANCES	<u>3,619,919</u>	<u>4,877,407</u>	<u>8,497,326</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 4,246,514</u></u>	<u><u>\$ 5,666,571</u></u>	<u><u>\$ 9,913,085</u></u>

See accompanying notes to financial statements.

CITY OF MARSHALL
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total Fund Balance - Governmental Funds \$ 8,497,326

Amounts reported for 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	\$ 53,191,209	
Accumulated depreciation/amortization is	<u>(24,173,398)</u>	
Capital assets, net		29,017,811

Governmental fund 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. Pension 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 pension plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consisted of:

Deferred outflows of resources related to pensions	2,060,833	
Deferred outflows of resources related to OPEB	<u>43,646</u>	
		2,104,479

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of certain internal service funds are included in the governmental activities in the government-wide statement of net position.

Net position of governmental activities accounted for in governmental activities internal service funds		3,474,781
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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:

Long-term obligations	(9,010,955)	
Net other post-employment benefits liability	(2,628,131)	
Net pension liability	(11,461,601)	
Accrued interest payable	(56,314)	
Compensated absences	<u>(362,450)</u>	
		<u>(23,519,451)</u>

Net Position of Governmental Activities		<u>\$ 19,574,946</u>
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**CITY OF MARSHALL
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023**

	General	Nonmajor Governmental Funds	Total
REVENUES			
Property taxes	\$ 4,261,976	\$ 664,376	\$ 4,926,352
Licenses and permits	466,981	-	466,981
Intergovernmental	1,256,284	1,955,806	3,212,090
Charges for services	365,866	325,131	690,997
Fines and forfeits	13,913	214	14,127
Interest and rents	747,507	180,674	928,181
Other	976,066	1,261,928	2,237,994
	<u>8,088,593</u>	<u>4,388,129</u>	<u>12,476,722</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
General government	2,201,197	113,312	2,314,509
Public safety	3,635,152	612,514	4,247,666
Public works	1,587,669	2,118,692	3,706,361
Community and economic development	74,168	1,598,807	1,672,975
Recreation and culture	453,824	-	453,824
Debt service	56,796	911,637	968,433
Capital outlay	90,571	133,553	224,124
	<u>8,099,377</u>	<u>5,488,515</u>	<u>13,587,892</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES (UNDER) EXPENDITURES	<u>(10,784)</u>	<u>(1,100,386)</u>	<u>(1,111,170)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	6,429	430,819	437,248
Transfers out	<u>(430,819)</u>	<u>-</u>	<u>(430,819)</u>
	<u>(424,390)</u>	<u>430,819</u>	<u>6,429</u>
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	(435,174)	(669,567)	(1,104,741)
Fund balances, beginning of year	<u>4,055,093</u>	<u>5,546,974</u>	<u>9,602,067</u>
Fund balances, end of year	<u><u>\$ 3,619,919</u></u>	<u><u>\$ 4,877,407</u></u>	<u><u>\$ 8,497,326</u></u>

See accompanying notes to financial statements.

CITY OF MARSHALL
RECONCILIATION OF THE CHANGES IN FUND BALANCES OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ (1,104,741)

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/amortization expense. In the current period, these amounts are:

Capital outlay	\$ 1,753,521	
Depreciation/amortization expense	<u>(1,204,536)</u>	
Excess of capital outlay over depreciation/amortization expense		548,985

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain individual funds are included in the governmental activities.

Change in net position of governmental activities internal service funds	95,611
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Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts

Debt principal retirement	719,452
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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:

Increase in deferred outflows of resources related to pensions	1,173,111	
(Decrease) in deferred outflows of resources related to OPEB	(15,556)	
Decrease in deferred inflows of resources related to pensions	1,029,445	
Decrease in unamortized bond premiums	14,378	
Decrease in accrued interest payable	4,400	
(Increase) in compensated absences	(81,215)	
(Increase) in net pension liability	(3,191,557)	
Decrease in net OPEB liability	<u>153,920</u>	
		<u>(913,074)</u>

Change in Net Position of Governmental Activities	<u><u>\$ (653,767)</u></u>
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**CITY OF MARSHALL
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Enterprise Funds					Governmental Activities
	Electric	Wastewater	Water	FiberNet	Nonmajor Enterprise Funds	Internal Service Funds
ASSETS						
Current assets						
Cash and investments	\$ 1,881,658	\$ 2,176,642	\$ 3,143,403	\$ 628,929	\$ 2,976,147	\$ 10,806,779
Receivables						
Accounts, net	697,561	138,163	147,208	135,689	98,590	1,217,211
Interest	23,922	62,500	-	-	-	86,422
Special assessments	26,893	-	-	-	-	26,893
Inventories	1,096,325	-	78,679	113,360	-	1,288,364
Prepays	4,944	716	1,393	2,500	1,166	10,719
Total current assets	3,731,303	2,378,021	3,370,683	880,478	3,075,903	13,436,388
Noncurrent assets						
Cash - restricted	672,706	49,310	249,996	-	-	972,012
Advance to other funds	1,196,111	500,000	-	-	-	1,696,111
Equity interest in MSCPA	3,678,531	-	-	-	-	3,678,531
Capital assets not being depreciated/amortized	241,472	875,682	409,744	-	-	1,526,898
Capital assets, net of accumulated depreciation/amortization	11,006,358	2,925,596	10,624,077	2,885,125	1,268,685	28,709,841
Total noncurrent assets	16,795,178	4,350,588	11,283,817	2,885,125	1,268,685	36,583,393
TOTAL ASSETS	20,526,481	6,728,609	14,654,500	3,765,603	4,344,588	50,019,781
DEFERRED OUTFLOW OF RESOURCES						
Deferred amounts on refunding	22,186	-	4,887	-	-	27,073
Deferred outflows of resources related to pensions	813,528	193,121	199,346	-	130,756	1,336,751
Deferred outflows of resources related to OPEB	17,222	4,087	4,224	-	2,763	28,296
TOTAL DEFERRED OUTFLOWS OF RESOURCES	852,936	197,208	208,457	-	133,519	1,392,120

See accompanying notes to financial statements.

**CITY OF MARSHALL
PROPRIETARY FUNDS
STATEMENT OF NET POSITION (continued)
JUNE 30, 2023**

	Enterprise Funds						Governmental Activities
	Electric	Wastewater	Water	FiberNet	Nonmajor Enterprise Funds	Total	Internal Service Funds
LIABILITIES							
Current liabilities							
Accounts payable	\$ 1,221,017	\$ 34,766	\$ 152,380	\$ 100,309	\$ 130,589	\$ 1,639,061	\$ 17,613
Accrued liabilities	63,922	20,051	17,400	13,100	7,104	121,577	4,304
Accrued interest payable	41,093	12,684	66,778	336,422	-	456,977	-
Unearned revenue	-	-	-	-	25,817	25,817	-
Current portion of compensated absences	33,102	7,807	9,815	2,010	-	52,734	1,041
Current portion of long-term debt	314,553	163,154	412,170	-	-	889,877	14,189
Total current liabilities	1,673,687	238,462	658,543	451,841	163,510	3,186,043	37,147
Noncurrent liabilities							
Advances from other funds	-	-	-	2,696,111	-	2,696,111	-
Advances from component unit	-	-	-	1,000,000	-	1,000,000	-
Noncurrent portion of compensated absences	99,306	23,420	29,446	6,028	-	158,200	3,124
Noncurrent portion of long-term debt	5,037,970	1,480,316	7,209,712	-	-	13,727,998	31,734
Net other post-employment benefits liability	1,037,053	246,088	254,363	-	166,382	1,703,886	23,520
Net pension liability	4,524,545	1,074,065	1,108,688	-	727,218	7,434,516	103,409
Total noncurrent liabilities	10,698,874	2,823,889	8,602,209	3,702,139	893,600	26,720,711	161,787
TOTAL LIABILITIES	12,372,561	3,062,351	9,260,752	4,153,980	1,057,110	29,906,754	198,934
NET POSITION							
Net investment in capital assets	5,917,493	2,157,808	3,416,826	2,885,125	1,268,685	15,645,937	2,811,638
Restricted for debt service	672,706	49,310	249,996	-	-	972,012	-
Unrestricted	2,416,657	1,656,348	1,935,383	(3,273,502)	2,152,312	4,887,198	663,143
TOTAL NET POSITION	\$ 9,006,856	\$ 3,863,466	\$ 5,602,205	\$ (388,377)	\$ 3,420,997	\$ 21,505,147	\$ 3,474,781

See accompanying notes to financial statements.

**CITY OF MARSHALL
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023**

	Enterprise Funds					Governmental Activities
	Electric	Wastewater	Water	FiberNet	Nonmajor Enterprise Funds	Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 18,510,814	\$ 2,105,748	\$ 2,105,386	\$ 1,533,561	\$ 1,011,574	\$ 25,267,083
Other	53,604	51,876	18,459	7,935	44,395	176,269
TOTAL OPERATING REVENUES	18,564,418	2,157,624	2,123,845	1,541,496	1,055,969	25,443,352
OPERATING EXPENSES						
Personnel services	2,097,955	671,270	655,429	381,642	444,889	4,251,185
Material and supplies	190,402	181,214	65,616	48,795	74,709	560,736
Utilities	10,468,312	152,371	48,716	12,999	127,437	10,809,835
Contractual	428,872	112,466	95,448	192,536	738,380	1,567,702
Insurance	85,428	27,065	14,449	-	10,906	137,848
Maintenance	183,415	78,727	65,174	35,239	71,962	434,517
Other expenses	947,467	236,256	271,994	79,140	49,315	1,584,172
Depreciation/amortization	603,519	332,304	507,412	140,034	133,487	1,716,756
TOTAL OPERATING EXPENSES	15,005,370	1,791,673	1,724,238	890,385	1,651,085	21,062,751
OPERATING INCOME (LOSS)	3,559,048	365,951	399,607	651,111	(595,116)	4,380,601

See accompanying notes to financial statements.

**CITY OF MARSHALL
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (continued)
YEAR ENDED JUNE 30, 2023**

	Enterprise Funds					Governmental Activities
	Electric	Wastewater	Water	FiberNet	Nonmajor Enterprise Funds	Internal Service Funds
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental	\$ -	\$ -	\$ 32,632	\$ -	\$ 914,680	\$ 947,312
Property taxes	-	-	-	-	209,600	209,600
Interest earnings	112,829	27,984	74,066	2,512	26,683	244,074
Change in equity interest	61,224	-	-	-	-	61,224
Gain on sale of capital assets	97,063	-	-	-	-	97,063
Bond issuance costs	-	-	(51,996)	-	-	(51,996)
Interest expense and fiscal charges	(157,982)	(51,073)	(258,630)	(73,922)	-	(541,607)
TOTAL NONOPERATING REVENUES (EXPENSES)	113,134	(23,089)	(203,928)	(71,410)	1,150,963	965,670
NET INCOME BEFORE TRANSFERS	3,672,182	342,862	195,679	579,701	555,847	5,346,271
TRANSFERS OUT	-	-	-	-	(6,429)	(6,429)
CHANGE IN NET POSITION	3,672,182	342,862	195,679	579,701	549,418	5,339,842
Net position, beginning of year	5,334,674	3,520,604	5,406,526	(968,078)	2,871,579	16,165,305
Net position, end of year	\$ 9,006,856	\$ 3,863,466	\$ 5,602,205	\$ (388,377)	\$ 3,420,997	\$ 21,505,147

See accompanying notes to financial statements.

**CITY OF MARSHALL
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023**

	Enterprise Funds					Governmental Activities
	Electric	Wastewater	Water	FiberNet	Nonmajor Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash receipts from customers and interfund services	\$ 18,303,838	\$ 2,139,170	\$ 2,084,696	\$ 1,418,792	\$ 941,664	\$ 24,888,160
Cash paid to suppliers	(12,696,979)	(768,901)	(515,958)	(389,067)	(1,014,963)	(15,385,868)
Cash paid to employees	(2,446,402)	(684,379)	(689,718)	(375,411)	(481,927)	(4,677,837)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	3,160,457	685,890	879,020	654,314	(555,226)	4,824,455
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental	-	-	32,632	-	941,652	974,284
Property taxes	-	-	-	-	209,600	209,600
Changes in interfund and advances balances	(1,105,703)	602,344	802,387	(299,028)	-	-
Transfers out	-	-	-	-	(6,429)	(6,429)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(1,105,703)	602,344	835,019	(299,028)	1,144,823	1,177,455
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Intergovernmental	-	-	-	-	-	-
Purchases of capital assets	(315,981)	(377,515)	(1,050,770)	-	-	(1,744,266)
Proceeds from disposal of capital asset	97,063	-	-	-	-	97,063
Payments on borrowings	(285,000)	(155,000)	(310,000)	-	-	(750,000)
Interest paid	(174,525)	(55,390)	(235,641)	(29,903)	-	(495,459)
Bond issuance costs	-	-	(51,996)	-	-	(51,996)
Proceeds from debt issuance	-	-	2,200,000	-	-	2,200,000
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(678,443)	(587,905)	551,593	(29,903)	-	(744,658)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	118,810	17,984	74,066	2,512	26,683	240,055
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	1,495,121	718,313	2,339,698	327,895	616,280	5,497,307
Cash and investments, beginning of year	1,059,243	1,507,639	1,053,701	301,034	2,359,867	6,281,484
Cash and investments, end of year	\$ 2,554,364	\$ 2,225,952	\$ 3,393,399	\$ 628,929	\$ 2,976,147	\$ 11,778,791

See accompanying notes to financial statements.

**CITY OF MARSHALL
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (continued)
YEAR ENDED JUNE 30, 2023**

	Enterprise Funds						Governmental Activities
	Electric	Wastewater	Water	FiberNet	Nonmajor Enterprise Funds	Total	Insurance and Benefits
Reconciliation of operating income (loss) to net cash provided (used) by operating activities							
Operating income (loss)	\$ 3,559,048	\$ 365,951	\$ 399,607	\$ 651,111	\$ (595,116)	\$ 4,380,601	\$ (12,378)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities							
Depreciation/amortization	603,519	332,304	507,412	140,034	133,487	1,716,756	428,540
(Increase) decrease in:							
Accounts receivable	(260,580)	(18,454)	(39,149)	(122,704)	(7,875)	(448,762)	(5,689)
Inventories	(195,838)	-	(8,094)	(25,611)	-	(229,543)	429
Prepays	23,972	2,787	10,489	3,051	8,534	48,833	(35,423)
Deferred outflows of resources related to pension	(409,257)	(101,207)	(103,615)	-	(68,067)	(682,146)	(9,676)
Deferred outflows of resources related to OPEB	9,736	2,047	2,159	-	1,416	15,358	199
Increase (decrease) in:							
Accounts payable	(221,217)	16,411	43,044	2,202	49,212	(110,348)	(77,683)
Accrued liabilities	4,786	5,859	1,842	3,950	(7,175)	9,262	1,135
Unearned revenue	-	-	-	-	(106,430)	(106,430)	-
Compensated absences	(13,471)	11,177	5,062	2,281	(3,711)	1,338	(343)
Net pension liability	758,340	217,783	216,849	-	143,205	1,336,177	20,336
Net other post-employment benefits liability	(229,769)	(42,180)	(45,571)	-	(30,009)	(347,529)	(4,189)
Deferred inflows of resources related to pension	(468,812)	(106,588)	(111,015)	-	(72,697)	(759,112)	(10,341)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 3,160,457</u>	<u>\$ 685,890</u>	<u>\$ 879,020</u>	<u>\$ 654,314</u>	<u>\$ (555,226)</u>	<u>\$ 4,824,455</u>	<u>\$ 294,917</u>

Note: The City adjusted its equity interest in the Michigan South Central Power Agency (MSCPA) operations by \$61,224 to reflect the current year change in its investment in the Agency.

**CITY OF MARSHALL
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023**

	Other Employee Benefit Trust Fund	Custodial Fund
	Retiree Health Insurance Plan Trust	Current Tax Collection
TOTAL ASSETS		
Cash and investments		
Pooled investment funds	\$ 2,145,799	\$ -
TOTAL LIABILITIES	-	-
TOTAL NET POSITION		
Restricted for other post-employment benefits (health insurance)	\$ 2,145,799	\$ -

**CITY OF MARSHALL
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2023**

	Other Employee Benefit Trust Fund Retiree Health Insurance Plan Trust	Custodial Fund Current Tax Collection
ADDITIONS		
Contributions		
Employer	\$ 740,661	\$ -
Investment earnings (loss)	141,409	-
Collection of taxes for other governments	-	9,410,596
	<u>882,070</u>	<u>9,410,596</u>
TOTAL ADDITIONS		
	<u>882,070</u>	<u>9,410,596</u>
DEDUCTIONS		
Administrative expenses	3,721	-
Benefit payments	540,661	-
Payment of taxes collected for other governments	-	9,410,596
	<u>544,382</u>	<u>9,410,596</u>
TOTAL DEDUCTIONS		
	<u>544,382</u>	<u>9,410,596</u>
NET CHANGE IN FIDUCIARY NET POSITION	337,688	-
Net position, beginning of year	1,808,111	-
Net position, end of year	<u>\$ 2,145,799</u>	<u>\$ -</u>

**CITY OF MARSHALL
COMPONENT UNITS
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Local Development Finance Authority	Economic Development Corporation	Downtown Development Authority	Northeast Neighborhood Improvement Authority	South Neighborhood Improvement Authority	Total Component Units
ASSETS						
Current assets						
Cash and investments	\$ 1,556,157	\$ 9,310	\$ 243,315	\$ 114,542	\$ 46,596	\$ 1,969,920
Accounts receivable	-	-	5,658	-	3,944	9,602
Interest receivable	125,000	-	-	-	-	125,000
Prepays	500	-	-	-	-	500
Total current assets	1,681,657	9,310	248,973	114,542	50,540	2,105,022
Noncurrent assets						
Advances to primary government	1,000,000	-	-	-	-	1,000,000
Capital assets not being depreciated	6,827,196	-	55,670	-	-	6,882,866
Capital assets, net of accumulated depreciation	676,401	-	-	14,884	641,894	1,333,179
Total noncurrent assets	8,503,597	-	55,670	14,884	641,894	9,216,045
TOTAL ASSETS	10,185,254	9,310	304,643	129,426	692,434	11,321,067
LIABILITIES						
Current liabilities						
Accounts payable	230,396	-	16,167	-	13,753	260,316
Accrued liabilities	-	-	1,296	-	-	1,296
Accrued interest payable	61,600	-	-	-	6,503	68,103
Current portion of long-term debt	351,563	-	-	-	-	351,563
Total current liabilities	643,559	-	17,463	-	20,256	681,278
Noncurrent liabilities						
Noncurrent portion of long-term debt	6,113,005	-	-	-	765,000	6,878,005
TOTAL LIABILITIES	6,756,564	-	17,463	-	785,256	7,559,283
NET POSITION						
Net investment in capital assets	1,039,029	-	55,670	14,884	(123,106)	986,477
Unrestricted	2,389,661	9,310	231,510	114,542	30,284	2,775,307
TOTAL NET POSITION	\$ 3,428,690	\$ 9,310	\$ 287,180	\$ 129,426	\$ (92,822)	\$ 3,761,784

See accompanying notes to financial statements.

**CITY OF MARSHALL
COMPONENT UNITS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenues and Changes in Net Position					
		Operating Grants and Contributions	Local Development Finance Authority	Economic Development Corporation	Downtown Development Authority	Northeast Neighborhood Improvement Authority	South Neighborhood Improvement Authority	Total Component Units
Governmental Activities								
Local Development Finance Authority	\$ 104,836	\$ 207,026	\$ 102,190	\$ -	\$ -	\$ -	\$ -	\$ 102,190
Downtown Development Authority	180,088	101,627	-	-	(78,461)	-	-	(78,461)
Northeast Neighborhood Improvement Authority	4,049	-	-	-	-	(4,049)	-	(4,049)
South Neighborhood Improvement Authority	71,879	-	-	-	-	-	(71,879)	(71,879)
TOTALS	\$ 360,852	\$ 308,653	102,190	-	(78,461)	(4,049)	(71,879)	(52,199)
General revenues								
Property taxes			641,386	-	172,870	60,932	23,227	898,415
Investment earnings			42,676	-	3,514	375	1,484	48,049
Miscellaneous			-	-	35	-	-	35
Total general revenues			684,062	-	176,419	61,307	24,711	946,499
Change in net position			786,252	-	97,958	57,258	(47,168)	894,300
Net position, beginning of year			2,642,438	9,310	189,222	72,168	(45,654)	2,867,484
Net position, end of year			<u>\$ 3,428,690</u>	<u>\$ 9,310</u>	<u>\$ 287,180</u>	<u>\$ 129,426</u>	<u>\$ (92,822)</u>	<u>\$ 3,761,784</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Marshall (the City) is located within Calhoun County, Michigan and has a population of approximately 6,820. The City of Marshall, Michigan is a municipal corporation formed in 1830 and governed by a seven-member Council and administered by an appointed City Manager.

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 Marshall (primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations, 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 primary government. The blended and discretely presented component units each have a June 30 year-end.

Blended Component Unit

The City of Marshall Building Authority is a blended component unit which finances and constructs the City's public buildings and other structures. It is included within the reporting entity as it provides services exclusively to the City.

The blended component units' financial statements are included in the City's audited financial statements and are not audited separately.

Discretely Presented Component Units

The Downtown Development Authority (the "DDA") is a discretely presented component unit which corrects and prevents deterioration in the downtown district, encourages historical preservation, and promotes economic growth within the district. It is included within the reporting entity as the City Council appoints and may remove the DDA board and approves the DDA budget.

The Local Development Finance Authority (the "LDFA") is a discretely presented component unit which enhances and expands industrial development to eliminate the conditions of joblessness and underemployment. It is included within the reporting entity as the City Council appoints and may remove the LDFA board and approves the LDFA budget.

The Economic Development Corporation (the "EDC") is a discretely presented component unit which promotes economic development within the community. It is included within the reporting entity as the City Council appoints and may remove the EDC board and approves the EDC budget.

The Northeast Neighborhood Improvement Authority (the "NIA") is a discretely presented component unit which promotes economic development for the Northeast Marshall neighborhood. It is included within the reporting entity as the City Council appoints and may remove the NIA board and approves the NIA budget.

**CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Discretely Presented Component Units (continued)

The South Neighborhood Improvement Authority (the "SNIA") is a discretely presented component unit which promotes economic development for the South Marshall neighborhood. It is included within the reporting entity as the City Council appoints and may remove the SNIA board and approves the SNIA budget.

The discretely presented component units' financial statements are included in the City's audited financial statements and are not audited separately.

Fiduciary Component Unit

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

Joint Venture

The City is a member of the Michigan South Central Power Agency (MSCPA), which provided electric services to the residents of its member communities. The participating communities provide annual funding for its operations. During the current year, the City paid \$10,468,312 for purchased power. The City is unaware of any other circumstances that would cause any additional benefit or burden to participating governments in the near future. Complete financial statements for the Michigan South Central Power Agency can be obtained from the administrative offices at 168 Division St., Coldwater, Michigan 49036. The City owns an approximate 19.08% interest in the MSCPA. The City records the investment using the equity method and calculates 19.08% of the MSCPA's equity at year end. The MSCPA also holds assets of the City, which have been included in the MSCPA's equity over the years. The calculation of the investment includes 100% of the City's assets held at the MSCPA plus 19.08% of the equity net of the City's assets. At June 30, 2023, the City's equity interest in MSCPA was \$3,678,531.

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 units as a whole. All nonfiduciary 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. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)

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

FUND FINANCIAL STATEMENTS

The fund financial statements present the City's individual major funds and aggregated nonmajor funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following *Major Governmental Fund*:

- 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.

The reports the following *Major Enterprise Funds*:

- a. The *Electric Fund* accounts for the operations and maintenance of the electric supply system; financing is provided primarily by user charges.
- b. The *Wastewater Fund* accounts for the activities of the City's sewage disposal and treatment system; financing is provided primarily by user charges.
- c. The *Water Fund* accounts for the activities of the City's water distribution and treatment system; financing is provided primarily by user charges.
- d. The *FiberNet Fund* accounts for the building, operation, and maintenance of the fiber system; financing is provided through the internal advances and charges for services.

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS (continued)

Additionally, the reports the following *Fund Types*:

- a. *Special Revenue Funds* account for revenue sources that are restricted or committed to expenditures for specific purposes other than capital projects or permanent funds.
- b. *Debt Service Funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- c. *Capital Projects Funds* account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.
- d. *Permanent Funds* account for resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support specified government programs.
- e. *Enterprise Funds* account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.
- f. The *Internal Service Funds* account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. This includes data processing, motor pool, and safety programs.
- g. The *Other Employee Benefits Trust Fund* accounts for the activities of the Other Post-Employment Benefits Plan, which accumulates resources for other post-employment benefit payments to qualified employees.
- h. The *Custodial Fund* accounts for taxes collected and distributed to other governments.

Measurement Focus

The government-wide, proprietary fund, 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 net fund balance.

**CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Revenues susceptible to accrual include state and federal grants and interest revenue. Other revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

All proprietary (i.e. enterprise and internal service) funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as nonoperating 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 policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets and Budgetary Accounting

The General Fund budget shown as required supplementary information was prepared on the same modified accrual basis used to reflect actual results. This basis is consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all required governmental fund types. All annual appropriations lapse at year end. The legal level of budgetary control is the departmental level. On or before its first meeting in April of each year, the City Manager must present the proposed budget to the government's council for review. The proposed budget must be on file and available for public inspection for a period of not less than one week prior to adoption by City Council, which must occur not later than the first meeting in June.

Formal budgetary integration is employed as a management control device during the year. Supplemental appropriations were approved by the Council in the form of budget amendment resolutions or as part of special authorizing motions for grants, bonds, or notes, the total of which was not significant in relation to the original budget appropriation valuations.

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting (continued)

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) outstanding at year-end are reported as commitments of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Cash and Investments

Cash and investments consist of various cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value.

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

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.
- c. The United States government or federal agency obligations repurchase agreements.
- d. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.
- 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.

Restricted Cash

Certain proceeds of bond issues as well as other resources set aside for the repayment of debt are classified as restricted cash on the statement of net position because their use is limited by applicable bond covenants.

Due from Other Governmental Units

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

**CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables

Receivables consist of amounts due from individuals, and businesses related to charges for services, amounts owed to the City from taxes levied, leases, and interest that have not been collected.

Inventories

Inventories are values at cost using the first in/first out (FIFO) method and consist of expendable supplies and vehicles repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Inventories of governmental funds are recorded as expenditures when purchased, except for fuel included in the General Fund and road salt included in the Major Street Fund.

Prepays

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

Capital Assets

Capital assets are reported in the applicable governmental or business-type activity and component units columns in the government-wide financial statements. 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. The measurement of intangible right-to-use assets is discussed below under the heading "leases". Donated capital assets are valued at their estimated acquisition cost on the date received. In accordance with the provisions of GASB Statement No. 34, the government has only capitalized infrastructure assets acquired or constructed since 1980.

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. Right-to-use assets of the City are amortized using the straight-line method over the shorter of the lease period or the estimated useful lives. Depreciation is computed using the straight-line method over the following useful lives:

Land improvements	5 - 50 years
Buildings and improvements	5 - 50 years
Systems infrastructure	25 - 50 years
Machinery, Vehicles, and Equipment	3 - 25 years
Public infrastructure	50 years
Right-to-use - leased equipment	5 years

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, subject to certain limitations. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from debt proceeds received, are reported as expenses.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated 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. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Unearned Revenue

Unearned revenues are reported for resources that have been received, but not yet earned.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position and 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 and in the proprietary funds statement of net position.

The City reports items in both categories, deferred outflows and inflows of resources, which correspond to the City's net pension liability and net 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 subsequent to the measurement date. The City also reports deferred outflows of resources in the business-type activities and certain enterprise funds for deferred charges on refunding.

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Pension Liability

A net pension liability is calculated by subtracting the pension net position from the total pension liability. The net pension liability is deemed to be a noncurrent liability and is recognized in the government-wide financial statements as well as the enterprise funds.

Net OPEB Liability

A net OPEB liability is calculated by subtracting the OPEB net position from the total OPEB liability. The net OPEB liability is deemed to be a noncurrent liability and is recognized in the government-wide financial statements as well as the enterprise funds.

Leases

Lessee: The City is a lessee for a noncancelable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term obligations on the statement of net position.

Lessor: The City is a lessor for noncancelable leases of a cellular towers. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

**CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payment received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of this lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Property Taxes

The City of Marshall bills and collects its own property taxes and 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 Marshall on August 1 on the taxable valuation of property located in the City as of the preceding December 31, the lien date, and are payable without penalty through September 15. The August 1 levy was composed of the County's levy, the State Education Tax assessment and the City's millage and assessments. The City bills and collects its own property taxes for general governmental services, recreation, DART, and leaf and trash removal, and also collects for Calhoun County, the District Library, and various school districts. Collections of property taxes and remittances of them to the appropriate authorities are accounted for in the Current Tax Collection custodial fund.

The City is permitted by state statute to levy taxes up to 20 mills (\$20 per \$1,000 of assessed valuation) for general governmental services other than the payment of principal and interest on long-term debt. For the year ended June 30, 2023, the City levied 17.1629 mills for general governmental services, 0.9020 mills for recreation, 0.9020 mills for DART, 0.7376 mills for leaf and trash removal and 2.0000 mills for debt service. The total original taxable value for the 2022 levy for property within the City was \$260,012,554.

The Downtown Development Authority is permitted by P.A. 197 of Michigan to levy taxes up to \$2.00 per \$1,000 of assessed valuation of property in the downtown district. The Authority's current year tax rate was \$1.5592 per \$1,000 of assessed valuation.

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advances to Other Governmental Units

Long-term advances from the primary government to component units are made to finance activities during their operations and to finance capital acquisitions. The applicable governmental fund balance is reported as nonspendable in the fund financial statements for such advances to reflect the amount of fund balance not currently available for expenditure.

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

The Internal Service Funds record charges for motor pool, technology, and safety provided to various City departments and funds as operating revenue. All City funds record these payments as operating expenditures/expenses. The net revenues or losses of the Internal Service Fund, as well as the net position are included in the reconciliation to the government-wide financial statements.

Fund Balance Classifications

Fund balance classifications 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 fund balance classifications:

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

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

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

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

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

For committed fund balance, City of Marshall's highest level of decision-making authority is the City Council. The formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment is a Council Resolution.

**CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Classifications (continued)

For assigned fund balance, the City Council has delegated the responsibility for making fund balance assignments to the Finance Director and City Treasurer.

For the classification of fund balances, the City of Marshall considers restricted or unrestricted amounts to have been spent first 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, after restricted amounts have been depleted, the City considers committed, assigned, or unassigned amounts to have been spent, in succession when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Fund Balance Policy

The City Council has adopted a fund balance reserve policy to provide a general framework for setting unassigned fund balance. The ratios vary depending on the fund, ranging from 18-25 percent of the annual operating expenditures or 1.2 debt service ratio. If the unassigned fund balance falls below the minimum range, the City will replenish shortages or deficiencies using budget strategies and timeframes as detailed in the policy. At year end, total fund balance of the general fund met the minimum percentage requirement.

Restricted Net Position

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

Federal Programs

Federal programs are accounted for in the funds to which the programs pertain. The single audit reports and financial data will be issued under separate cover as supplementary information to the basic financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS

As of June 30, 2023, the City had deposits 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, 2023, \$11,113,800 of the City's bank balance of \$12,360,022 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 \$12,307,397. The financial statements report \$1,070 of imprest cash on hand and \$482,901 of cash on deposit with the MSCPA.

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's banking and investment policy does not specifically address custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest Rate Risk

The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by designating its investment portfolio with the objective of obtaining a rate of return through the economic cycles considering risk constraints and cash flow characteristics. The City's policy is that, unless matched to a specific cash flow, the government will not directly invest in securities maturing more than three years from the date of purchase. Reserve funds may be invested in securities exceeding three years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

	Fair Value	Weighted Average Maturity
PRIMARY GOVERNMENT		
Michigan CLASS Investment Pool	\$ 5,951,418	< 60 days
Michigan CLASS Edge Investment Pool	1,557,850	> 60 days
Federal Home Loan Bank	1,859,220	2.5 years
U.S. Treasury notes	249,822	0.5 years
COMPONENT UNIT		
Michigan CLASS Investment Pool	80,274	< 60 days
	\$ 9,698,584	

The City's investment in MERS total market portfolio is reported at its individual Net Asset Value. The weighted average maturity for the underlying investments held by each portfolio is not calculated or provided.

**CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. As of June 30, 2023, the City investment in the MI Class investments was rated AAAm by S&P Global Ratings, the City's investment in the MI Class Edge investments was rated AAAf/S1 by Fitch Ratings, the City's investment in U.S. Treasury notes and Federal Home Loan Bank bonds were rated Aaa by Moody's. All of the City's investments comply with its policy regarding the types of investments it may hold.

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 security type and institution. Among other provisions, the City's investment policy provides that, except for U.S. treasuries and authorized investment pools, no more than 50 percent of the total investment portfolio may be invested in a single security type or with a single financial institution.

Foreign Currency Risk

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

Fair Value Measurement

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

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

As of June 30, 2023, the carrying amount and fair value for each investment type are as follows:

	Level 1	Level 2	Level 3	Total
Primary Government				
Federal Home Loan Bank	\$ -	\$ 1,859,220	\$ -	\$ 1,859,220
U.S. Treasury notes	-	249,822	-	249,822
	<u>\$ -</u>	<u>\$ 2,109,042</u>	<u>\$ -</u>	<u>\$ 2,109,042</u>

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares or interests in MERS, Michigan CLASS, and Michigan CLASS Edge investment pools where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient. The Michigan CLASS investment pools invest in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies. MERS invests assets in a manner which will seek the highest investment return consistent with the preservation of principal and meet the daily liquidity needs of participants.

At the year ended June 30, 2023, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Weighted Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
PRIMARY GOVERNMENT				
Michigan CLASS Investment Pool	\$ 5,951,418	\$ -	No restrictions	None
Michigan CLASS Edge Investment Pool	1,557,850	-	No restrictions	None
COMPONENT UNIT				
Michigan CLASS Investment Pool	80,274	-	No restrictions	None
FIDUCIARY FUNDS				
MERS total market portfolio	2,145,799	-	No restrictions	None
	<u>\$ 9,735,341</u>	<u>\$ -</u>		

The cash and investments referred to above have been reported in the cash and investments captions on the basic financial statements, based upon criteria disclosed in Note 1. The following summarizes the categorization of these amounts as of June 30, 2023:

	Primary Government	Component Units	Fiduciary Funds	Reporting Entity
Cash and investments	\$ 19,548,020	\$ 1,969,920	\$ 2,145,799	\$ 23,663,739
Cash and investments - restricted	972,012	-	-	972,012
	<u>\$ 20,520,032</u>	<u>\$ 1,969,920</u>	<u>\$ 2,145,799</u>	<u>\$ 24,635,751</u>

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

The amount of interfund receivables and payables at June 30, 2023, are as follows:

Due to General Fund from:	
Nonmajor governmental funds	<u>\$ 115,000</u>

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES (continued)

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 transactions that have not cleared as of the balance sheet date.

NOTE 4 - ADVANCES RECEIVABLE AND PAYABLE

The following schedule details advances receivable and payable between funds of the primary government at June 30, 2023:

Advance to FiberNet Fund from:	
General Fund	\$ 1,000,000
Wastewater Fund	500,000
Electric Fund	<u>1,196,111</u>
	<u>\$ 2,696,111</u>

The \$2,696,111 interfund balance between the FiberNet Fund and other funds listed above represents the amount advanced to the FiberNet Fund to finance the installation of a fiber system. The amounts are not expected paid back in the next fiscal year. The FiberNet Fund also has a \$1,000,000 long-term advance from the Local Development Financing Authority, a component unit of the City.

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 enterprise funds have been eliminated.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 6,429	\$ (430,819)
Nonmajor governmental funds	430,819	-
Nonmajor enterprise funds	<u>-</u>	<u>(6,429)</u>
	<u>\$ 437,248</u>	<u>\$ (437,248)</u>

Transfers are used to move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them, move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

Primary Government

	Restated Balance July 1, 2022	Additions/ Reclassifications	Reductions/ Reclassifications	Balance June 30, 2023
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,759,160	\$ -	\$ -	\$ 1,759,160
Construction in progress	966,502	1,635,469	(1,204,598)	1,397,373
Subtotal	2,725,662	1,635,469	(1,204,598)	3,156,533
Capital assets being depreciated/amortized				
Land improvements	5,727,676	-	-	5,727,676
Buildings and improvements	25,444,966	6,460	-	25,451,426
Vehicles	5,261,864	224,945	(120,416)	5,366,393
Machinery and equipment	2,943,786	169,445	(118,414)	2,994,817
Right-to-use - equipment	71,331	-	-	71,331
Infrastructure	16,648,367	1,204,597	-	17,852,964
Subtotal	56,097,990	1,605,447	(238,830)	57,464,607
Less accumulated depreciation/amortization for:				
Land improvements	(5,521,868)	(57,750)	-	(5,579,618)
Buildings and improvements	(10,078,242)	(565,040)	-	(10,643,282)
Vehicles	(3,008,243)	(327,719)	120,416	(3,215,546)
Machinery and equipment	(2,050,351)	(159,634)	118,414	(2,091,571)
Right-to-use - equipment	(14,266)	(14,266)	-	(28,532)
Infrastructure	(6,678,552)	(508,667)	-	(7,187,219)
Subtotal	(27,351,522)	(1,633,076)	238,830	(28,745,768)
Net capital assets being depreciated/amortized	28,746,468	(27,629)	-	28,718,839
Capital assets, net	<u>\$ 31,472,130</u>	<u>\$ 1,607,840</u>	<u>\$ (1,204,598)</u>	<u>\$ 31,875,372</u>

Depreciation/amortization expense was charged to the following governmental activities:

General government	\$ 123,963
Public safety	456,303
Public works	596,031
Parks and recreation	28,239
Internal service funds	428,540
	<u>\$ 1,633,076</u>

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - CAPITAL ASSETS (continued)

Primary Government (continued)

	Restated Balance July 1, 2022	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2023
Business-Type Activities				
Capital assets not being depreciated				
Land	\$ 377,033	\$ -	\$ -	\$ 377,033
Construction in progress	702,273	1,400,861	(953,269)	1,149,865
Subtotal	1,079,306	1,400,861	(953,269)	1,526,898
Capital assets being depreciated				
Land improvements	889,149	-	-	889,149
Building and improvements	8,540,319	-	-	8,540,319
Vehicles	602,037	-	(19,673)	582,364
Machinery and equipment	14,783,300	231,273	(69,331)	14,945,242
Infrastructure	41,318,534	1,065,401	-	42,383,935
Subtotal	66,133,339	1,296,674	(89,004)	67,341,009
Less accumulated depreciation for:				
Land improvements	(371,999)	(29,894)	-	(401,893)
Building and improvements	(6,925,544)	(159,138)	-	(7,084,682)
Vehicles	(426,100)	(40,069)	19,673	(446,496)
Machinery and equipment	(11,053,606)	(263,363)	69,331	(11,247,638)
Infrastructure	(18,226,167)	(1,224,292)	-	(19,450,459)
Subtotal	(37,003,416)	(1,716,756)	89,004	(38,631,168)
Net capital assets being depreciated	29,129,923	(420,082)	-	28,709,841
Capital assets, net	\$ 30,209,229	\$ 980,779	\$ (953,269)	\$ 30,236,739

Depreciation expense was charged to the following business-type activities:

Electric	\$ 603,519
Wastewater	332,304
Water	507,412
FiberNet	140,034
Marshall House	91,930
DART	41,557
	<u>\$ 1,716,756</u>

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - CAPITAL ASSETS (continued)

Component Units

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated				
Land	\$ 473,300	\$ 14,824	\$ -	\$ 488,124
Construction in progress	1,093,139	5,301,603	-	6,394,742
Subtotal	1,566,439	5,316,427	-	6,882,866
Capital assets being depreciated				
Infrastructure	1,445,815	-	-	1,445,815
Machinery and equipment	97,240	-	-	97,240
Subtotal	1,543,055	-	-	1,543,055
Less accumulated depreciation for:				
Infrastructure	(70,800)	(45,196)	-	(115,996)
Machinery and equipment	(93,320)	(560)	-	(93,880)
Subtotal	(164,120)	(45,756)	-	(209,876)
Net capital assets being depreciated	1,378,935	(45,756)	-	1,333,179
Capital assets, net	<u>\$ 2,945,374</u>	<u>\$ 5,270,671</u>	<u>\$ -</u>	<u>\$ 8,216,045</u>

CITY OF MARSHALL
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, 2023:

Primary Government

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Amounts Due Within One Year
PRIMARY GOVERNMENT					
Governmental Activities					
General obligation bonds	\$ 9,310,000	\$ -	\$ (670,000)	\$ 8,640,000	\$ 705,000
Direct borrowings	546,710	-	(308,853)	237,857	66,179
Compensated absences	285,743	80,872	-	366,615	91,654
Unamortized bond premiums	193,399	-	(14,378)	179,021	14,660
Total Governmental Activities	10,335,852	80,872	(993,231)	9,423,493	877,493
Business-type Activities					
General obligation bonds	8,860,000	-	(640,000)	8,220,000	670,000
Revenue bonds	4,010,000	2,200,000	(110,000)	6,100,000	195,000
Compensated absences	209,596	1,338	-	210,934	52,734
Unamortized bond premiums	323,076	-	(25,201)	297,875	24,877
Total Business-type Activities	13,402,672	2,201,338	(775,201)	14,828,809	942,611
Total Primary Government Long-term Obligations	<u>\$ 23,738,524</u>	<u>\$ 2,282,210</u>	<u>\$ (1,768,432)</u>	<u>\$ 24,252,302</u>	<u>\$ 1,820,104</u>
COMPONENT UNIT					
Local Development Finance Authority					
General obligation bonds	\$ 6,445,000	\$ -	\$ (285,000)	\$ 6,160,000	\$ 335,000
Unamortized bond premiums	318,659	-	(14,091)	304,568	16,563
Total Local Development Finance Authority	<u>\$ 6,763,659</u>	<u>\$ -</u>	<u>\$ (299,091)</u>	<u>\$ 6,464,568</u>	<u>\$ 351,563</u>
South Neighborhood Improvement Authority					
General obligation bonds	<u>\$ 765,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 765,000</u>	<u>\$ -</u>

**CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - LONG-TERM OBLIGATIONS (continued)

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

Primary Government

Governmental Activities

General Obligation Bonds

\$5,325,000 2014 Building Authority General Obligation Bonds dated July 29, 2014 due in annual installments ranging from \$180,000 to \$320,000 through April 1, 2039, with interest of 4.00% payable semiannually. \$ 3,995,000

\$1,680,000 2013 Michigan Transportation General Obligation Bonds dated April 10, 2013 due in annual installments ranging from \$115,000 to \$135,000 through October 1, 2028, with interest ranging from 2.15% to 3.00% payable semiannually. 745,000

\$4,750,000 2021 Roads General Obligation Bonds dated May 18, 2021 due in annual installments ranging from \$410,000 to \$595,000 through April 1, 2031, with interest ranging from 1.00% to 2.00% payable semiannually. 3,900,000

\$ 8,640,000

Direct Borrowings

\$145,000 Fire Truck Installment Purchase dated July 9, 2015 due in annual installments ranging from \$23,159 through \$43,747 through July 9, 2025, with interest of 2.33%, payable semiannually. \$ 109,642

\$100,000 Airport Loan dated September 28, 2020 due in annual installments ranging from \$9,254 through \$11,382 through September 28, 2030, with interest of 3.00%. 82,292

\$71,331 Copier Lease dated September 28, 2021 due in monthly installments ranging from \$1,172 to \$1,246 through August 1, 2026, with interest of 2.00%. 45,923

\$ 237,857

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM OBLIGATIONS (continued)

Primary Government (continued)

Business-type Activities

General Obligation Bonds

\$1,345,000 2009 General Obligation Bonds dated July 7, 2009 due in annual installments ranging from \$75,000 to \$100,000 through April 1, 2029, with interest ranging from 5.10% to 5.10% payable semiannually.	\$ 525,000
\$1,615,000 2012 Water General Obligation Bond dated September 5, 2012 due in annual installments ranging from \$90,000 to \$115,000 through April 1, 2032, with interest ranging from 3.00% to 3.30%, payable semiannually.	910,000
\$2,175,000 2012 Wastewater General Obligation Bond dated September 5, 2012 due in annual installments ranging from \$160,000 to \$205,000 through April 1, 2032, with interest ranging from 3.00% to 3.30%, payable semiannually	1,635,000
\$460,000 2016 Refunding Bond dated July 20, 2016 due in annual installments ranging from \$45,000 to \$55,000 through April 1, 2027, with interest of 4.00%, payable semiannually.	200,000
\$310,000 2016 Refunding Bond dated July 20, 2016 due in an annual installment of \$50,000 on April 1, 2024, with interest of 4.00%, payable semiannually.	50,000
\$3,370,000 2016 General Obligation Bonds dated July 20, 2016 due in annual installments ranging from \$145,000 to \$230,000 through April 1, 2036, with interest ranging from 3.00% to 4.00%, payable semiannually.	2,430,000
\$2,665,000 2021 Dam General Obligation Bonds dated May 13, 2021 due in annual installments ranging from \$100,000 to \$175,000 through April 1, 2041, with interest of 2.75%, payable semiannually.	<u>2,470,000</u>
	<u><u>\$ 8,220,000</u></u>

Revenue Bonds

\$4,200,000 2019 Water Revenue Bonds dated July 9, 2019 due in annual installments ranging from \$110,000 to \$370,000 through April 1, 2040, with interest of 3.00%, payable semiannually.	\$ 3,900,000
\$2,200,000 2022 Water Revenue Bonds date April 1, 2023 due in annual installments ranfing from \$75,000 to \$165,000 through April 1, 2042, with interest of 4.25% payable semiannually.	<u>2,200,000</u>
Component Unit	<u><u>\$ 6,100,000</u></u>

General Obligation Bonds

\$6,445,000 2022 General Obligation Bonds dated May 17, 2022 due in annual installments ranging from \$335,000 to \$560,000 through April 1, 2037, with interest of 4.00%, payable semiannually.	\$ 6,160,000
\$765,000 2021 Revenue Bonds dated May 13, 2021 due in annual installments ranging from \$0 to \$65,000 through October 1, 2037, with interest of 3.40%, payable semiannually.	<u>765,000</u>
	<u><u>\$ 6,925,000</u></u>

**CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - LONG-TERM OBLIGATIONS (continued)

Compensated Absences

In accordance with City personnel policies and/or contracts negotiated with various employee groups of the City, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in their respective personnel policies and/or contracts. The dollar amount of these vested rights, including related payroll taxes, amounted to \$366,615 and \$210,934 for vacation and sick for governmental and business-type activities, respectively, at June 30, 2023. Of those amounts, \$91,654 and \$52,734 have been recorded as current liabilities for governmental and business-type activities, respectively.

The City's outstanding obligations from direct borrowings and direct placements related to governmental activities of \$237,857 contain provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

All City departments and funds with employees liquidate vacation, compensated absences, and normal sick leave as a direct payout. For governmental activities, compensated absences are generally liquidated by the General Fund.

Year Ending June 30,	Primary Government					
	General Obligation / Revenue Bonds				Direct Borrowing	
	Governmental Activities		Business-Type Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 705,000	\$ 223,700	\$ 865,000	\$ 482,225	\$ 66,179	\$ 5,595
2025	740,000	209,874	855,000	452,026	67,755	4,019
2026	775,000	195,454	895,000	421,907	47,745	2,387
2027	810,000	179,799	940,000	390,385	12,602	1,617
2028	850,000	163,124	910,000	357,258	10,416	1,307
2029-2033	3,005,000	552,006	4,490,000	1,464,488	33,160	2,009
2034-2038	1,435,000	240,800	3,520,000	747,376	-	-
2039-2042	320,000	12,800	1,845,000	202,650	-	-
	<u>\$ 8,640,000</u>	<u>\$ 1,777,557</u>	<u>\$ 14,320,000</u>	<u>\$ 4,518,315</u>	<u>\$ 237,857</u>	<u>\$ 16,934</u>

Year Ending June 30,	Component Units	
	General Obligation Bonds	
	Principal	Interest
2024	\$ 335,000	\$ 272,410
2025	350,000	259,010
2026	415,000	244,160
2027	430,000	227,860
2028	445,000	210,960
2029-2033	2,505,000	872,100
2034-2038	2,445,000	358,590
	<u>\$ 6,925,000</u>	<u>\$ 2,445,090</u>

**CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - LEASES RECEIVABLE

The City leases tower space to a cellular company. The lease is for thirty years and the City will receive annual escalating payments. For the year ended June 30, 2023, the City recognized \$34,645 in lease revenue and \$3,579 in interest revenue related to this leases due to one of the cellular companies terminating their lease during the CY. As of June 30, 2023, the City reports a receivable and deferred inflow of resources associated with this lease of \$114,521. The deferred inflow of resources will be recognized as revenue over the lease term.

NOTE 9 - DEFINED BENEFIT PENSION PLAN

Plan Description

The City participates in the Michigan 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 by 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 2.50% to 3.00%.

Vesting period of 10 years.

Normal retirement age is 60 with early retirement of 50 to 55 with 25 years of service or reduced early retirement at 50 with 25 years of service or 55 with 15 years of service.

Final average compensation is calculated based on three to five years.

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

**CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

Benefits Provided (continued)

At the December 31, 2022, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	109
Inactive employees entitled to but not yet receiving benefits	21
Active employees	<u>38</u>
Total employees covered by the Plan	<u><u>168</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.

Payable to the Pension Plan

At June 30, 2023, there were no amounts outstanding by the City for contributions to the pension plan required for the year ended June 30, 2023.

Net Pension Liability

The employer's net pension liability reported at June 30, 2023 was determined using a measure of the total pension liability and the pension net position as of December 31, 2022. The December 31, 2022 total pension liability was determined by an actuarial valuation performed as of that date.

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

Net Pension Liability (continued)

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<u>Changes in Net Pension Liability</u>	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances at December 31, 2021	\$ 40,497,096	\$ 26,045,640	\$ 14,451,456
Changes for the Year			
Service cost	443,110	-	443,110
Interest on total pension liability	2,844,314	-	2,844,314
Difference between expected and actual experience	709,332	-	709,332
Employer contributions	-	1,868,810	(1,868,810)
Employee contributions	-	300,007	(300,007)
Net investment income (loss)	-	(2,672,801)	2,672,801
Benefit payments, including employee refunds	(2,973,480)	(2,973,480)	-
Administrative expense	-	(47,330)	47,330
Net changes	1,023,276	(3,524,794)	4,548,070
Balances as of December 31, 2022	\$ 41,520,372	\$ 22,520,846	\$ 18,999,526

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

For the year ended June 30, 2023, the City recognized pension expense of \$2,898,896. 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	\$ 354,666	\$ -
Net difference between projected and actual earnings on pension plan investments	2,058,184	-
Contributions subsequent to the measurement date*	1,003,327	-
Total	\$ 3,416,177	\$ -

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition in the net pension liability for the year ending June 30, 2024.

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

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

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

Years Ending June 30,	Pension Expense
2024	\$ 515,166
2025	389,045
2026	602,594
2027	906,045
	<u>\$ 2,412,850</u>

Actuarial Assumptions

The total pension liability in the December 31, 2022, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

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

Investment rate of return: 7.00%, net of investment expenses, including inflation.

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

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

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers.

Changes in Assumptions

There were no changes in assumptions during plan year 2022.

**CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

Projected Cash Flows

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.00%	4.50%	2.70%
Global fixed income	20.00%	2.00%	0.40%
Private investments	20.00%	7.00%	1.40%
	<u>100.00%</u>		
Inflation			<u>2.50%</u>
Assumed investment rate of return			7.00%
Administrative expense netted above			<u>0.25%</u>
Investment rate of return (discount rate)			<u>7.25%</u>

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% lower (6.25%) or 1% higher (8.25%) than the current rate.

	1% Decrease Rate 6.25%	Current Discount Rate 7.25%	1% Increase Rate 8.25%
Net pension liability	<u>\$ 23,581,505</u>	<u>\$ 18,999,526</u>	<u>\$ 15,156,452</u>

**CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - DEFINED CONTRIBUTION PENSION PLAN

The City provides a defined contribution pension plan, which provides retirement benefits to qualified employees who were hired after July 1, 2013. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City's contribution for employees eligible to participate in the plans vests based on years of service with 100% vesting occurring after 5 years of service. The City and participants contribute a percentage of participant's salary to the plans. City contributions to the MERS plan are 10% of salary and participant contributions are 7.7% of salary. City contributions for the fiscal year 2023 were \$282,443 and participant contributions were \$217,371. The plan provisions and contribution amounts were established by the City Council and may be amended by the Council. The plan is administered along with the defined benefit pension plans, through MERS.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

Benefits Provided

The Plan was established and is being funded under the authority of the City. The Plan's funding policy is that the employer will contribute \$200,000 per year to the OPEB Trust in addition to paying retiree benefits from general operating funds at least until the Plan is 40% funded. There are no long-term contracts for contributions to the Plan. The Plan has no legally required reserves.

Summary of Plan Participants

At the June 30, 2022 valuation date, the following employees were covered by the benefit terms:

Active plan members	1
Retirees and beneficiaries	<u>67</u>
Total employees covered by the plan	<u><u>68</u></u>

Net OPEB Liability

The net OPEB liability of the City was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023.

**CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS**

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (continued)

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:

Inflation rate	2.50%
Salary increases	3.00%
Investment rate of return	7.00%, including inflation
Healthcare cost trend rate	7.25% graded down 4.50% by 0.25% per year
20-year Municipal bond rate	4.31%

Mortality rates were based on the 2010 public general and public safety employees and healthy and disabled retirees, headcount weighted with improvement scale MP-2021.

The assumptions used in the June 30, 2022 valuation were determined by the City's management as of June 30, 2022.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Rate of Return</u>
Global equity	60.00%	4.50%
Global fixed income	20.00%	2.00%
Private investments	20.00%	7.00%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that City contributions will be \$200,000 in addition to paying retiree benefits from general operating funds for the foreseeable future. Thus, based on those assumptions, the retirement plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. There is no cross-over point. This discount rate is used to determine the Total OPEB Liability. As of June 30, 2021, the discount rate used to value OPEB liabilities was 7.00%.

**CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS**

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (continued)

Changes in Assumptions

The actuarial assumptions were changed during the year as follows:

- 20-year Municipal bond rate changed from 3.46% to 4.31%.

Change in Net OPEB Liability

The change in the net OPEB liability for the year ended June 30, 2023 is as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPB Liability
<u>Changes in Net OPEB Liability</u>	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances at June 30, 2022	\$ 6,669,286	\$ 1,808,111	\$ 4,861,175
Changes for the Year			
Service cost	4,985	-	4,985
Interest on total OPEB liability	448,276	-	448,276
Difference between expected and actual experience	(133,017)	-	(133,017)
Changes of assumptions	52,467	-	52,467
Employer contributions	-	740,661	(740,661)
Net investment income	-	141,409	(141,409)
Benefit payments, including employee refunds	(540,661)	(540,661)	-
Administrative expense	-	(3,721)	3,721
Net changes	(167,950)	337,688	(505,638)
Balances as of June 30, 2023	\$ 6,501,336	\$ 2,145,799	\$ 4,355,537

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate:

	1% Decrease	Current Rate	1% Increase
Net OPEB liability	\$ 4,925,203	\$ 4,355,537	\$ 3,871,743

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (continued)

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

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

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB liability	<u>\$ 3,798,930</u>	<u>\$ 4,355,537</u>	<u>\$ 5,003,119</u>

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

For the year ended June 30, 2023, the City recognized an OPEB benefit of \$266,137. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	<u>\$ 72,333</u>	<u>\$ -</u>

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

<u>Year Ending June 30,</u>	<u>OPEB Expense</u>
2024	\$ 14,152
2025	1,413
2026	58,363
2027	<u>(1,595)</u>
	<u>\$ 72,333</u>

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 12 - RISK MANAGEMENT

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for excess claims for general and auto liability, auto physical damage, and property loss claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

NOTE 13 - COMMITMENTS AND CONTINGENCIES

The City participates in a number of Federal and State assisted grant programs which are subject to compliance audits. The periodic program compliance audits of many of the programs have not yet been completed or final resolution has not been received. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Contingent liabilities represent items that are not recognized in the Statement of Net Position at June 30, 2023 because there is significant uncertainty as to the outcome of a future event. Contingent liabilities are recorded in the Statement of Net Position only when the contingency is probable, and the amount can be estimated. The City estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

NOTE 14 - DIAL-A-RIDE DISCLOSURES

The following disclosures are required by the Michigan Department of Transportation (MDOT) relative to the City's Dial-A-Ride program which is funded by and through MDOT:

Cost Allocation Plans

The Dial-A-Ride has one cost allocation plan (central service - building) where the methodology has been approved by the Office of Passenger Transportation (OPT). The cost allocation plan was adhered to in the preparation of the financial statements.

Nonfinancial Methodology

The methodology used for compiling vehicle mileage is adequate and reliable.

**CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS**

NOTE 14 - DIAL-A-RIDE DISCLOSURES (continued)

Depreciation

The depreciation expense reported in 51300 equals the ineligible depreciation reported in 55007. Therefore, the depreciation assurance regarding approval of useful life is not required.

Capital Funds Used to Pay for Operating

No operating expenses are subtracted out as ineligible because no capital money was used to pay for operating expenses for the fiscal year ended June 30, 2023.

Expenses Associated with PTMS Codes 406 & 407

Expenses associated with 406xx Auxiliary Transportation Revenue (advertising revenue) and / or 407xx Non-transportation, if any, are subtracted out as ineligible under 56002 Ineligible Expenses Associated with Advertising Revenue for the fiscal year ended September 30, 2022.

Retirement Benefits

The Dial-A-Ride offers two pension compensation plans: MERS defined benefit and MERS defined contribution. During the fiscal year ended September 30, 2022 the Dial-A-Ride paid \$0 in 50210 DC Pensions under its MERS defined contribution plan. The entire amount was expensed on the books and reported in 50210 DC Pensions. The entire sum of \$0 was paid (e.g., an out-of-pocket payment) and, therefore, no DC pension is subtracted out under 58010 Ineligible DC Pensions.

Pension costs incurred for the MERS defined benefit plan were calculated pursuant to the MERS GASB 68 Implementation Guide. The total pension expense recognized as calculated in STEP 6 of the guide was \$23,158 for the Dial-A-Ride's fiscal year end of September 30, 2022. The entire amount of \$23,158 was expensed on the books and is reported in 50220 DB Pensions as of September 30, 2022. The transit agency paid (e.g., an out of pocket payment) \$37,091, therefore, \$13,933 of defined benefit pension costs are eligible for reimbursement from prior year ineligible. \$13,933 has been added in as negative ineligible on the OAR schedule under 58020 Ineligible DB Pension.

OPEB costs incurred for the OPEB plan were calculated in accordance with GASB 75. The total OPEB expense recognized in the actuarial valuation is \$(16,173). The entire amount of \$(16,173) was expensed on the books and is reported in 50230 Other Post-employment Benefits (OPEB). The transit agency paid (e.g., an out of pocket payment) \$50,583, therefore, \$(16,173) of OPEB costs are eligible for reimbursement.

	Defined Benefit Pension
Cumulative ineligible expenses/cost, beginning of year	\$ 119,162
Current year ineligible expenses/cost	<u>(13,933)</u>
Cumulative ineligible expenses/cost, end of year	<u><u>\$ 105,229</u></u>

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 15 - FUND BALANCE CLASSIFICATIONS

The following are the various fund balance classifications as of June 30, 2023:

	General Fund	Nonmajor Governmental Funds	Total
Fund Balances			
Nonspendable			
Inventory	\$ 37,254	\$ 15,121	\$ 52,375
Prepays	22,170	-	22,170
Advances	1,000,000	-	1,000,000
Endowments	-	321,851	321,851
Restricted			
Streets	-	3,352,834	3,352,834
Regional law enforcement center	-	511,751	511,751
Capital projects	-	50	50
Leaf, brush, and trash removal	-	23,560	23,560
Drug and law enforcement	-	1,826	1,826
Cemetery perpetual care	-	309,727	309,727
Debt service	-	163,599	163,599
ARPA	-	14,765	14,765
RAP Program	-	24,475	24,475
Committed			
Fire truck	184,000	-	184,000
Special projects	-	137,836	137,836
Unassigned	2,376,495	-	2,376,495
 TOTAL FUND BALANCES	 \$ 3,619,919	 \$ 4,877,407	 \$ 8,497,326

NOTE 16 - CHANGE IN ACCOUNTING PRINCIPLES

For the year ended June 30, 2023, the City implemented the following new pronouncement:

GASB Statement No. 96, *Subscription-based Information Technology Arrangements*.

Summary:

In May 2020, the 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.

There was no material impact on the City's financial statements after the adoption of GASB Statement No. 96.

CITY OF MARSHALL
NOTES TO FINANCIAL STATEMENTS

NOTE 17 - UPCOMING ACCOUNTING PRONOUNCEMENTS

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.

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 but not 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 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 18 - NET POSITION DEFICITS

The following funds had net position deficits at June 30, 2023:

	Net Position	
	Unrestricted	Total
PRIMARY GOVERNMENT		
Business-type Activities		
FiberNet Fund	\$ (3,273,502)	\$ (388,377)
COMPONENT UNITS		
South Neighborhood Improvement Authority	30,284	(92,822)

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF MARSHALL
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 4,351,433	\$ 4,351,433	\$ 4,261,976	\$ (89,457)
Licenses and permits	442,000	442,000	466,981	24,981
Intergovernmental	1,080,331	1,211,292	1,256,284	44,992
Charges for services	411,386	451,386	365,866	(85,520)
Fines and forfeits	13,000	13,000	13,913	913
Interest and rents	598,944	602,944	747,507	144,563
Other	800,117	805,117	976,066	170,949
TOTAL REVENUES	7,697,211	7,877,172	8,088,593	211,421
EXPENDITURES				
Current				
General government				
Council	2,957	3,707	3,151	556
Manager	256,499	256,499	223,861	32,638
Assessor	71,633	71,633	70,906	727
Attorney	100,000	100,000	127,679	(27,679)
Human resources	104,338	104,338	72,196	32,142
Clerk	73,094	118,194	113,253	4,941
Treasurer	615,373	615,373	533,776	81,597
City hall	78,829	142,484	139,850	2,634
Chapel	1,715	1,715	515	1,200
Other City properties	62,000	62,000	61,412	588
Non-departmental	684,262	833,260	854,598	(21,338)
Total general government	2,050,700	2,309,203	2,201,197	108,006
Public safety				
Police	2,047,331	2,047,331	2,004,757	42,574
Crossing guards	2,677	6,377	5,441	936
Dispatch operations	190,000	190,000	187,932	2,068
Fire	1,245,916	1,325,916	1,297,287	28,629
Inspection	152,391	152,391	139,735	12,656
Total public safety	3,638,315	3,722,015	3,635,152	86,863
Public works				
Street	939,370	939,370	927,009	12,361
Composting	36,757	66,757	63,298	3,459
Engineering	58,900	58,900	41,325	17,575
Cemetery	153,942	188,942	203,217	(14,275)
Airport	158,608	206,108	187,369	18,739
Public services building	125,762	153,262	165,451	(12,189)
Total public works	1,473,339	1,613,339	1,587,669	25,670

**CITY OF MARSHALL
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (continued)
YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
EXPENDITURES (continued)				
Current (continued)				
Community and economic development				
Farmers market	\$ 24,911	\$ 24,911	\$ 14,703	\$ 10,208
Planning and zoning	60,444	60,444	59,465	979
Total community and economic development	85,355	85,355	74,168	11,187
Recreation and culture				
Recreation	364,271	364,271	339,260	25,011
Parks	128,186	128,186	114,564	13,622
Total recreation and culture	492,457	492,457	453,824	38,633
Debt service	-	56,796	56,796	-
Capital outlay	-	97,606	90,571	7,035
TOTAL EXPENDITURES	7,740,166	8,376,771	8,099,377	277,394
EXCESS OF REVENUES (UNDER) EXPENDITURES	(42,955)	(499,599)	(10,784)	488,815
OTHER FINANCING SOURCES (USES)				
Transfers in	30,000	30,000	6,429	(23,571)
Transfers out	(110,374)	(443,674)	(430,819)	12,855
TOTAL OTHER FINANCING SOURCES (USES)	(80,374)	(413,674)	(424,390)	(10,716)
NET CHANGE IN FUND BALANCE	(123,329)	(913,273)	(435,174)	478,099
Fund balance, beginning of year	4,055,093	4,055,093	4,055,093	-
Fund balance, end of year	\$ 3,931,764	\$ 3,141,820	\$ 3,619,919	\$ 478,099

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
CHANGE IN TOTAL PENSION LIABILITY									
Service cost	\$ 443,110	\$ 425,726	\$ 382,455	\$ 408,090	\$ 394,120	\$ 433,744	\$ 479,907	\$ 499,467	\$ 494,170
Interest	2,844,314	2,846,747	2,734,814	2,752,916	2,682,389	2,674,178	2,624,048	2,516,972	2,450,825
Changes of benefit terms	-	-	-	70	-	4,811	-	-	-
Difference between expected and actual experience	709,332	(27,590)	224,980	(80,974)	288,807	(639,786)	(201,324)	(31,309)	-
Changes of assumptions	-	1,387,534	815,496	1,114,526	-	-	-	1,499,182	-
Benefit payments, including employee refunds	(2,973,480)	(2,759,318)	(2,653,844)	(2,563,879)	(2,417,509)	(2,283,549)	(2,222,675)	(2,142,685)	(2,143,777)
Net Change in Total Pension Liability	1,023,276	1,873,099	1,503,901	1,630,749	947,807	189,398	679,956	2,341,627	801,218
Total Pension Liability, beginning	40,497,096	38,623,997	37,120,096	35,489,347	34,541,540	34,352,142	33,672,186	31,330,559	30,529,341
Total Pension Liability, ending	\$ 41,520,372	\$ 40,497,096	\$ 38,623,997	\$ 37,120,096	\$ 35,489,347	\$ 34,541,540	\$ 34,352,142	\$ 33,672,186	\$ 31,330,559
CHANGE IN PLAN FIDUCIARY NET POSITION									
Contributions - employer	\$ 1,868,810	\$ 1,522,547	\$ 1,259,552	\$ 1,104,995	\$ 984,063	\$ 862,172	\$ 790,417	\$ 710,139	\$ 611,791
Contributions - employee	300,007	256,274	275,570	248,537	269,424	282,382	311,834	329,215	353,729
Net investment income (loss)	(2,672,801)	3,285,702	2,712,878	2,751,161	(856,613)	2,742,993	2,241,410	(311,804)	1,337,330
Benefit payments, including employee refunds	(2,973,480)	(2,759,318)	(2,653,844)	(2,563,879)	(2,417,509)	(2,283,549)	(2,222,675)	(2,142,685)	(2,143,777)
Administrative expenses	(47,330)	(37,687)	(43,800)	(47,356)	(43,320)	(43,520)	(44,490)	(46,163)	(48,890)
Net Change in Plan Fiduciary Net Position	(3,524,794)	2,267,518	1,550,356	1,493,458	(2,063,955)	1,560,478	1,076,496	(1,461,298)	110,183
Plan Fiduciary Net Position, beginning	26,045,640	23,778,122	22,227,766	20,734,308	22,798,263	21,237,785	20,161,289	21,622,587	21,512,404
Plan Fiduciary Net Position, ending	\$ 22,520,846	\$ 26,045,640	\$ 23,778,122	\$ 22,227,766	\$ 20,734,308	\$ 22,798,263	\$ 21,237,785	\$ 20,161,289	\$ 21,622,587
City's Net Pension Liability	\$ 18,999,526	\$ 14,451,456	\$ 14,845,875	\$ 14,892,330	\$ 14,755,039	\$ 11,743,277	\$ 13,114,357	\$ 13,510,897	\$ 9,707,972
Plan fiduciary net position as a percentage of the total pension liability	54.24%	64.31%	61.56%	59.88%	58.42%	66.00%	61.82%	59.88%	69.01%
Covered payroll	\$ 2,671,417	\$ 2,866,513	\$ 2,781,676	\$ 2,978,869	\$ 2,879,640	\$ 3,220,900	\$ 3,544,724	\$ 3,714,381	\$ 3,702,727
City's net pension liability as a percentage of covered payroll	711.2%	504.1%	533.7%	499.9%	512.4%	364.6%	370.0%	363.7%	262.2%

**CITY OF MARSHALL
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CITY CONTRIBUTIONS
LAST TEN FISCAL YEARS
(AMOUNTS WERE DETERMINED AS OF 6/30 EACH FISCAL YEAR)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions	\$ 2,011,143	\$ 1,670,079	\$ 1,351,493	\$ 1,166,246	\$ 984,063	\$ 862,172	\$ 815,277	\$ 710,139	\$ 654,990	\$ 568,171
Contributions in relation to the actuarially determined contribution	2,011,143	1,670,079	1,351,493	1,166,246	984,063	862,172	815,277	710,139	654,990	568,171
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,856,931	\$ 3,029,723	\$ 2,950,962	\$ 2,919,292	\$ 2,822,047	\$ 3,317,527	\$ 3,459,896	\$ 3,751,525	\$ 3,702,728	\$ 4,139,755
Contributions as a percentage of covered payroll	70.40%	55.12%	45.80%	39.95%	34.87%	25.99%	23.56%	18.93%	17.69%	13.72%

CITY OF MARSHALL
OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF CHANGES IN THE PLAN'S NET OPEB LIABILITY AND RELATED RATIOS
LAST SIX MEASUREMENT DATES (ULTIMATELY TEN YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	2023	2022	2021	2020	2019
CHANGE IN TOTAL OPEB LIABILITY					
Service cost	\$ 4,985	\$ 8,222	\$ 8,348	\$ 31,537	\$ 165,819
Interest	448,276	640,587	658,434	690,180	761,974
Difference between expected and actual experience	(133,017)	(2,629,273)	(78,507)	(1,272,562)	(78,697)
Changes of assumptions	52,467	197,259	(226,421)	(287,369)	(14,990,818)
Benefit payments, including refunds of member contributions	<u>(540,661)</u>	<u>(509,541)</u>	<u>(699,489)</u>	<u>(575,706)</u>	<u>(587,200)</u>
Net Change in Total OPEB Liability	(167,950)	(2,292,746)	(337,635)	(1,413,920)	(14,728,922)
Total OPEB Liability, beginning	<u>6,669,286</u>	<u>8,962,032</u>	<u>9,299,667</u>	<u>10,713,587</u>	<u>25,442,509</u>
Total OPEB Liability, ending	<u><u>\$ 6,501,336</u></u>	<u><u>\$ 6,669,286</u></u>	<u><u>\$ 8,962,032</u></u>	<u><u>\$ 9,299,667</u></u>	<u><u>\$ 10,713,587</u></u>
CHANGE IN PLAN FIDUCIARY NET POSITION					
Employer contributions	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Contributions/benefits paid from general operating funds	540,661	509,541	699,489	575,706	587,200
OPEB plan net investment income (loss)	141,409	(162,190)	386,713	26,540	27,816
Benefit payments, including refunds of member contributions	(540,661)	(509,541)	(699,489)	(575,706)	(587,200)
Administrative expenses	<u>(3,721)</u>	<u>(3,537)</u>	<u>(2,862)</u>	<u>(2,111)</u>	<u>(1,972)</u>
Net Change in Plan Fiduciary Net Position	337,688	34,273	583,851	224,429	25,844
Plan Fiduciary Net Position, beginning	<u>1,808,111</u>	<u>1,773,838</u>	<u>1,189,987</u>	<u>965,558</u>	<u>939,714</u>
Plan Fiduciary Net Position, ending	<u><u>\$ 2,145,799</u></u>	<u><u>\$ 1,808,111</u></u>	<u><u>\$ 1,773,838</u></u>	<u><u>\$ 1,189,987</u></u>	<u><u>\$ 965,558</u></u>
Plan's Net OPEB Liability	\$ 4,355,537	\$ 4,861,175	\$ 7,188,194	\$ 8,109,680	\$ 9,748,029
Plan fiduciary net position as a percentage of the total OPEB liability	33.01%	27.11%	19.79%	12.80%	9.01%
Covered payroll	\$ 55,549	\$ 51,855	\$ 336,660	\$ 456,791	\$ 301,626
Plan's net OPEB liability as a percentage of covered payroll	7840.89%	9374.55%	2135.15%	1775.36%	3231.83%

CITY OF MARSHALL
OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS
LAST SIX FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ 1,025,188	\$ 7,725,352	\$ 4,516,130	\$ 3,721,006	\$ 1,579,522	\$ 8,242,097
Contributions in relation to the actuarially determined contribution	<u>740,661</u>	<u>709,541</u>	<u>899,489</u>	<u>775,706</u>	<u>587,200</u>	<u>548,507</u>
Contribution deficiency	<u>\$ 284,527</u>	<u>\$ 7,015,811</u>	<u>\$ 3,616,641</u>	<u>\$ 2,945,300</u>	<u>\$ 992,322</u>	<u>\$ 7,693,590</u>
Covered payroll	\$ 55,549	\$ 51,855	\$ 336,660	\$ 456,791	\$ 301,626	N/A
Contributions as a percentage of covered payroll	1333.35%	1368.32%	267.18%	169.82%	194.68%	N/A

CITY OF MARSHALL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

During the year ended June 30, 2023, the City incurred expenditures in the General Fund in excess of the amounts appropriated as follows:

	<u>Amounts Appropriated</u>	<u>Amounts Expended</u>	<u>Variance</u>
General Fund			
Current			
General government			
Attorney	\$ 100,000	\$ 127,679	\$ (27,679)
Non-departmental	833,260	854,598	(21,338)
Public works			
Cemetery	188,942	203,217	(14,275)
Public services building	153,262	165,451	(12,189)

NOTE 2 - DEFINED BENEFIT PENSION PLAN

Changes of Benefits Terms: There were no significant changes in benefit terms for the plan year 2022.

Changes in Assumptions: There were no changes in assumptions for the plan year 2022.

NOTE 3 - OTHER POST-EMPLOYMENT BENEFITS PLAN

Changes of Benefit Terms: There were no changes of benefit terms during plan year 2023.

Changes of Assumptions: 20-year Municipal bond rate changed from 3.46% to 4.31%.

OTHER SUPPLEMENTARY INFORMATION

**CITY OF MARSHALL
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023**

	Special Revenue										Debt Service		Capital Projects		Permanent	
	Major Streets	Local Streets	Municipal Streets	Marshall Regional Law Enforcement Center	Leaf, Brush, and Trash Removal	Drug Forfeiture	SAFER Grant	ARPA Grant	CDBG	RAP Program	Building Authority	Capital Improvement Bond	Building Authority Construction	Special Projects	Cemetery	Total
ASSETS																
Cash and investments	\$ 790,846	\$ 769,081	\$ 1,625,641	\$ 526,608	\$ 23,560	\$ 1,826	\$ 377	\$ 608,545	\$ 922	\$ 40,612	\$ 1,145	\$ 162,454	\$ 50	\$ 154,014	\$ 631,578	\$ 5,337,259
Accounts receivable, net	-	-	-	9,562	-	-	6,577	-	-	-	-	-	-	10,000	-	26,139
Due from other governmental units	131,584	43,187	-	-	-	-	101,191	-	12,090	-	-	-	-	-	-	288,052
Inventories	15,121	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,121
TOTAL ASSETS	\$ 937,551	\$ 812,268	\$ 1,625,641	\$ 536,170	\$ 23,560	\$ 1,826	\$ 108,145	\$ 608,545	\$ 13,012	\$ 40,612	\$ 1,145	\$ 162,454	\$ 50	\$ 164,014	\$ 631,578	\$ 5,666,571
LIABILITIES																
Accounts payable	\$ 157	\$ 49	\$ 5,114	\$ 22,174	\$ -	\$ -	\$ -	\$ 32,632	\$ -	\$ 16,137	\$ -	\$ -	\$ -	\$ 26,178	\$ -	\$ 102,441
Accrued liabilities	1,287	736	162	2,245	-	-	6,145	-	-	-	-	-	-	-	-	10,575
Due to other funds	-	-	-	-	-	-	102,000	-	13,000	-	-	-	-	-	-	115,000
Unearned revenue	-	-	-	-	-	-	-	561,148	-	-	-	-	-	-	-	561,148
TOTAL LIABILITIES	1,444	785	5,276	24,419	-	-	108,145	593,780	13,000	16,137	-	-	-	26,178	-	789,164
FUND BALANCES																
Nonspendable	15,121	-	-	-	-	-	-	-	-	-	-	-	-	-	321,851	336,972
Restricted	920,986	811,483	1,620,365	511,751	23,560	1,826	-	14,765	12	24,475	1,145	162,454	50	-	309,727	4,402,599
Committed	-	-	-	-	-	-	-	-	-	-	-	-	-	137,836	-	137,836
TOTAL FUND BALANCES	936,107	811,483	1,620,365	511,751	23,560	1,826	-	14,765	12	24,475	1,145	162,454	50	137,836	631,578	4,877,407
TOTAL LIABILITIES AND FUND BALANCES	\$ 937,551	\$ 812,268	\$ 1,625,641	\$ 536,170	\$ 23,560	\$ 1,826	\$ 108,145	\$ 608,545	\$ 13,012	\$ 40,612	\$ 1,145	\$ 162,454	\$ 50	\$ 164,014	\$ 631,578	\$ 5,666,571

CITY OF MARSHALL
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023

	Special Revenue										Debt Service		Capital Projects		Permanent	
	Major Streets	Local Streets	Municipal Streets	Marshall Regional Law Enforcement Center	Leaf, Brush, and Trash Removal	Drug Forfeiture	SAFER Grant	ARPA Grant	CDBG	RAP Program	Building Authority	Capital Improvement Bond	Building Authority Construction	Special Projects	Cemetery	Total
REVENUES																
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 165,884	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 498,492	\$ -	\$ -	\$ -	\$ 664,376
Intergovernmental	855,574	254,490	-	-	6,062	-	210,911	37,632	534,674	-	-	56,463	-	-	-	1,955,806
Charges for services	-	-	-	312,756	-	-	-	-	-	-	-	-	-	-	12,375	325,131
Fines and forfeits	-	-	-	-	-	214	-	-	-	-	-	-	-	-	-	214
Interest	26,372	12,296	109,826	4,755	350	12	-	14,572	1,344	155	-	1,257	-	3,132	6,603	180,674
Other	-	-	4,529	56,851	-	-	-	-	1,062,309	100,000	-	532	-	37,707	-	1,261,928
TOTAL REVENUES	881,946	266,786	114,355	374,362	172,296	226	210,911	52,204	1,598,327	100,155	-	556,744	-	40,839	18,978	4,388,129
EXPENDITURES																
Current																
General government	-	-	-	-	-	-	-	37,632	-	75,680	-	-	-	-	-	113,312
Public safety	-	-	-	398,733	-	2,870	210,911	-	-	-	-	-	-	-	-	612,514
Public works	191,067	344,422	1,397,373	-	185,830	-	-	-	-	-	-	-	-	-	-	2,118,692
Community and economic development	-	-	-	-	-	-	-	-	1,598,807	-	-	-	-	-	-	1,598,807
Debt service	130,613	-	-	-	-	-	-	-	-	-	333,300	447,724	-	-	-	911,637
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	133,553	-	133,553
TOTAL EXPENDITURES	321,680	344,422	1,397,373	398,733	185,830	2,870	210,911	37,632	1,598,807	75,680	333,300	447,724	-	133,553	-	5,488,515
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	560,266	(77,636)	(1,283,018)	(24,371)	(13,534)	(2,644)	-	14,572	(480)	24,475	(333,300)	109,020	-	(92,714)	18,978	(1,100,386)
OTHER FINANCING SOURCES																
Transfers in	-	-	-	97,519	-	-	-	-	-	-	333,300	-	-	-	-	430,819
NET CHANGE IN FUND BALANCES	560,266	(77,636)	(1,283,018)	73,148	(13,534)	(2,644)	-	14,572	(480)	24,475	-	109,020	-	(92,714)	18,978	(669,567)
Fund balances, beginning of year	375,841	889,119	2,903,383	438,603	37,094	4,470	-	193	492	-	1,145	53,434	50	230,550	612,600	5,546,974
Fund balances, end of year	\$ 936,107	\$ 811,483	\$ 1,620,365	\$ 511,751	\$ 23,560	\$ 1,826	\$ -	\$ 14,765	\$ 12	\$ 24,475	\$ 1,145	\$ 162,454	\$ 50	\$ 137,836	\$ 631,578	\$ 4,877,407

**CITY OF MARSHALL
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023**

	Marshall House	DART	Solid Waste	Total
ASSETS				
Current assets				
Cash and investments	\$ 1,731,579	\$ 1,134,031	\$ 110,537	\$ 2,976,147
Receivables				
Accounts receivable	-	54	98,536	98,590
Prepays	277	831	58	1,166
Total current assets	1,731,856	1,134,916	209,131	3,075,903
Noncurrent assets				
Capital assets, net of accumulated depreciation/amortization	1,132,817	135,868	-	1,268,685
TOTAL ASSETS	2,864,673	1,270,784	209,131	4,344,588
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	61,590	69,166	-	130,756
Deferred outflows of resources related to OPEB	1,302	1,461	-	2,763
TOTAL DEFERRED OUTFLOWS OF RESOURCES	62,892	70,627	-	133,519
LIABILITIES				
Current liabilities				
Accounts payable	95,799	2,810	31,980	130,589
Accrued liabilities	784	5,992	328	7,104
Unearned revenue	-	25,817	-	25,817
Total current liabilities	96,583	34,619	32,308	163,510
Noncurrent liabilities				
Net other post-employment benefits liability	78,400	87,982	-	166,382
Net pension liability	342,545	384,673	-	727,218
Total noncurrent liabilities	420,945	472,655	-	893,600
TOTAL LIABILITIES	517,528	507,274	32,308	1,057,110
NET POSITION				
Investment in capital assets	1,132,817	135,868	-	1,268,685
Unrestricted	1,277,220	698,269	176,823	2,152,312
TOTAL NET POSITION	\$ 2,410,037	\$ 834,137	\$ 176,823	\$ 3,420,997

CITY OF MARSHALL
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

	Marshall House	DART	Solid Waste	Total
OPERATING REVENUES				
Charges for services	\$ 442,395	\$ 32,248	\$ 536,931	\$ 1,011,574
Other	40,795	3,600	-	44,395
TOTAL OPERATING REVENUES	483,190	35,848	536,931	1,055,969
OPERATING EXPENSES				
Personnel services	138,719	293,833	12,337	444,889
Material and supplies	29,161	41,583	3,965	74,709
Utilities	119,099	8,338	-	127,437
Contractual	317,541	17,825	403,014	738,380
Insurance	8,957	1,949	-	10,906
Maintenance	63,176	8,786	-	71,962
Other expenses	37,087	10,593	1,635	49,315
Depreciation/amortization	91,930	41,557	-	133,487
TOTAL OPERATING EXPENSES	805,670	424,464	420,951	1,651,085
OPERATING INCOME (LOSS)	(322,480)	(388,616)	115,980	(595,116)
NONOPERATING REVENUES				
Intergovernmental	608,130	306,550	-	914,680
Property taxes	-	209,600	-	209,600
Interest earnings	7,770	18,502	411	26,683
TOTAL NONOPERATING REVENUES	615,900	534,652	411	1,150,963
NET INCOME BEFORE TRANSFERS	293,420	146,036	116,391	555,847
TRANSFERS OUT	-	(6,429)	-	(6,429)
CHANGE IN NET POSITION	293,420	139,607	116,391	549,418
Net position, beginning of year	2,116,617	694,530	60,432	2,871,579
Net position, end of year	\$ 2,410,037	\$ 834,137	\$ 176,823	\$ 3,420,997

**CITY OF MARSHALL
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023**

	Marshall House	DART	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	\$ 483,190	\$ 36,351	\$ 422,123	\$ 941,664
Cash paid to suppliers	(552,333)	(85,879)	(376,751)	(1,014,963)
Cash paid to employees	(157,092)	(311,937)	(12,898)	(481,927)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(226,235)</u>	<u>(361,465)</u>	<u>32,474</u>	<u>(555,226)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental receipts	608,130	333,522	-	941,652
Property taxes received	-	209,600	-	209,600
Transfers out	-	(6,429)	-	(6,429)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>608,130</u>	<u>536,693</u>	<u>-</u>	<u>1,144,823</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	<u>7,770</u>	<u>18,502</u>	<u>411</u>	<u>26,683</u>
NET INCREASE IN CASH AND INVESTMENTS	<u>389,665</u>	<u>193,730</u>	<u>32,885</u>	<u>616,280</u>
Cash and investments, beginning of year	<u>1,341,914</u>	<u>940,301</u>	<u>77,652</u>	<u>2,359,867</u>
Cash and investments, end of year	<u>\$ 1,731,579</u>	<u>\$ 1,134,031</u>	<u>\$ 110,537</u>	<u>\$ 2,976,147</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (322,480)	\$ (388,616)	\$ 115,980	\$ (595,116)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation/amortization	91,930	41,557	-	133,487
(Increase) decrease in:				
Accounts receivable	-	503	(8,378)	(7,875)
Prepays	1,776	6,816	(58)	8,534
Deferred outflows of resources related to pension	(32,070)	(35,997)	-	(68,067)
Deferred outflows of resources related to OPEB	663	753	-	1,416
Increase (decrease) in:				
Accounts payable	20,912	(3,621)	31,921	49,212
Accrued liabilities	(4,395)	(2,219)	(561)	(7,175)
Unearned revenue	-	-	(106,430)	(106,430)
Compensated absences	(1,911)	(1,800)	-	(3,711)
Net pension liability	67,535	75,670	-	143,205
Net other post-employment benefits liability	(13,962)	(16,047)	-	(30,009)
Deferred inflows of resources related to pension	(34,233)	(38,464)	-	(72,697)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (226,235)</u>	<u>\$ (361,465)</u>	<u>\$ 32,474</u>	<u>\$ (555,226)</u>

CITY OF MARSHALL
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023

	Data Processing	Motor Pool	Safety	Total
ASSETS				
Current assets				
Cash and investments	\$ 363,496	\$ 376,887	\$ 8,336	\$ 748,719
Accounts receivable	484	11,289	-	11,773
Inventories	-	-	1	1
Prepays	36,400	277	-	36,677
Total current assets	400,380	388,453	8,337	797,170
Noncurrent assets				
Capital assets, net of accumulated depreciation/amortization	51,251	2,806,310	-	2,857,561
TOTAL ASSETS	451,631	3,194,763	8,337	3,654,731
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	-	18,593	-	18,593
Deferred outflows related to OPEB	-	391	-	391
Total deferred outflows of resources	-	18,984	-	18,984
LIABILITIES				
Current liabilities				
Accounts payable	6,225	11,113	275	17,613
Accrued liabilities	907	3,397	-	4,304
Current portion of compensated absences	-	1,041	-	1,041
Current portion of long-term debt	14,189	-	-	14,189
Total current liabilities	21,321	15,551	275	37,147
Noncurrent liabilities				
Net other post-employment benefits liability	-	23,520	-	23,520
Net pension liability	-	103,409	-	103,409
Noncurrent portion of compensated absences	-	3,124	-	3,124
Noncurrent portion of long-term debt	31,734	-	-	31,734
Total noncurrent liabilities	31,734	130,053	-	161,787
TOTAL LIABILITIES	53,055	145,604	275	198,934
NET POSITION				
Net investment in capital assets	5,328	2,806,310	-	2,811,638
Unrestricted	393,248	261,833	8,062	663,143
TOTAL NET POSITION	\$ 398,576	\$ 3,068,143	\$ 8,062	\$ 3,474,781

CITY OF MARSHALL
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

	Data Processing	Motor Pool	Safety	Total
OPERATING REVENUES				
Charges for services	\$ 272,671	\$ 878,674	\$ 300	\$ 1,151,645
OPERATING EXPENSES				
Personnel services	907	112,599	-	113,506
Material and supplies	116,864	97,711	817	215,392
Utilities	-	33,305	-	33,305
Contractual	109,475	60,764	-	170,239
Insurance	-	106,151	-	106,151
Maintenance	17,314	60,199	-	77,513
Other expenses	2,155	15,618	1,604	19,377
Depreciation/amortization	17,648	410,892	-	428,540
TOTAL OPERATING EXPENSES	264,363	897,239	2,421	1,164,023
OPERATING INCOME (LOSS)	8,308	(18,565)	(2,121)	(12,378)
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	-	80,732	-	80,732
Interest earnings	2,786	2,826	30	5,642
Gain on sale of capital assets	-	28,674	-	28,674
Interest expense	(1,070)	(5,989)	-	(7,059)
TOTAL NONOPERATING REVENUES (EXPENSES)	1,716	106,243	30	107,989
CHANGE IN NET POSITION	10,024	87,678	(2,091)	95,611
Net position, beginning of year	388,552	2,980,465	10,153	3,379,170
Net position, end of year	\$ 398,576	\$ 3,068,143	\$ 8,062	\$ 3,474,781

CITY OF MARSHALL
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

	Data Processing	Motor Pool	Safety	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from interfund services provided	\$ 272,671	\$ 872,985	\$ 300	\$ 1,145,956
Cash paid to suppliers	(278,382)	(454,555)	(1,717)	(734,654)
Cash paid to employees	-	(116,385)	-	(116,385)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(5,711)	302,045	(1,417)	294,917
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Intergovernmental	-	80,732	-	80,732
Purchases of capital assets, net	-	(282,797)	-	(282,797)
Proceeds from sale of capital assets	-	28,674	-	28,674
Payments on borrowings	(13,909)	(245,492)	-	(259,401)
Interest and fees paid	(1,070)	(9,173)	-	(10,243)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(14,979)	(428,056)	-	(443,035)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	2,786	2,826	30	5,642
NET DECREASE IN CASH AND INVESTMENTS	(17,904)	(123,185)	(1,387)	(142,476)
Cash and investments, beginning of year	381,400	500,072	9,723	891,195
Cash and investments, end of year	<u>\$ 363,496</u>	<u>\$ 376,887</u>	<u>\$ 8,336</u>	<u>\$ 748,719</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 8,308	\$ (18,565)	\$ (2,121)	\$ (12,378)
Adjustment to reconciled operating income (loss) to net cash provided (used) by operating activities				
Depreciation/amortization	17,648	410,892	-	428,540
(Increase) decrease in:				
Accounts receivable	-	(5,689)	-	(5,689)
Prepays	(36,400)	977	-	(35,423)
Inventories	-	-	429	429
Deferred outflows of resources related to pension	-	(9,676)	-	(9,676)
Deferred outflows of resources related to OPEB	-	199	-	199
Increase (decrease) in:				
Accounts payable	3,826	(81,784)	275	(77,683)
Accrued liabilities	907	228	-	1,135
Compensated absences	-	(343)	-	(343)
Net pension liability	-	20,336	-	20,336
Other post-employment benefits liability	-	(4,189)	-	(4,189)
Deferred inflows of resources related to pension	-	(10,341)	-	(10,341)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (5,711)	\$ 302,045	\$ (1,417)	\$ 294,917

**DIAL A RIDE FUND
TRANSIT SCHEDULES**

**CITY OF MARSHALL
DIAL-A-RIDE FUND
SCHEDULE 1 - SCHEDULE OF LOCAL REVENUES
YEAR ENDED JUNE 30, 2023**

Description	7/1/2022 - 9/30/2022	10/1/2022 - 6/30/2023	Total
Demand Response (Farebox)			
Regular Service	\$ 6,942	\$ 25,306	\$ 32,248
Advertising	6,352	(2,752)	3,600
Other revenues	18,403	(18,403)	-
Tax levy	201,878	7,722	209,600
Contributions from local units	-	5,000	5,000
Interest income	1,930	16,572	18,502
	<u>1,930</u>	<u>16,572</u>	<u>18,502</u>
 TOTAL LOCAL REVENUES	 <u>\$ 235,505</u>	 <u>\$ 33,445</u>	 <u>\$ 268,950</u>

**DIAL-A-RIDE FUND
SCHEDULE 1A - SCHEDULE OF LOCAL REVENUES
YEAR ENDED SEPTEMBER 30, 2022**

Description	10/1/2021 - 6/30/2022	7/1/2022 - 9/30/2022	Total
Demand Response (Farebox)			
Regular Service	\$ 25,297	\$ 6,942	\$ 32,239
Advertising	(2,752)	6,352	3,600
Other revenues	(18,403)	18,403	-
Tax levy	24,426	201,878	226,304
Contributions from local units	3,500	-	3,500
Interest income	479	1,930	2,409
	<u>479</u>	<u>1,930</u>	<u>2,409</u>
 TOTAL LOCAL REVENUES	 <u>\$ 32,547</u>	 <u>\$ 235,505</u>	 <u>\$ 268,052</u>

**CITY OF MARSHALL
DIAL-A-RIDE FUND
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

Federal and State Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant No./ Authorization Number	Program Award Amount	Current Year's Expenditures			Prior Years' Expenditures	Award Amount Remaining
				Total	Federal	State		
U.S. DEPARTMENT OF TRANSPORTATION								
Passed through Michigan Department of Transportation Formula Grants for Other than Urbanized Areas	20.509							
Operating Assistance - Section 5311 (FY23)		N/A	\$ 116,861	\$ 116,861	\$ 116,861	\$ -	\$ -	\$ -
Operating Assistance - Section 5311 (FY22)		N/A	158,508	38,321	38,321	-	120,187	-
			275,369	155,182	155,182	-	120,187	-
MICHIGAN DEPARTMENT OF TRANSPORTATION								
Operating Assistance - Act 51 Nonurban/Small Urban	N/A	N/A	146,368	146,368	-	146,368	-	-
TOTALS			\$ 421,737	\$ 301,550	\$ 155,182	\$ 146,368	\$ 120,187	\$ -

**CITY OF MARSHALL
DIAL-A-RIDE FUND
SCHEDULE 2A - SCHEDULE OF FEDERAL AND STATE AWARDS
OPERATING REVENUE ONLY
YEAR ENDED JUNE 30, 2023**

Description	7/1/2022 - 9/30/2022	10/1/2022 - 6/30/2023	Total
Michigan Department of Transportation			
Local Bus Operating (Act 51)	\$ (49,014)	\$ 195,382	\$ 146,368
Federal Transit Administration			
Section 5311 (CRRSA)	38,321	-	38,321
Section 5311 (CARES)	-	116,861	116,861
	<u>\$ (10,693)</u>	<u>\$ 312,243</u>	<u>\$ 301,550</u>

**DIAL-A-RIDE FUND
SCHEDULE 2B - SCHEDULE OF FEDERAL AND STATE AWARDS
OPERATING REVENUE ONLY
YEAR ENDED SEPTEMBER 30, 2022**

Description	10/1/2021 - 6/30/2022	7/1/2022 - 9/30/2022	Total
Michigan Department of Transportation			
Local Bus Operating (Act 51)	\$ 198,679	\$ (49,014)	\$ 149,665
Federal Transit Administration			
Section 5311 (CRRSA)	120,187	38,321	158,508
	<u>\$ 318,866</u>	<u>\$ (10,693)</u>	<u>\$ 308,173</u>

**CITY OF MARSHALL
DIAL-A-RIDE FUND
SCHEDULE 3 - OPERATING AND CONTRACT EXPENSES
YEAR ENDED JUNE 30, 2023**

	<u>Nonurban</u>
EXPENSES	
Labor	\$ 265,971
Fringe benefits	27,862
Services	17,825
Materials and supplies	50,369
Utilities	8,338
Insurance	1,949
Miscellaneous	(2,293)
Operating lease and rentals	12,886
Depreciation	<u>41,557</u>
TOTAL EXPENSES	<u><u>\$ 424,464</u></u>

**CITY OF MARSHALL
DIAL-A-RIDE FUND
SCHEDULE 3A - OPERATING EXPENSES BY PROGRAM
YEAR ENDED JUNE 30, 2023**

	7/1/2022 - 9/30/2022	10/1/2022 - 6/30/2023	Total
EXPENSES			
Labor	\$ 25,576	\$ 240,395	\$ 265,971
Fringe benefits	56,283	(28,421)	27,862
Services	42,579	(24,754)	17,825
Materials and supplies	10,760	39,609	50,369
Utilities	(20,670)	29,008	8,338
Insurance	1,949	-	1,949
Taxes and fees	1,068	(1,068)	-
Miscellaneous	(2,593)	300	(2,293)
Operating lease and rentals	24,913	(12,027)	12,886
Depreciation	16,185	25,372	41,557
	<u>\$ 156,050</u>	<u>\$ 268,414</u>	<u>\$ 424,464</u>
Total expenses	<u>\$ 156,050</u>	<u>\$ 268,414</u>	<u>\$ 424,464</u>

**DIAL-A-RIDE FUND
SCHEDULE 3B - OPERATING EXPENSES BY PROGRAM
YEAR ENDED SEPTEMBER 30, 2022**

	10/1/2021 - 6/30/2022	7/1/2022 - 9/30/2022	Total
EXPENSES			
Labor	\$ 202,743	\$ 25,576	\$ 228,319
Fringe benefits	(23,110)	56,283	33,173
Services	(11,790)	42,579	30,789
Materials and supplies	43,694	10,760	54,454
Utilities	33,468	(20,670)	12,798
Insurance	-	1,949	1,949
Taxes and fees	(96)	1,068	972
Miscellaneous	3,323	(2,593)	730
Operating lease and rentals	(5,643)	24,913	19,270
Depreciation	37,689	16,185	53,874
	<u>\$ 280,278</u>	<u>\$ 156,050</u>	<u>\$ 436,328</u>
Total expenses	<u>\$ 280,278</u>	<u>\$ 156,050</u>	<u>\$ 436,328</u>

**CITY OF MARSHALL
DIAL-A-RIDE FUND
NONURBAN REGULAR SERVICE REVENUE REPORT - SCHEDULE 4R
YEAR ENDED SEPTEMBER 30, 2022**

Code	Description	Amount
401	Farebox revenue	
40100	Regular service	\$ 32,239
406	Auxiliary transportation revenue	
40615	Advertising	3,600
408	Local revenue	
40800	Tax levied directly for/by transit agency	226,304
409	Local revenue	
40910	Local operating assistance	3,500
411	State formula and contracts	
41101	State operating assistance	149,665
413	Federal contracts	
41362	CRRSA Act	158,508
414	Other revenue	
41400	Interest income	<u>2,409</u>
TOTAL NONURBAN SERVICE REVENUE		<u><u>\$ 576,225</u></u>

**CITY OF MARSHALL
DIAL-A-RIDE FUND
NONURBAN REGULAR SERVICE EXPENSE REPORT - SCHEDULE 4E
YEAR ENDED SEPTEMBER 30, 2022**

Code	Description	Amount
501	Labor	
50101	Operators' salaries and wages	\$ 126,013
50102	Other salaries and wages	65,040
50103	Dispatchers' salaries and wages	37,266
502	Fringe benefits	
50200	Payroll taxes and fringe benefits	26,188
50220	DB Pensions	23,158
50230	DB other post-employment benefits	(16,173)
503	Services	
50302	Advertising	328
50305	Audit	1,603
50399	Professional services	28,858
504	Materials and supplies	
50401	Fuel and lubricants	42,276
50402	Tires and tubes	2,586
50499	Other materials and supplies	9,592
505	Utilities	
50500	Utilities	12,798
506	Insurance	
50603	Liability insurance	1,949
507	Taxes and fees	
50700	Taxes and fees	972
509	Miscellaneous expenses	
50902	Travel, meetings and training	30
50903	Association dues and subscriptions	700
512	Operating leases and rentals	
51200	Operating leases and rentals	19,270
513	Depreciation	
51300	Depreciation	53,874
550	Ineligible expenses	
55007	Ineligible depreciation	53,874
55009	Ineligible dues	117
580	Ineligible expenses	
58020	Ineligible pension	(13,933)
	Total expenses	436,328
	Total ineligible expenses	40,058
	Total eligible expenses	\$ 396,270

**CITY OF MARSHALL
DIAL-A-RIDE FUND
NONURBAN REGULAR SERVICE NONFINANCIAL REPORT - SCHEDULE 4N (UNAUDITED)
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Miles</u>	<u>Hours</u>
Demand Response	<u>81,382</u>	<u>8,296</u>

**CITY OF MARSHALL
DIAL-A-RIDE FUND
OPERATING ASSISTANCE CALCULATION
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Total</u>
Total expenses	<u>\$ 436,328</u>
Less ineligible expenses	
Depreciation	(53,874)
Percent of association dues	(117)
Ineligible DB pensions	<u>13,933</u>
Total ineligible expenses per R&E Manual	<u>(40,058)</u>
TOTAL STATE ELIGIBLE EXPENSES	<u>\$ 396,270</u>
Eligible expense for state reimbursement	\$ 396,270
x Reimbursement percentage	<u>37.7685%</u>
State operating assistance	<u>\$ 149,665</u>
Eligible expense for federal reimbursement	
x Reimbursement percentage	<u>40.0000%</u>
Federal Section 5311 operating assistance	<u>\$ 158,508</u>

CITY OF MARSHALL, MICHIGAN
SUPPLEMENTARY INFORMATION
TO FINANCIAL STATEMENTS
(Federal Awards)
YEAR ENDED JUNE 30, 2023



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Marshall's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Marshall's major federal programs for the year ended June 30, 2023. The City of Marshall's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Marshall complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Marshall and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Marshall's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Marshall's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Marshall's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Marshall's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Marshall's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Marshall's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Marshall's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Marshall, Michigan, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 24, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Maney Costeiran PC

November 24, 2023

CITY OF MARSHALL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Michigan State Housing Development Authority			
Section 8 Project-Based Cluster ^{(a)(b)}	14.195		
Section 8 Housing Assistance Payments Program		MI330011002	\$ 608,130
Passed through Michigan Economic Development Corporation			
Community Development Block Grant/State's Program and	14.228		
Non-Entitlement Grants in Hawaii		MSC 220059-RR	522,584
Non-Entitlement Grants in Hawaii		MSC 221003-RR	12,090
			<u>534,674</u>
Total U.S. Department of Housing and Urban Development			<u>1,142,804</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Michigan Department of Transportation			
COVID-19 Airport Improvement Program	20.106	3-26-SBGp-132-2022	32,000
Formula Grants for Rural Areas	20.509		
COVID-19 Operating assistance - Section 5311		N/A	155,182
Total U.S. Department of Transportation			<u>187,182</u>
U.S. DEPARTMENT OF TREASURY			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds ^(a)	21.027	13-2020	37,632
U.S. DEPARTMENT OF HOMELAND SECURITY			
Direct award			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	210,911
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,578,529</u>

See accompanying notes to the schedule of expenditures of federal awards.

CITY OF MARSHALL
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Marshall, Michigan. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements, which are reconciled in Note 5.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The City of Marshall has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - SUMMARY OF SIGNIFICANT EXPLANATIONS OF SCHEDULE

The following descriptions identified below as (a) - (b) represent explanations that cross reference to amounts on the Schedule of Expenditures of Federal Awards:

- (a) Denotes program tested as a “major program”.
- (b) Denotes programs required to be clustered by the United States Department of Housing and Urban Development.

NOTE 4 - SUBRECIPIENTS

No federal awards were passed through by the City to any subrecipients during the year.

CITY OF MARSHALL
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 5 - RECONCILIATION TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The following reconciles the intergovernmental revenues reported in the June 30, 2023, basic financial statements to the expenditures of the City administered federal programs reported on the Schedule of Expenditures of Federal Awards:

	Inter- governmental Revenue	Adjustment: State/Local Revenue	Federal Award Expenditures
PRIMARY GOVERNMENT			
GENERAL FUND	\$ 1,256,284	\$ 1,224,284	\$ 32,000
SPECIAL REVENUE FUNDS	1,899,343	1,116,126	783,217
DEBT SERVICE FUNDS	56,463	56,463	-
ENTERPRISE FUNDS			
Water	32,632	32,632	-
Marshall House	608,130	-	608,130
DART	306,550	151,368	155,182
Total Enterprise Funds	<u>947,312</u>	<u>184,000</u>	<u>763,312</u>
INTERNAL SERVICE FUND			
Motor Pool	<u>80,732</u>	<u>80,732</u>	<u>-</u>
	<u><u>\$ 4,240,134</u></u>	<u><u>\$ 2,661,605</u></u>	<u><u>\$ 1,578,529</u></u>



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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 Marshall, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Marshall, Michigan (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 24, 2023.

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 or significant deficiencies may exist that were not 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 financial statements. 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maney Costerian PC

November 24, 2023

**CITY OF MARSHALL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X No

Noncompliance material to financial statements noted? X Yes _____ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.195 21.027	Section 8 Project-Based Cluster Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ Yes X No

CITY OF MARSHALL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
YEAR ENDED JUNE 30, 2023

Section II - Financial Statement Findings

2023-001 BUDGETARY COMPLIANCE

Criteria: Michigan Public Act 621 of 1978, as amended, provides that the City adopt a formal budget for the General Fund and Special Revenue funds and shall not incur expenditures in excess of the amounts appropriated. Also, the Public Act requires the City to amend the original adopted budget "as soon as it becomes apparent that a deviation from the original general appropriations act is necessary and the amount of the deviation can be determined".

Condition: We noted that the City's expenditures exceeded the amounts appropriated for several activities of the General Fund. A similar issue was noted and reported in our audit comments last year.

Cause: The City did not adequately amend its budget during the year to reflect changes in operations from the original adopted budget.

Effect: The City has not maintained adequate control over budgetary compliance in accordance with State law.

Recommendation: We recommend the City Council monitor budgeted expenditures against actual expenditures on a more frequent basis and amend the original adopted budget to alleviate future unfavorable budget variances in a timely manner.

View of Responsible Officials: Management agrees with the finding and will take appropriate steps to remedy noted finding in the future.

Section III - Federal Award Findings and Questioned Costs

None noted.



Corrective Action Plan

2023-001 - Budgetary Compliance

Corrective Action: The City Council will continue to work to monitor expenditures in relation to appropriations and make appropriate amendments as needed.

Responsible Party: The Finance staff with oversight from the Finance Director.

Date To Complete By: Immediately.

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

f 269.781.3835

cityofmarshall.com

CITY OF MARSHALL
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FINDINGS/NONCOMPLIANCE

Significant Deficiencies and Material Weaknesses Related to Internal Controls Over the Financial Statements.

No prior audit findings noted.

Findings Related to Compliance with Requirements Applicable to the Basic Financial Statements.

2022-001 FUND EQUITY DEFICITS

Condition: At the end of the fiscal year, the Electric Fund, FiberNet Fund, and the South Neighborhood Improvement Authority reported deficit unrestricted net position.

Resolution: While the City continues to report net position deficits for the FiberNet and South Neighborhood Improvement Authority the current assets exceed the current liabilities at June 30, 2023, and a deficit elimination plan is not required to be filed. We consider this issue resolved.

2022-002 BUDGETARY COMPLIANCE

Condition: We noted that the City's expenditures exceeded the amounts appropriated by immaterial amounts for several activities of the General Fund.

Resolution: A similar issue was noted and reported in our current year comments as 2023-002. We do not consider this issue resolved.

Findings Related to Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with the Uniform Guidance.

No prior audit findings noted.

ITEM: 10.A

ADMINISTRATIVE REPORT



TO: Honorable Mayor and City Council
FROM: Derek N. Perry, City Manager
Eric Zuzga, Director of Community Services
DATE: December 4, 2023
SUBJECT: **SPECIAL LAND USE (SLU) APPLICATION #23.03- TRACTOR
SUPPLY 15861 WEST MICHIGAN AVENUE**

The City has received a Special Land Use (SLU) application from BR Great Northern Mall LLC to allow for the location of a Tractor Supply Company (TSC) in the west 1/3 of the former Kmart facility. The SLU would allow TSC to have outdoor display and sales for trailers, propane, plants, and other related items.

The Joint Planning Commission met on Tuesday, November 14, 2023 and recommended approval of the Special Land Use and approved the site plan contingent on City Council approval of the special land use.

City Council has the final approval of the special land use and should use the following standards in considering whether to approve the request:

A. The proposed use shall be in accordance with the City Master Plan and the intent and purpose of this subchapter

The proposed use meets the intent of the subchapter and the city master plan.

B. A documented and immediate need exists for the proposed use within the community.

The proposed use has been a requested use in community surveys and partially fills a need for retail in the plaza.

C. The use is compatible with adjacent uses and the existing or intended character of the surrounding neighborhood, and will not have an adverse impact upon or interfere with the development, use or enjoyment of adjacent properties, or the orderly development of the neighborhood.

The use is compatible with the character of the surrounding properties and ensures the long term viability of the shopping center, ensuring we don't have a vacant building that continues to degrade. No adverse impact on the enjoyment of neighboring parcels or development of the neighborhood is expected.

D. The proposed use shall be designed, constructed, operated and maintained so as to be compatible with the use of adjacent lands.

The proposed use is consistent with the design and construction of the property and surrounding retail uses. The proposed outdoor storage/display should not negatively impact the site as there is adequate room for ingress/egress/traffic flow.

E. The proposed use shall be compatible with the natural environment.

There is no expectation that there will be a negative impact on the environment.

F. The proposed use shall be adequately served by essential public facilities and services, such as highways, streets, police and fire protection, drainage structures, refuse disposal, water and sewage facilities and schools.

There is no expectation that the use will have an impact on the items in this section. Traffic should be consistent with the former Kmart on this site which is served by a major street and a state trunkline. The proposed use will not have any adverse impact on water, sewer, schools, or refuse. The impact on police and fire is expected to be minimal.

G. The proposed use shall not involve activities, processes, materials and equipment or conditions of operation that will be detrimental to public health, safety and welfare by reason of excessive production of traffic, noise, smoke, fumes, glare or unreasonable or offensive odors.

The City Development Review Team found that there would be no detriment to public health, safety, or welfare. The proposed propane tank will need to be at least 25' from the hydrant near its proposed location. There is no expectation that the site will cause unreasonable traffic as it was designed to serve the retail environment.

BUDGET IMPACT:

There is not a direct budget impact associated with the Special Land Use request. However, there should be an increase in taxable value due to the location of TSC and other projects that will fill the old Kmart facility.

RECOMMENDATION:

Approve the Special Land Use (SLU#23.03) for Tractor Supply to allow outdoor displays of trailers, propane, plants, and other related items at 15861 West Michigan.

SPECIAL LAND USE APPLICATION

City of Marshall
Fee \$250.00

Section 6.2 of the Marshall City Zoning Ordinance gives citizens the opportunity to file for a Special Land Use Permit when it is required by zoning district.

Process

- ☐ Application, fee, and all required materials are submitted by due date. Once found to be complete, the application is placed on the Planning Commission agenda for acceptance.
- ☐ **Planning Commission meeting #1:** At this meeting, a public hearing is scheduled for the following month.
- ☐ Neighbors within 300 feet of the property seeking special land use are notified of the public hearing.
- ☐ **Planning Commission meeting #2:** Public hearing is held and discussion takes place. A recommendation on the application is given for City Council.
- ☐ **City Council meeting:** Item is placed on the agenda, a staff report and Planning Commission comments are offered for review and City Council grants final approval, disapproval, or approval with conditions.

Address of subject property 15861 Michigan Avenue, Marshall, Michigan 49068

Applicant's name BR Great Northern Mall, LLC Phone (312) 894-7621

Applicant's address 150 N. Riverside Plaza, Suite 2800 City Chicago Zip 60606

Owner's Name BR Great Northern Mall, LLC Phone (312) 894-7621

Owner's Address 150 N. Riverside Plaza, Suite 2800 City Chicago Zip 60606

Explain need for a Special Land Use permit at the subject property (attach more if necessary):

See attached

Applicant's Signature  Date 10/11/2023

Owner's Signature  Date 10/11/2023

The following items **MUST** be submitted for the application to be complete:

- ☒ A plot plan showing property boundaries and legal description
- ☒ Existing structures, uses and zoning on subject and adjacent properties
- ☒ Location of all abutting streets, easements, and similar public areas
- ☐ Proposed compliance plan (if applicable) including hours, signs, parking, etc.

BR Great Northern Mall, LLC – Application for Special Use Permit and Site Plan

Narrative:

BR Great Northern Mall, LLC (“Owner”), located in Chicago, Illinois, purchased a portion of the former K-Mart plaza property from KC Holding Corporation on February 1, 2022, and the property is described as follows:

A PARCEL OF LAND BEING PART OF THE NE ¼ SEC 27, T2S R6W OF MARSHALL TOWNSHIP IN THE CITY OF MARSHALL DESCRIBED AS FOLLOWS: COM AT NE COR SD SEC; TH N 89 DEG 40' 25" W 70.04 ALG N SEC LN TO INTERSEC OF SD N LN WITH W LN OF WEST DR; TH S 1 DEG 41' 50" E 785.00 FT ALG W LN OF WEST DR ; TH S 74 DEG 49' 36" W 590.00 FT PAR TO N LN OF MICHIGAN AVE TO POB. THENCE S 15 DEG 10' 24" E 115.00 FT PERP TO THE N LN OF MICH AVE; TH S 74 DEG 49' 36" W 113.67 FT PAR WITH N LN OF MICH AVE; TH S 15 DEG 10' 24" E 509.58 FT PERP TO N LN OF MICH AVE TO SD N LN; TH S 74 DEG 49' 36" W 415.98 FT ALG N LN MICH AVE; TH N 69 DEG 10' 24" W 86.96 FT; TH N 15 DEG 10' 24" W 626.47 FT PERP TO N LN OF MICH AVE; TH N 74 DEG 49' 36" E 550.00 PAR W N LN MICH AVE; TH S 58 DEG 30' 18" E 72.86 FT TO POB. TOG W AN EASEMENT DESCRIBED IN L1227/P976 AND MODIFIED IN L1549/P365 AND FURTHER MODIFIED IN L1559/P897. TOGETHER WITH AN EASEMENT DESCRIBED IN L1558/P955 (“the Parcel”)

The County GIS information showing the general layout of the Premises is attached as Exhibit A. An ALTA survey showing existing easements, lot coverage, existing easements, lot dimensions, proposed drives, walkways, existing parking area is attached as Exhibit B.

The zoning of surrounding parcels is shown on Exhibit C.

Additional information:

Driving lanes: single lane 20'; double lane 34.2'.

Sizes of parking spaces: 9' wide x 20' deep

Driveway widths: rear drive: 33.6'; side 31'; front 32.3/48.36; south parking lot: 39.75'

Ingress and egress of drives: South entrance 33.6'; southeast side: 28'5; northeast side: 36'

Owner plans to lease a portion of the Premises to Tractor Supply Company (“TSC”) for a store that will be located on the west portion of the Premises. The remainder of the Premises will be eventually leased to another Tenant (or Tenants).

Likely the members of the Joint Planning Commission are familiar with TSC stores located in adjoining communities. TSC plans to have several outdoor display and sales areas as detailed on Exhibit D.

A proposed site plan is attached as Exhibit E. Additional information relative to site plan:

Height of neighboring building: 30.5' – peak of building.

Sight lighting will remain as was present for K-Mart.

Drainage will remain as was present for K-Mart.

Dumpster location will be as shown and will be constructed to current Zoning requirement.

Pylon sign will be located off Michigan Avenue.

A special use permit is being sought pursuant to Section 4.24 of the Ordinance which provides as follows:

4.24 OPEN AIR BUSINESSES&, OUTDOOR DISPLAY AREAS, AND DEALERSHIP SALES LOTS In the B-2, and B-4 districts open air businesses, and outdoor display areas for sale, exhibition, rental or leasing of equipment, machinery, automobiles and other motor vehicles, recreational vehicles and trailers, boats, building supplies, hardware and other items are permitted as a special land use and shall be subject to the following:

1. Location requirements. All sales activity and the display of all merchandise shall be limited to the area specified on an approved plan. No sales activity or display of merchandise shall be permitted in a street right-of-way or required setback area.
2. Setback requirements. Open air businesses and outdoor display areas shall be set back a minimum of ten feet from any parking area, driveway or access drive, and 20 feet from any residential district or use.
3. Sidewalk standards. The proposed activity shall be located so as to ensure safe vehicular and pedestrian circulation. A minimum of five feet of sidewalk width to the entrance of the establishment shall be maintained free for pedestrian circulation.
4. Maintenance standards. Open-air businesses and outdoor display areas shall be kept clean, litter-free, with outdoor waste receptacles provided. Written procedures for cleaning and waste containment and removal responsibilities shall be included with all applications and approved as part of site plan review. Vending machines and devices for the outdoor broadcasting of voice, telephone monitoring, music or any other amplified sound shall be prohibited.
5. Surface. Sales and display areas shall be provided with a permanent, paved surface of bituminous asphalt, concrete or similar paving materials, and shall be graded and drained so as to dispose of all surface water. All areas for display of motor vehicles, recreational vehicles, and similar items shall be paved.
6. Screening. Such uses and associated site improvements shall be separated from any required parking areas by landscaping, a decorative wall or other architectural feature, and shall be screened from street rights-of-way and abutting residential districts or uses in accordance with Section 5.15.8.

7. Hours of operation. Operational hours for open-air businesses, outdoor display area, and exterior lighting may be restricted by the Planning Commission to protect nearby residential districts.

Owner is applying for the following components for its special use permit:

A. Outdoor Display of Merchandise in the Permanent Sidewalk Display Area

4.24 and 6.2

The proposed location is noted in light green on the Site Plan.

B. Outdoor display of merchandise inside the Fenced Outdoor Display Area

4.24 and 6.2

The proposed location is noted in yellow on the attached site plan. This was granted to the former K-Mart and would exist with the proposed TSC use.

C. Green House within Fenced Outdoor Display Area – permitted in this zoning district.

D. Outdoor display of merchandise in the Permanent Trailer & Equipment Display Area

The proposed location is noted in pink on the Site Plan.

4.24 and 6.2

E. Outdoor display and sale of bulk propane from a 1,000 gallon tank, welding gas, live plants, shrubs, flowers, trees, etc.

The proposed location is noted north of the pink area on the Site Plan.

Special use permit – Section 4.24 and 6.2

F. Display and sale of hay and forage - special land use 4.24 and 6.2

The proposed sales area would be within the location noted in yellow on the Site Plan.

Each of the proposed special uses meets the requirements of Section 4.24 and 6.2 of the Ordinance. The uses are substantially similar to what K-Mart had done in the past. The uses are not adjacent to any residential areas and are bordered by parking lot on one side and by the I-69 corridor on the west side.

The Owner requests that the Special Use permit be granted as set forth in the Site Plan.

EXHIBIT A – GIS MAP INFORMATION



Calhoun GIS

Parcel Report: 53-002-592-00

10/20/2023

7:52:29 AM



Property Address

15861 W MICHIGAN AVE

MARSHALL, MI, 49068

Owner Address

BR GREAT NORTHERN MALL LLC

-

875 N MICHIGAN AVE SUITE 3900

CHICAGO, IL 6011

Unit:

53

Unit Name:

CITY OF MARSHALL

General Information for 2023 Tax Year

Parcel Number:

53-002-592-00

Property Class:

Class Name:

School Dist Code:

School Dist Name:

PRE 2022:

PRE 2023:

201

COMMERCIAL

13110

MARSHALL

0%

0%

Assessed Value:

Taxable Value:

State Equalized Value:

\$1,529,500

\$1,529,500

\$1,529,500

Prev Year Info			
Prev Year Info	MBOR Assessed	Final SEV	Final Taxable
2022	\$1,463,400	\$1,463,400	\$1,387,573
2021	\$1,521,700	\$1,521,700	\$1,343,246

Land Information

Acreage:

Zoning:

7.93

B-4

Legal Description

A PARCEL OF LAND BEING PART OF THE NE ¼ SEC 27, T2S R6W OF MARSHALL TOWNSHIP IN THE CITY OF MARSHALL DESCRIBED AS FOLLOWS: COM AT NE COR SD SEC; TH N 89 DEG 40' 25" W 70.04 ALG N SEC LN TO INTERSEC OF SD N LN WITH W LN OF WEST DR; TH S 1 DEG 41' 50" E 785.00 FT ALG W LN OF WEST DR; TH S 74 DEG 49' 36" W 590.00 FT PAR TO N LN OF MICHIGAN AVE TO POB. THENCE S 15 DEG 10' 24" E 115.00 FT PERP TO THE N LN OF MICH AVE; TH S 74 DEG 49' 36" W 113.67 FT PAR WITH N LN OF MICH AVE; TH S 15 DEG 10' 24" E 509.58 FT PERP TO N LN OF MICH AVE TO SD N LN; TH S 74 DEG 49' 36" W 415.98 FT ALG N LN MICH AVE; TH N 69 DEG 10' 24" W 86.96 FT; TH N 15 DEG 10' 24" W 626.47 FT PERP TO N LN OF MICH AVE; TH N 74 DEG 49' 36" E 550.00 PAR W N LN MICH AVE; TH S 58 DEG 30' 18" E 72.86 FT TO POB. TOG W AN EASEMENT DESCRIBED IN L1227/P976 AND MODIFIED IN L1549/P365 AND FURTHER MODIFIED IN L1559/P897. TOGETHER WITH AN EASEMENT DESCRIBED IN L1558/P955

Sales Information

Sale Date: 02-01-2022

Sale Price: 2400000

Instrument: WD

Grantor: KC HOLDING CORPORATION

Grantee: BR GREAT NORTHERN MALL LLC

Terms of Sale: 03-ARM'S LENGTH

Liber/Page:

Sale Date: 04-30-2015

Sale Price: 5450000

Instrument: CD

Grantor: AGREE LIMITED PARTNERSHIP

Grantee: KC HOLDING CORPORATION

Terms of Sale: 19-MULTI PARCEL ARM'S LENGTH

Liber/Page: 3970/94

Sale Date: 04-22-1994

Sale Price: 6002395

Instrument: WD

Grantor: K-MART CORPORATION-TAX DEPT.

Grantee: AGREE LIMITED PARTNERSHIP

Terms of Sale: 03-ARM'S LENGTH

Liber/Page: 1744/117

Tax History

*Total Due as of settlement date

Tax Details 2022 Winter

EXHIBIT B – ALTA SURVEY

N 1/4 COR
SECTION 27
ROAD PK NAL
L 2270, P 228

19 SURVEY DRAWING



NE CORNER
SECTION 27
L 2270, P 228
FOUND IRON IN
MONUMENT BOX
NE CORNER

FOUND IRON IN
MONUMENT BOX
NE CORNER



SCALE: 1" = 40'

17 NORTH ARROW / SCALE

9 LEGEND

- FOUND MONUMENT
- FOUND IRON
- FOUND BENCH MARK
- FOUND 1" X 1" BENCH MARK
- FOUND 1/2" X 1/2" BENCH MARK
- FOUND 1/4" X 1/4" BENCH MARK
- FOUND 1/8" X 1/8" BENCH MARK
- FOUND 1/16" X 1/16" BENCH MARK
- FOUND 1/32" X 1/32" BENCH MARK
- FOUND 1/64" X 1/64" BENCH MARK
- FOUND 1/128" X 1/128" BENCH MARK
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EXHIBIT C – ZONING OF ADJACENT PARCELS



SAZ-1

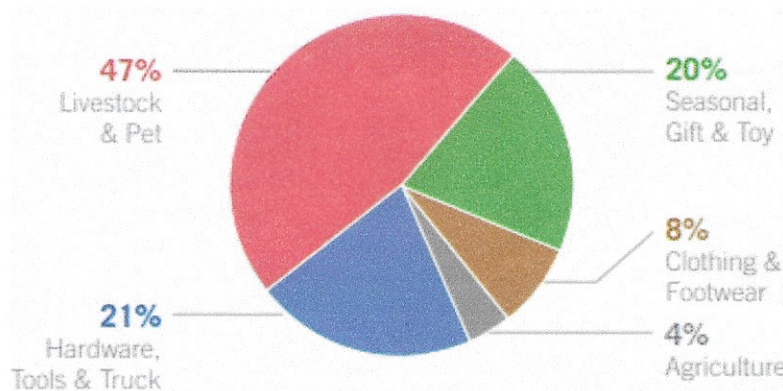
EXHIBIT D – TSC OVERVIEW



Tractor Supply Company (NASDAQ: TSCO), the largest rural lifestyle retailer in the United States, has been passionate about serving its unique niche, targeting the needs of recreational farmers, ranchers and all those who enjoy living the rural lifestyle, for more than 80 years.

Tractor Supply offers an extensive mix of products necessary to care for home, land, pets and animals with a focus on product localization, exclusive brands and legendary customer service for the Out Here lifestyle. With more than 45,000 Team Members, the Company's physical store assets, combined with its digital capabilities, offer customers the convenience of purchasing products they need anytime, anywhere and any way they choose at the everyday low prices they deserve. On July 1, 2023, the Company operated 2,181 Tractor Supply stores in 49 states, a customer mobile app and an e-commerce website at www.TractorSupply.com.

Tractor Supply Company also owns and operates Petsense, a small-box pet specialty supply retailer focused on meeting the needs of pet owners, primarily in small and mid-size communities, and offering a variety of pet products and services. On July 1, 2023, the Company operated 192 Petsense stores in 23 states. For more information on Petsense, visit www.Petsense.com.





Fenced Outdoor Display:

Subject to region of the county, season of the year, and customer demand, these are the typical items displayed.

Items that may be displayed on the sidewalk are noted as "(S)".

LAWN AND GARDEN EQUIPMENT

Push Lawn Mowers (S)
Log Splitters (S)
Snow Blowers (S)

Chippers and Shredders (S)
Garden Carts (S)

Riding Lawn Mowers (S)
Mow-n-Vac (S)

FENCING MATERIALS

Fencing and Posts (a small sample of fence/gate types to Gates show selection will be on the sidewalk seasonally)

PET AND LIVESTOCK EQUIPMENT

Dog Kennels (S)
Feeding Equipment
Dog Houses (S)

Round Pens
Horse Stalls and Mats

Corral Panels
Watering Tanks

3-POINT EQUIPMENT

Plows
Cultivators
Scoops
Rotary Cutters
Sprayers with tanks

Fertilizer Spreaders
Rakes
Tillers
Bale Carriers

Box/Grader Blades
Harrows
Seeders
Finish Mowers

OTHER ITEMS

Go Karts (S)
Wheel Barrows (S)
Drainage Tile

Pedal Boats
Bagged Pine Shavings (S)
Culverts

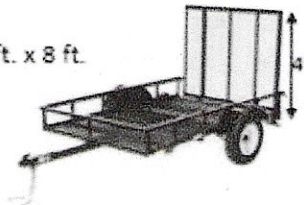
Trailers (parking lot displays)
Bagged Feed or Fertilizer (S)
Water Pipe (Plastic)





Utility Trailer 5 ft. x 8 ft.
example

Ramp - 4'



Trailer Display:

Each store has small trailers for sale. This display is simply parking the trailers in existing parking spaces shown in "pink" on the Site Plan. No change to the parking area is required.



Propane Storage:

- **Overall Tank & Protection Area: 10'x 28'**
- **Tank Size: 1,000 Gallon Capacity typically 16' length x 3.5' height**
- **LPG (Liquid Propane Gas) is regulated by the NFPA (National Fire Prevention Association)**
 - **Tank specifications and installation complies with all NFPA 58 Codes, including:**
 - **Bollard Size, Type, and Layout for protection from vehicles**
 - **Setbacks from Buildings, and Property Lines - 25' minimum separation**
 - **Dedicated Fire Extinguisher**
 - **Use - Trained Employees Only**

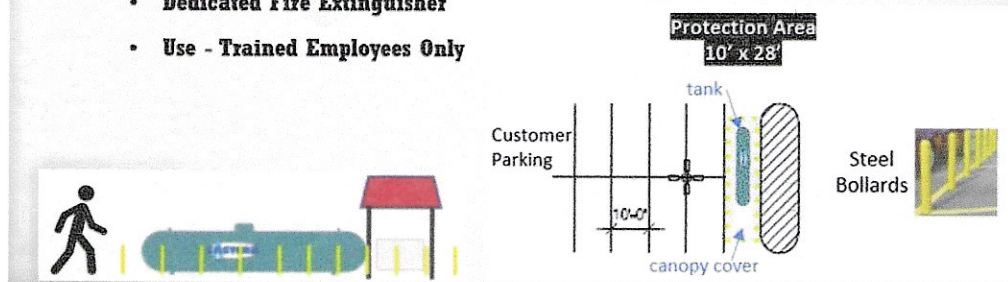


EXHIBIT E – SITE PLAN

ITEM: 10.B

ADMINISTRATIVE REPORT



TO: Honorable Mayor and City Council
FROM: Derek N. Perry, City Manager
Eric Zuzga, Director of Community Services
DATE: December 4, 2023
SUBJECT: CREATION OF AN OPRA DISTRICT - 135 WEST MANSION STREET

The City has received a request from Vaughn and Amy Frentz to consider granting an Obsolete Property Rehabilitation (OPRA) exemption for 135 West Mansion Street. The Frentz's are planning to renovate this property into a multi-use facility, with a professional kitchen on the main floor and an apartment on the second floor. The property was most recently a flower shop and requires investment for the change in use.

OPRA is a tool created by the legislature in 2000, to encourage the redevelopment of blighted structures. It works by freezing the taxable value of a property for a period of up to twelve (12) years. Freezing the taxable value of a property provides an incentive for a property owner to make significant improvements to a building without incurring an increase in property taxes for the period approved by the City.

The first step in considering this request is the creation of an OPRA District which requires a public hearing. Upon creation of the OPRA District, an application may be submitted and will be reviewed by staff using the City OPRA Policy.

BUDGET IMPACT:

No impact due to the creation of the district.

RECOMMENDATION:

Approve Resolution 2023-34, A Resolution to Establish an Obsolete Property Rehabilitation District for 135 West Mansion Street.

**CITY OF MARSHALL, MICHIGAN
RESOLUTION NO. 2023-34**

**A RESOLUTION TO ESTABLISH AN OBSOLETE PROPERTY REHABILITATION
DISTRICT FOR 135 WEST MANSION STREET**

Minutes of a regular meeting of the Council of the City of Marshall, held on December 4, 2023, at 7:00 PM.

PRESENT:

ABSENT:

The following preamble and resolution were offered by _____, and supported by _____.

WHEREAS, pursuant to PA 146 of 2000, the City of Marshall has the authority to establish "Obsolete Property Rehabilitation Districts" within the City of Marshall; and

WHEREAS, Vaughn and Amy Frentz has filed a written request with the clerk of the City of Marshall requesting the establishment of the Obsolete Property Rehabilitation District for an area in the vicinity of 135 West Mansion Street located in the City of Marshall hereinafter described; and

WHEREAS, the City Council of the City of Marshall determined that the district meets the requirements set forth in section 3(1) of PA 146 of 2000; and

WHEREAS, written notice has been given by mail to all owners of real property located within the proposed district and to the public by newspaper advertisement in the Marshall Advisor and/or by public posting of the hearing on the establishment of the proposed district; and

WHEREAS, on December 4, 2023, a public hearing was held, and all residents and taxpayers of the City of Marshall were afforded an opportunity to be heard thereon; and

WHEREAS, the City Council deems it to be in the public interest of the City of Marshall to establish the Obsolete Property Rehabilitation District as proposed.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARSHALL that the following described parcel(s) of land situated in the City of Marshall, Calhoun County, and State of Michigan, to wit:

MARSHALL CITY, LOWER VILLAGE E 58 1/2 FT OF N 1/2 OF LOT 2 BLK 13 & W 6 FT OF N 1/2 OF LOT 3.

be and here is established as an Obsolete Property Rehabilitation District pursuant to the provisions of PA 146 of 2000 to be known as 135 West Mansion Street Obsolete Property Rehabilitation District No. 1.

Resolution declared adopted this 4th day of December 2023.

Michell Eubank, City Clerk

I, Michelle Eubank, being duly sworn as the City Clerk for the City of Marshall, hereby certify that the foregoing is a true and complete copy of the resolution adopted by the City Council, City of Marshall, County of Calhoun, State of Michigan, at a regular meeting held on December 4, 2023 and that the said meeting was conducted and that the minutes of the meeting were kept and will be or have been made available.

Michell Eubank, City Clerk

ITEM: 12.A

ADMINISTRATIVE REPORT



TO: Honorable Mayor and City Council
FROM: Derek N. Perry, City Manager
Joshua Lanker, Chief of Police
DATE: December 4, 2023
SUBJECT: **PARKING ORDINANCE UPDATE**

Over the last two years, we have been working to update our parking ordinance and parking permit process. In May of 2022, we updated sections of 70.008 addressing street parking and residential parking. In December of 2022, we had a work session with City Council regarding municipal lot parking where we presented and discussed the ordinance and proposed changes. The feedback we received from the DDA and the public was that the municipal lot parking permit was not favorable and designated overnight parking sections may be more beneficial to the community as a whole. We left the workshop with the goals of completing a parking study/assessment and completing an update to the parking ordinance.

Over the last year, staff worked to gather additional information to assess and map all 642 parking spots in 16 City parking lots. We used the maps to identify and designate handicap parking spots (per ADA requirements), electric vehicle parking spots, and overnight parking spots.

We also worked with City Prosecutor John Sullivan to update the municipal lot parking section of the parking regulation ordinance 70.008. The proposed ordinance eliminates the permit process for municipal parking lot parking, establishes designated areas for overnight parking (2 AM to 6 AM) in each lot, and changes the overnight hours to 2 AM to 6 AM from 3 AM to 6 AM to be consistent with our overnight on-street parking hours.

The proposed changes in the ordinance and the updated plan provide adequate overnight parking for growing downtown residents and visitors.

BUDGET IMPACT:

There is an anticipated decrease in revenue from the permits as the program will no longer be authorized, but there will be an overall cost savings as we will no longer need to maintain and staff the program. Historically, parking permits have fluctuated from 15 to 54 permits a year with permits costing \$100 per year.

RECOMMENDATION:

Approve the Introduction of Ordinance 2023-14, An Ordinance Amending Marshall Code of Ordinances, Section 70.008. Parking Regulations, and set a Public Hearing for January 16, 2024, at 7 PM.

**CITY OF MARSHALL, MICHIGAN
ORDINANCE # 2023-14**

AN ORDINANCE AMENDING CITY OF MARSHALL CODE OF ORDINANCES, SECTION 70.008

WHEREAS, Marshall City Code Section 70.008 addresses the subject of parking; and

WHEREAS, the City Manager, the Chief of Police and other city officials have determined that it is in the best interests of the City to revise Section 70.008; and

WHEREAS, the health, safety and welfare of city residents and visitors to the City will be furthered by the revisions set forth herein;

NOW, THEREFORE, THE CITY OF MARSHALL ORDAINS that the current version of Section 70.008 be amended as set forth herein;

§ 70.008 PARKING REGULATIONS.

- (A) Prohibitions. No person shall stop, stand or park a vehicle, except when necessary to avoid conflict with other traffic, or in compliance with law or the direction of a police officer, fire personnel or first responder, or traffic-control device, in any of the following places:
- (1) Within 200 feet of an accident at which police officer, fire personnel or first responders are in attendance;
 - (2) A person who violates subsection (1) shall be subject to fines and costs and the vehicle may be removed by the City Police Department or its authorized designee, with the costs of removal and storage paid by the owner or person in control of the vehicle.
- (B) Prohibitions on specific streets.
- (1) Temporary Orders. The Traffic Engineer is hereby authorized, pursuant to R 28.1153 of the Uniform Traffic Code, as amended, to issue temporary traffic-control orders which permit, prohibit or restrict the stopping, standing or parking of vehicles on any city street, parking lot, or other place open to the general public or generally accessible to motor vehicles and to erect signs giving notice thereof, where, in his or her opinion, the permission, prohibition or restriction is necessary to protect person or property or is in furtherance of public health, safety and welfare. The temporary order shall be effective for a period of 90 days and shall not be renewed or extended without the approval of city council.

- (2) Permanent Orders. The Traffic Engineer is hereby authorized, with the consent of the City Council, to permit, prohibit or restrict the stopping, standing or parking of vehicles on any city street, parking lot, or other place open to the general public or generally accessible to motor vehicles for periods which exceed 90 days, and to erect signs giving notice thereof, where, in his or her opinion, the permission, prohibition or restriction is necessary to protect person or property or is in furtherance of public health, safety and welfare.
- (3) With the consent of the City Council, the Traffic Engineer may prohibit or restrict the stopping, standing or parking of vehicles and may direct the erection of signs giving notice thereof in the following places:
 - (a) On city streets, city parking lots or any city-owned property;
 - (b) On public or private property when, after consultation with the Fire Chief, he or she has designated the same as a fire lane. Fire lane signs erected on private property shall be at the expense of the owners or persons in charge of the property. (Prior Code, § 73.02)
- (C) Parking Limited Between 2:00 a.m. and 6:00 a.m.
 - (1) Except as provided in this section, it shall be unlawful for any person to park, allow to be parked or allow to remain parked, any motor vehicle on any public street of the city between the hours of 2:00 a.m. and 6:00 a.m.
 - (2) The Traffic Engineer shall erect signs giving notice of the on-street parking prohibition contained in subsection (1).
 - (3) Specific blocks of specific streets may be permitted as exceptions to the foregoing general provisions in subsection (1), when so designated by the Traffic Engineer with the consent of the City Council.
 - (4) Parking on any public street in the City between the hours of 2:00 a.m. and 6:00 a.m., as prohibited in subsection (1), may be permitted for a period of up to three (3) days upon notification to, and approval of, the Marshall Police Department.
 - (5) Hardship Permits.
 - (a) Permits for parking on any public street in the City between 2:00 a.m. and 6:00 a.m., as prohibited in subsection (1), may be permitted if all of the following apply:
 - (i) The Traffic Engineer finds that not more than one vehicle may be legally parked on a lot of record, as defined by the zoning code;

- (ii) The specific characteristics of the lot of record, including size, shape and placement of structures prevent any area from being reasonably adapted for the legal parking of more than one;
 - (iii) Permits may only be issued for vehicles which are owned or operated by a resident of the lot of record.
- (b) A permit for parking on the street shall be valid for a period not to exceed one year. Parking permits issued under this subsection shall be issued to the registered owner of a vehicle. Permits are not transferrable. Each permit shall be affixed to the front windshield of the vehicle in a location readily visible. There will be an annual fee in the amount established by resolution for each permit issued.
- (c) Permit holders shall park the permitted vehicle on that area of a public street within the lot lines of the lot of record for which the permit has been issued and on the same side of the street as the lot of record unless on-street parking is permitted only on the opposite side of the street.
- (6) Temporary Hardship Permits. Temporary hardship permits for periods of up to 30 days may be granted for construction, medical services, or other needs, based upon a finding by the Traffic Engineer that the applicant has established that a temporary hardship exists. There will be a fee in the amount established by resolution for each permit issued.
- (7) Vehicle owners holding a permit issued pursuant to subsection (5) or subsection (6) must, upon notice, immediately remove the vehicle from a public street if, in the opinion of the Traffic Engineer or his or her designee, the vehicle is interfering or will interfere with the performance of necessary street maintenance service, including, but not limited to, street cleaning or snow plowing operations. Vehicles not removed as required in this section shall be subject to immediate impoundment.
- (8) The Traffic Engineer is authorized, with the consent of City Council, to establish procedures for the issuance of permits for parking overnight on municipal streets.
- (9) The Traffic Engineer shall erect signs giving notice of the provisions of this section.
- (10) A person who violates any provision under section shall be subject to fines and costs and the vehicle may be removed by the City Police Department or

its authorized designee, with the costs of removal and storage paid by the owner or person in control of the vehicle. (Prior Code, § 73.19)

(D) Municipal Lot Parking.

- (1) Parking in municipal parking lots is hereby prohibited between the hours of ~~3:00 a.m.~~ **2:00 a.m.** and 6:00 a.m., **except in designated areas.**
- (2) The Traffic Engineer is authorized, with the consent of the City Council by motion, to establish ~~procedures for the issuance of permits for parking overnight on municipal parking lots.~~ **designated areas for parking between the hours of 2:00 a.m. and 6:00 a.m.**
- (3) A person who violates subsection (1) ~~without first obtaining a permit or permission pursuant to subsection (2)~~ shall be subject to fines and costs and the vehicle may be removed by the City Police Department or its authorized designee, with the costs of removal and storage paid by the owner or person in control of the vehicle. (Prior Code, § 73.19.1)

(E) Parking of Trailers.

- (1) No unattached trailer, semi-trailer, camper or any other object designed to be towed behind a vehicle shall be parked at any time in or upon the public streets of the city, except when it is necessary for loading or unloading.
- (2) No vehicle with a trailer, semi-trailer, camper or any other object designed to be towed behind a vehicle attached thereto shall be parked on any public street where angle parking is allowed, nor shall it be parked for a period of more than three hours on any public street in the city.
- (3) Any person who is in violation of this section shall be subject to fines and costs and the trailer, semi-trailer, camper or other object designed to be towed behind a vehicle may be removed from the street or highway by the City Police Department or its authorized designee, with the costs of removal and storage paid by the owner or person in control of the vehicle.

(F) Snow and Ice Emergencies

- (1) If a snow or ice emergency exists, the City Manager, or his or her designee, is authorized to prohibit the parking or standing of a motor vehicle on a public street or highway for the duration of the emergency.
- (2) A snow or ice emergency shall be deemed to exist when snow or ice, or a combination thereof, hinders the proper removal of accumulated snow and ice from city streets or highways due to the amount of snow or ice, the number and type of storms, multiple storms in close proximity to each other, or as deemed necessary by the City Manager or designee.

- (3) The declaration of a snow or ice emergency shall be immediately effective upon the posting of a notice in City Hall that such emergency is in effect, and upon the announcement of such snow or ice emergency in public media, including but not limited to newspaper, radio, television or electronic social media that disseminates news within the city.
- (4) Any person who owns or is in the control of a vehicle that is in violation of this section shall be subject to fines and costs and the motor vehicle may be removed from the street or highway by the City Police Department or its authorized designee, with the costs of removal and storage paid by the owner or person in control of the vehicle.
- (5) Appropriate signs providing notice of this section shall be posted at all entrances to the city.
- (G) Marked parking. In streets and municipal parking lots where marked parking is identified, no person shall stand or park a vehicle other than within a single marked space.
- (H) Penalty. Any person who is in violation of this ordinance shall be subject to the fines and costs set forth in § 70.010 in addition to any other remedies provided herein.

(Ord. passed 11-16-1992; Am. Ord. 2013-07, passed 06-17-2013; Am. Ord. 2016-01, passed 01-04-2016; Am. Ord. 2022-04, passed 05-02-2022 Am. Ord. 2023- ____, passed _____)

CODE EDITS

The editors of the Marshall City Code are hereby authorized, subject to approval of the City Manager, or designee, to update and revise code section numbers to effectuate the provisions of this Ordinance.

REPEALER

All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect, and the City of Marshall City Code shall remain in full force and effect, amended only as specified above.

SEVERABILITY

If any section, clause or provision of this Ordinance shall be declared to be unconstitutional, void or illegal by any Court of competent jurisdiction, such section,

clause or provision shall thereby cease to be a part of this Ordinance, but the remainder of this Ordinance shall stand and be in full force and effect.

ENACTMENT

This ordinance is declared to have been enacted by the City Council of the City of Marshall at a meeting called and held on the ____ day of _____, 2023, and ordered to be given publication in the manner prescribed by law.

AYES:

NAYES:

ABSTENTIONS:

Mayor

STATE OF MICHIGAN

COUNTY OF CALHOUN

I, the undersigned, the qualified and acting City Clerk of the City of Marshall, Calhoun County, Michigan, do certify that the foregoing is a true and complete copy of the ordinance adopted by the City Council of the City of Marshall at a meeting called and held on the ____ day of _____, 2023, the original of which is on file in my office.

Clerk

Adopted:

Published:

City Parking Lot Spaces Map



11/10/2023

Roads

City Parking Lot Space Points (by Type)

Handicap

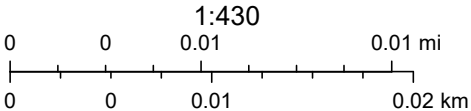
Public

HANDICAP

STANDARD

NO PARKING AREA

Marshall City Tax Parcels



Esri Canada, Esri, HERE, Garmin, INCREMENT P, USGS, EPA, USDA

City of Marshall Engineering Dept.

City Parking Lot Spaces Map



11/10/2023

City Parking Lot Space Points (by Type)



Handicap



Handicap-Overnight Access



Public

Public-Overnight Access

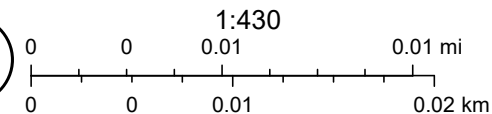
City Parking Lot Space Lines

HANDICAP

STANDARD

NO PARKING AREA

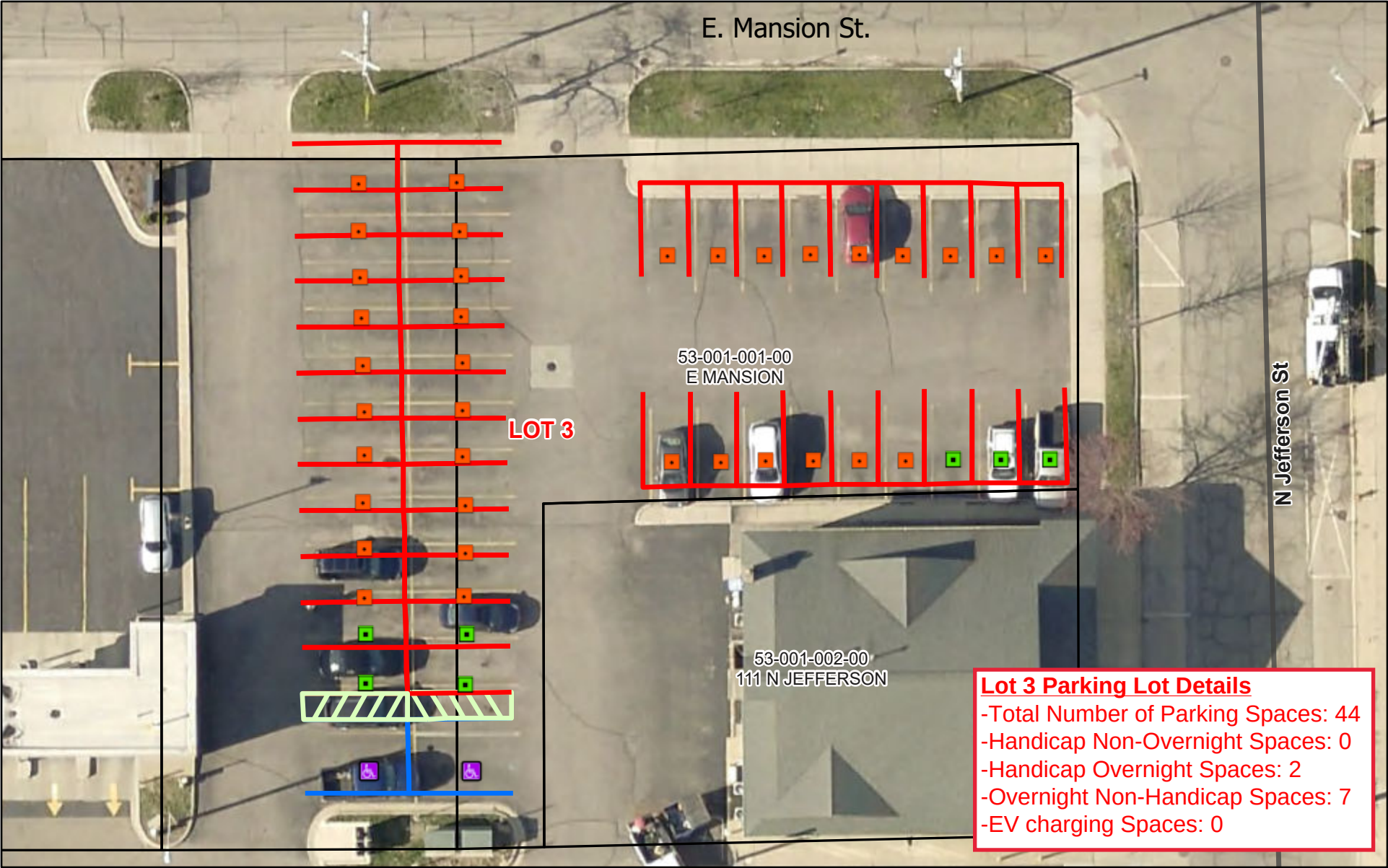
Marshall City Tax Parcels



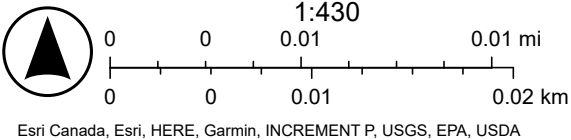
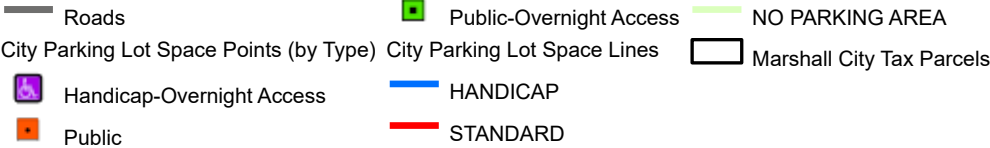
Esri Canada, Esri, HERE, Garmin, INCREMENT P, USGS, EPA, USDA

City of Marshall Engineering Dept.

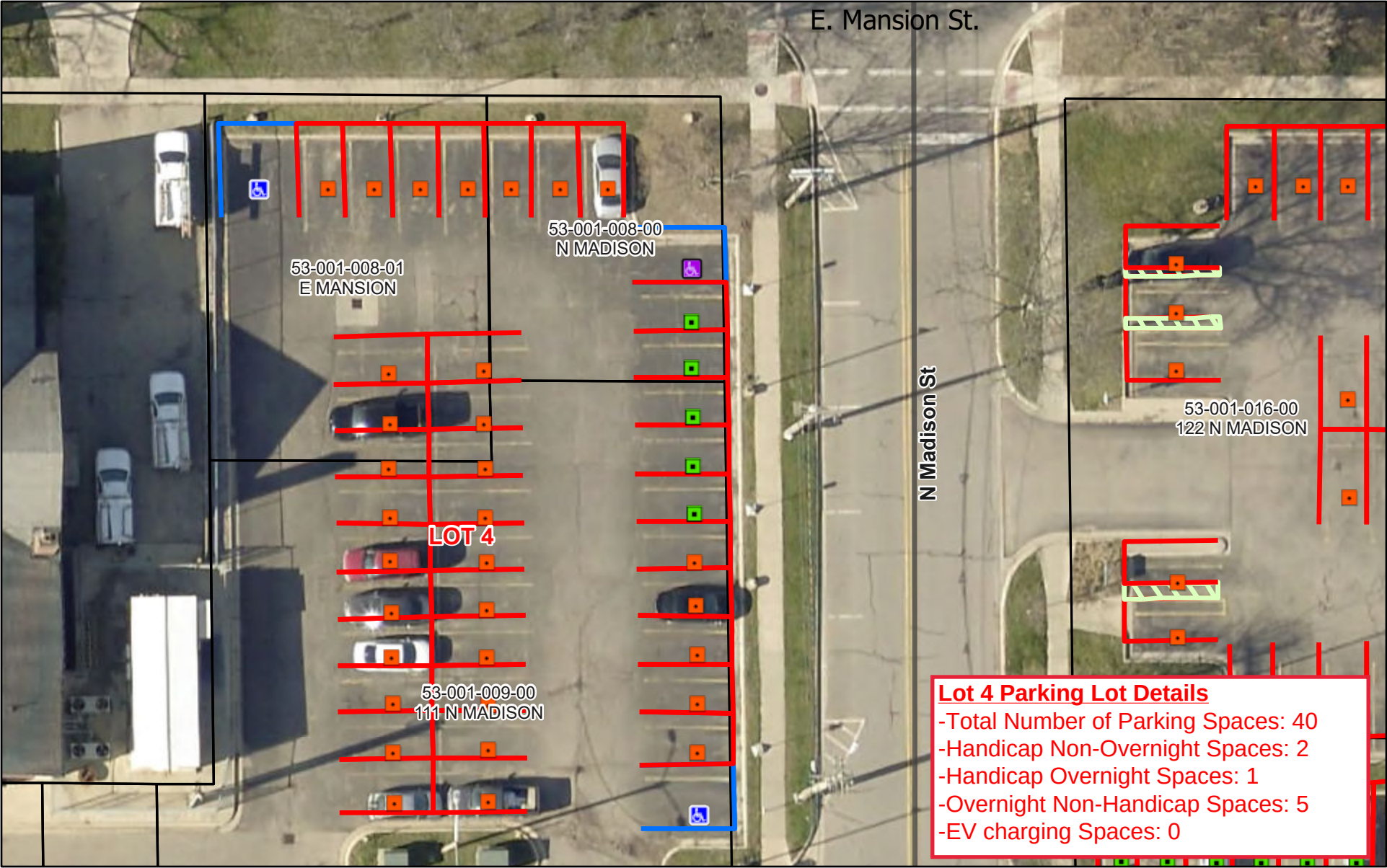
City Parking Lot Spaces Map



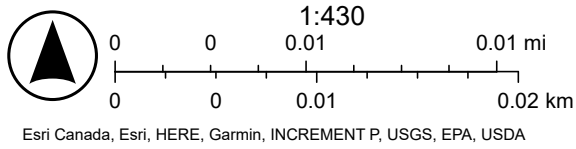
11/10/2023



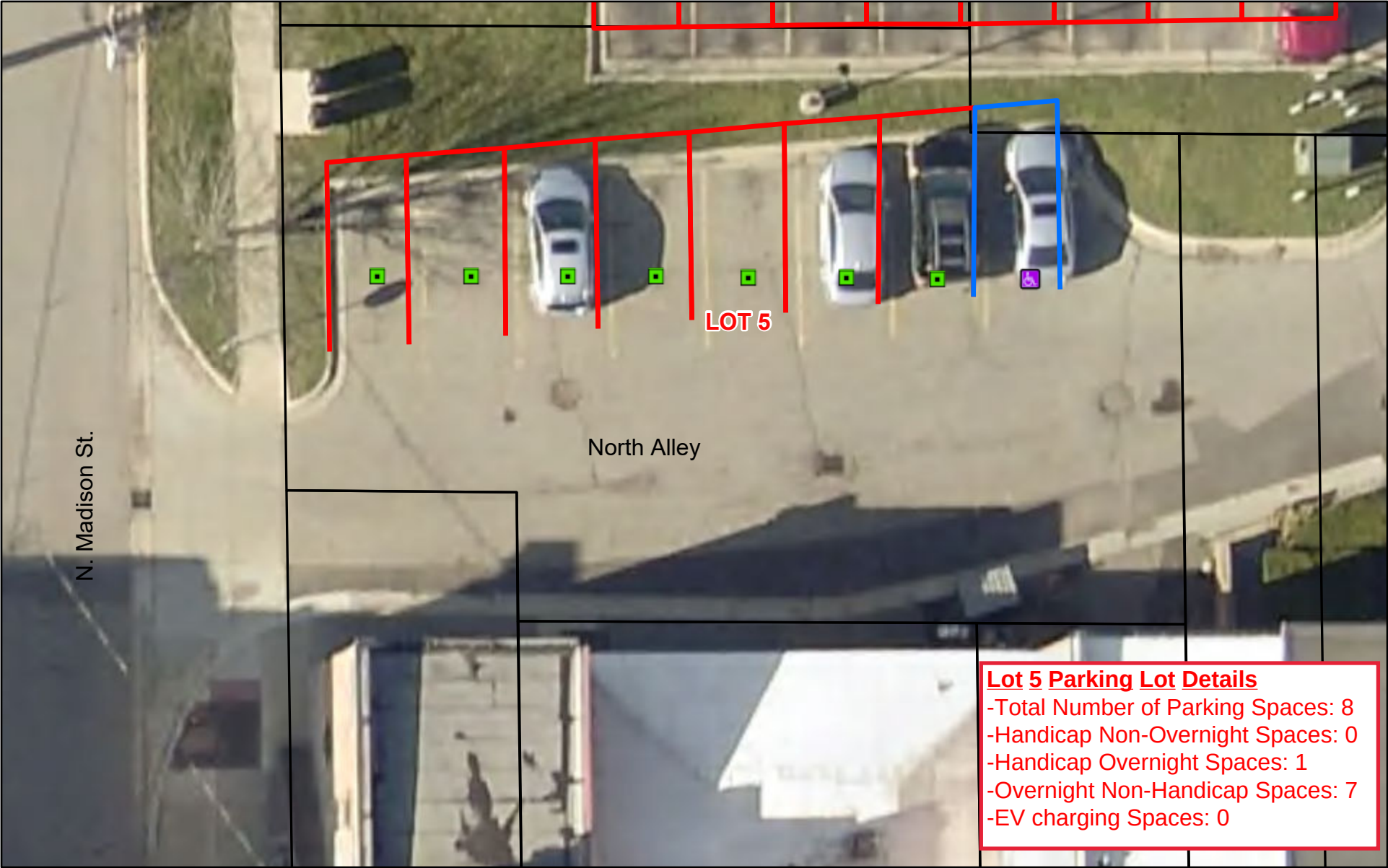
City Parking Lot Spaces Map



11/10/2023



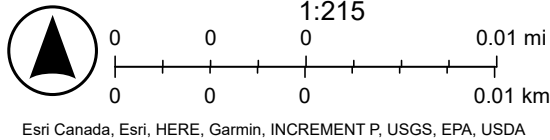
City Parking Lot Spaces Map



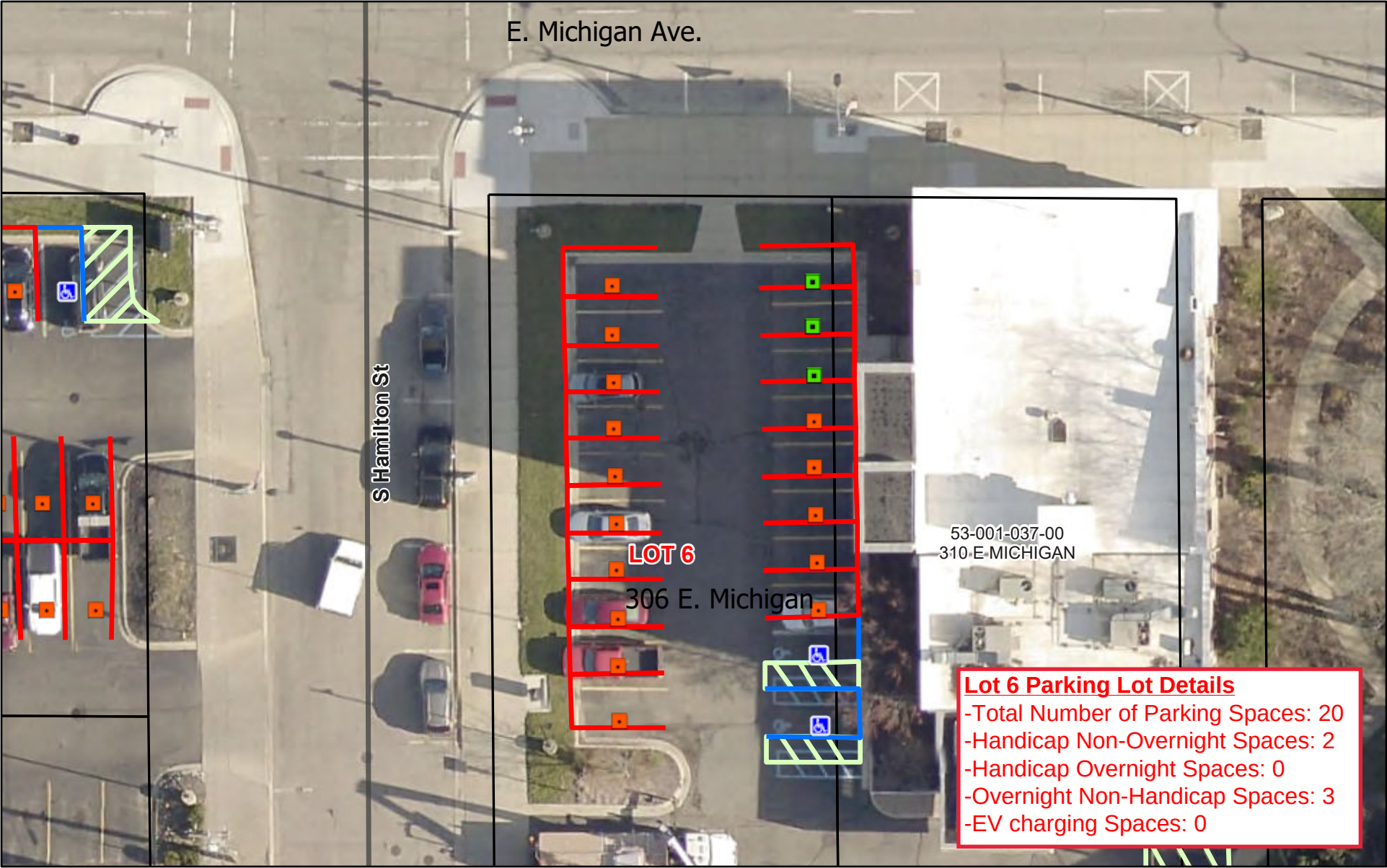
11/29/2023

City Parking Lot Space Points (by Type) City Parking Lot Space Lines  Marshall City Tax Parcels

- | | |
|---|--|
|  Handicap-Overnight Access |  HANDICAP |
|  Public-Overnight Access |  STANDARD |



City Parking Lot Spaces Map



Lot 6 Parking Lot Details

- Total Number of Parking Spaces: 20
- Handicap Non-Overnight Spaces: 2
- Handicap Overnight Spaces: 0
- Overnight Non-Handicap Spaces: 3
- EV charging Spaces: 0

11/10/2023

- Roads

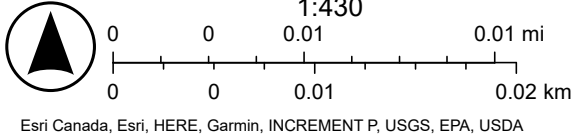
 Handicap

 Public
-  Public-Overnight Access

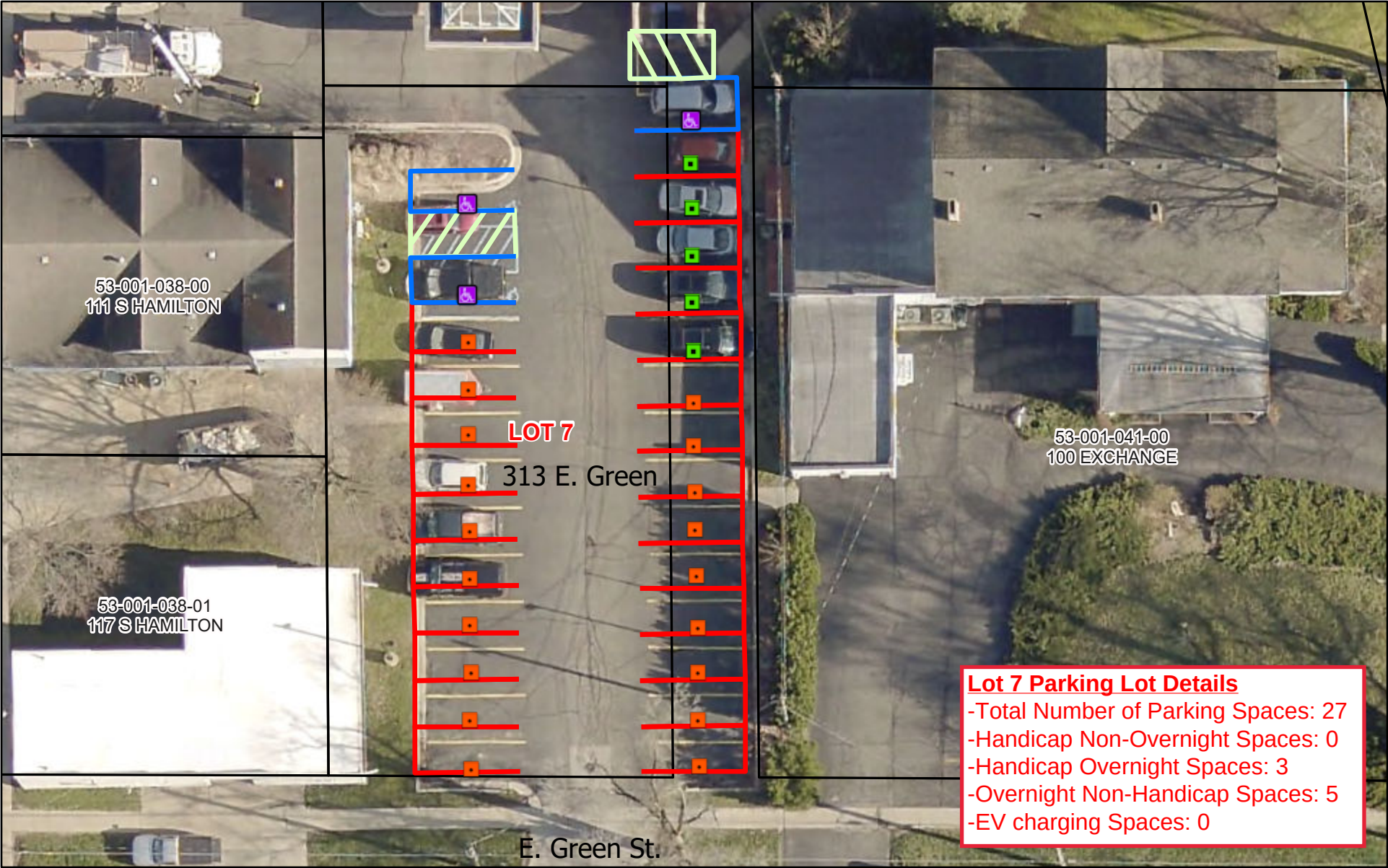
 HANDICAP

 STANDARD
-  NO PARKING AREA

 Marshall City Tax Parcels



City Parking Lot Spaces Map



11/13/2023

City Parking Lot Space Points (by Type)



Handicap-Overnight Access



Public



Public-Overnight Access

City Parking Lot Space Lines



HANDICAP



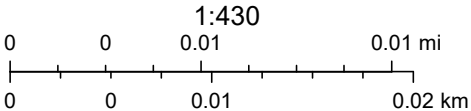
STANDARD



NO PARKING AREA



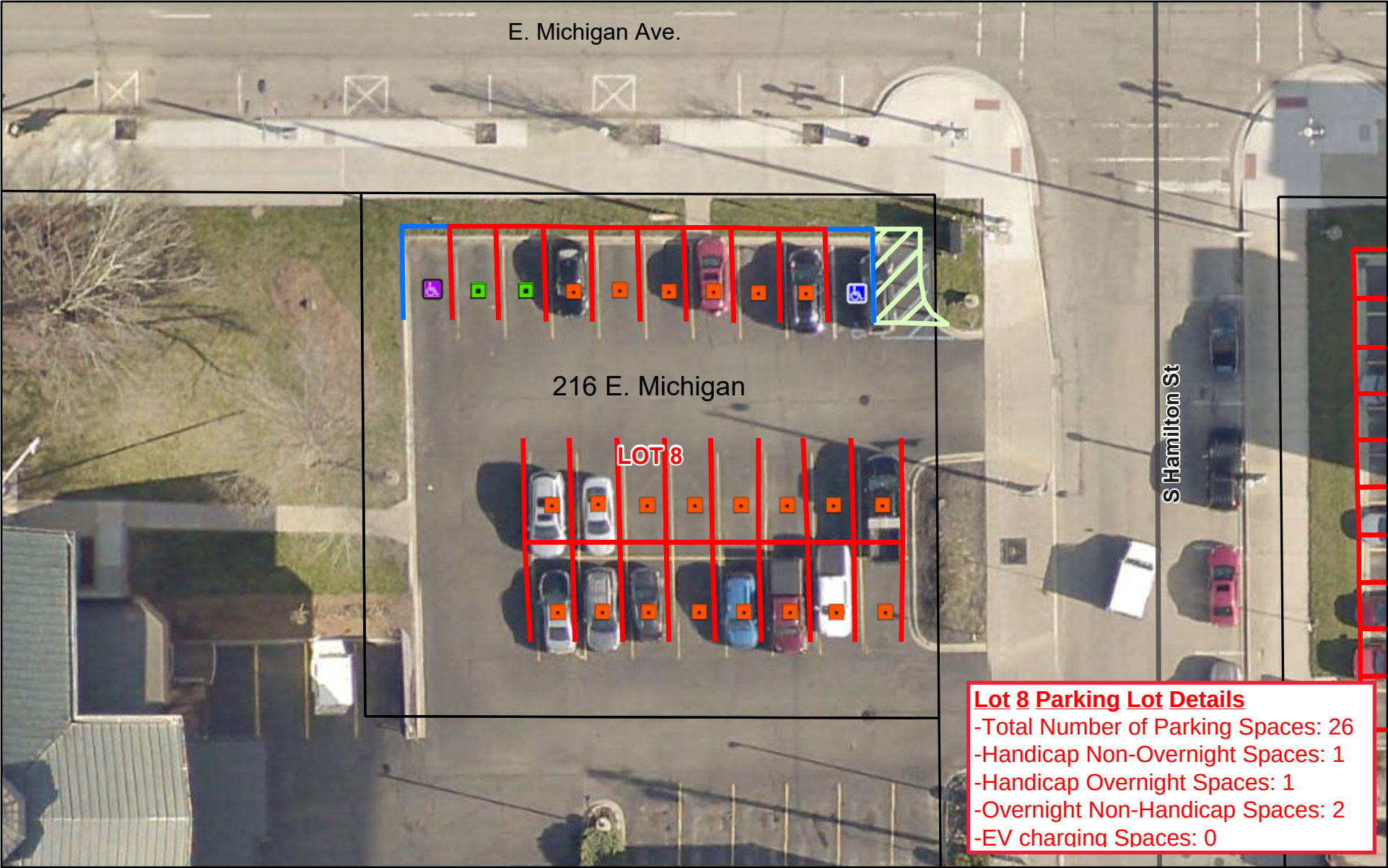
Marshall City Tax Parcels



Esri Canada, Esri, HERE, Garmin, INCREMENT P, USGS, EPA, USDA

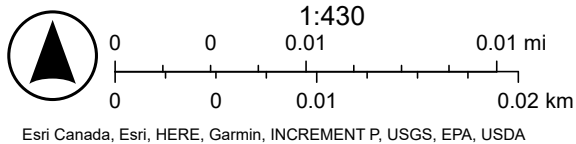
City of Marshall Engineering Dept.

City Parking Lot Spaces Map

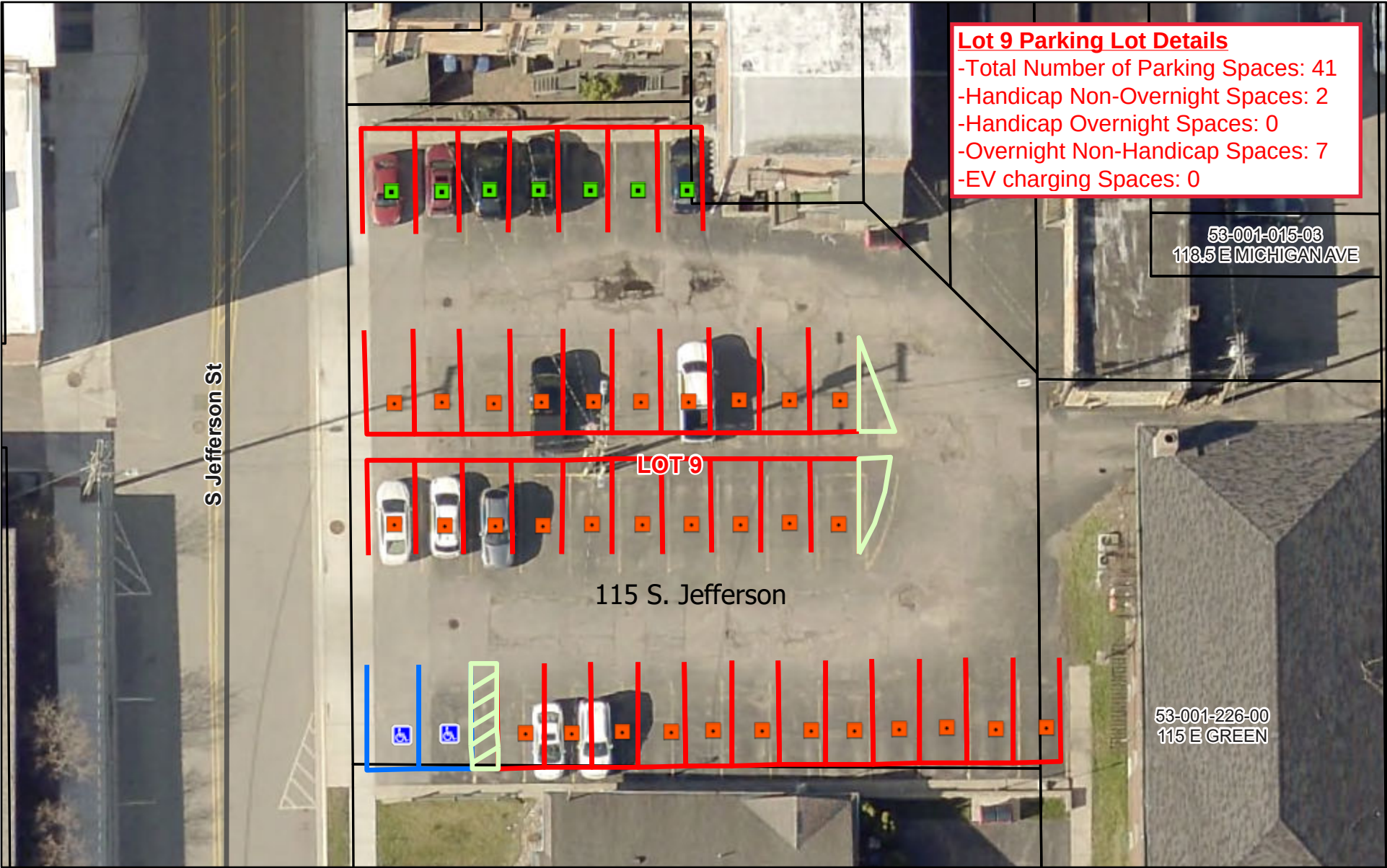


11/29/2023

- Roads
- City Parking Lot Space Points (by Type)
- Public
 - Public-Overnight Access
 - Handicap
 - Handicap-Overnight Access
- City Parking Lot Space Lines
- STANDARD
 - NO PARKING AREA
 - HANDICAP
- Marshall City Tax Parcels



City Parking Lot Spaces Map



11/13/2023

- Roads

Public-Overnight Access

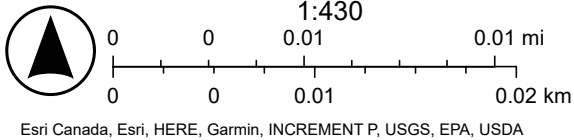
NO PARKING AREA
- City Parking Lot Space Points (by Type)

City Parking Lot Space Lines

Marshall City Tax Parcels
- Handicap

HANDICAP

STANDARD
- Public



City Parking Lot Spaces Map

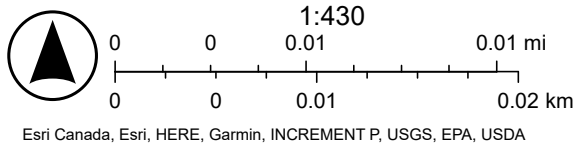


Lot 10 Parking Lot Details

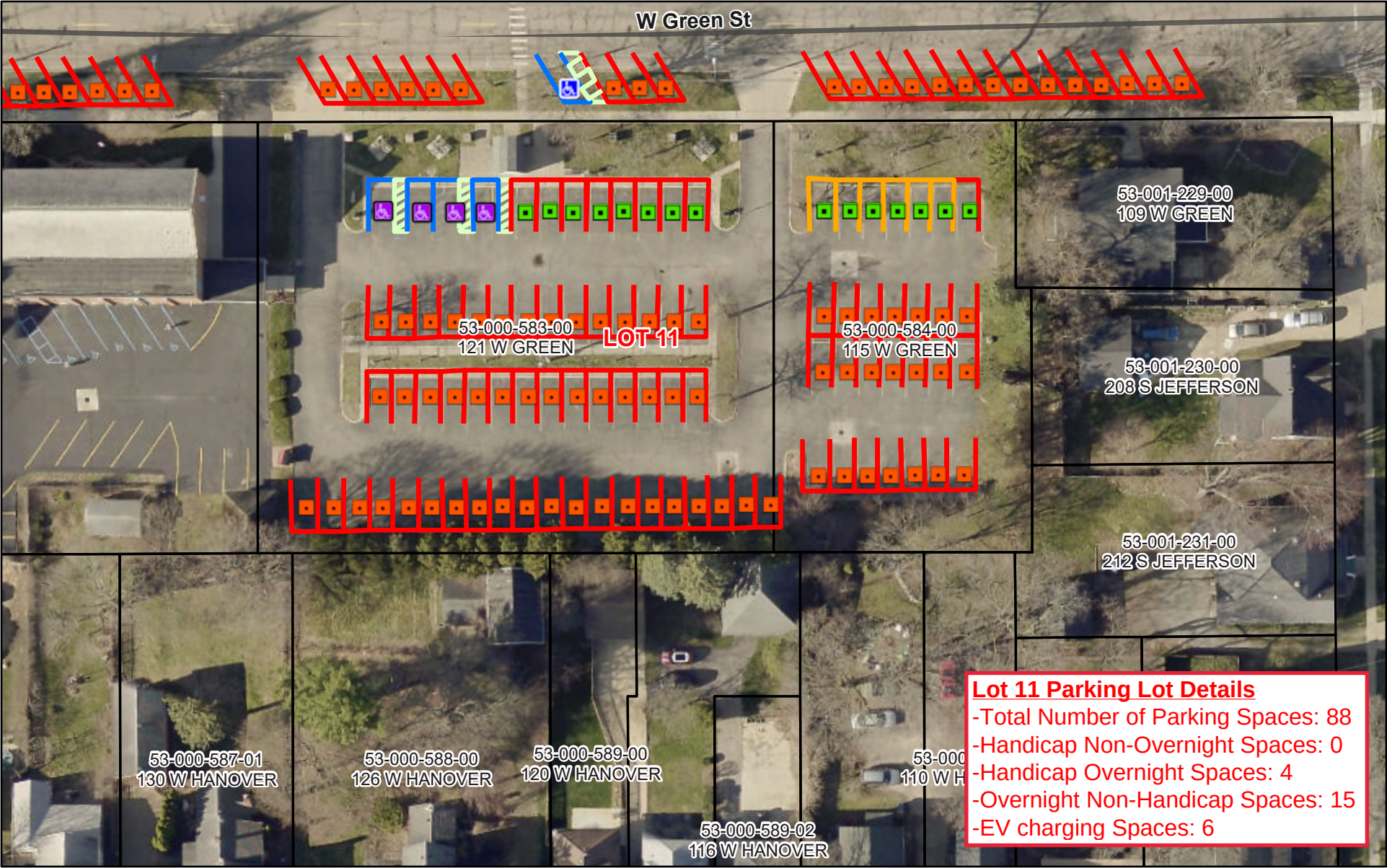
- Total Number of Parking Spaces: 74
- Handicap Non-Overnight Spaces: 5
- Handicap Overnight Spaces: 1
- Overnight Non-Handicap Spaces: 10
- EV charging Spaces: 0

11/13/2023

- City Parking Lot Space Points (by Type)
 - Public-Overnight Access
 - Handicap
 - Handicap-Overnight Access
 - Public
- City Parking Lot Space Lines
 - NO PARKING AREA
 - HANDICAP
 - STANDARD
- Marshall City Tax Parcels



City Parking Lot Spaces Map



Lot 11 Parking Lot Details

- Total Number of Parking Spaces: 88
- Handicap Non-Overnight Spaces: 0
- Handicap Overnight Spaces: 4
- Overnight Non-Handicap Spaces: 15
- EV charging Spaces: 6

11/13/2023

- Roads

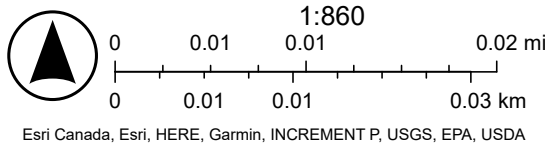
City Parking Lot Space Points (by Type)

 - Handicap
 - Public
 - Public-Overnight Access
- City Parking Lot Space Lines

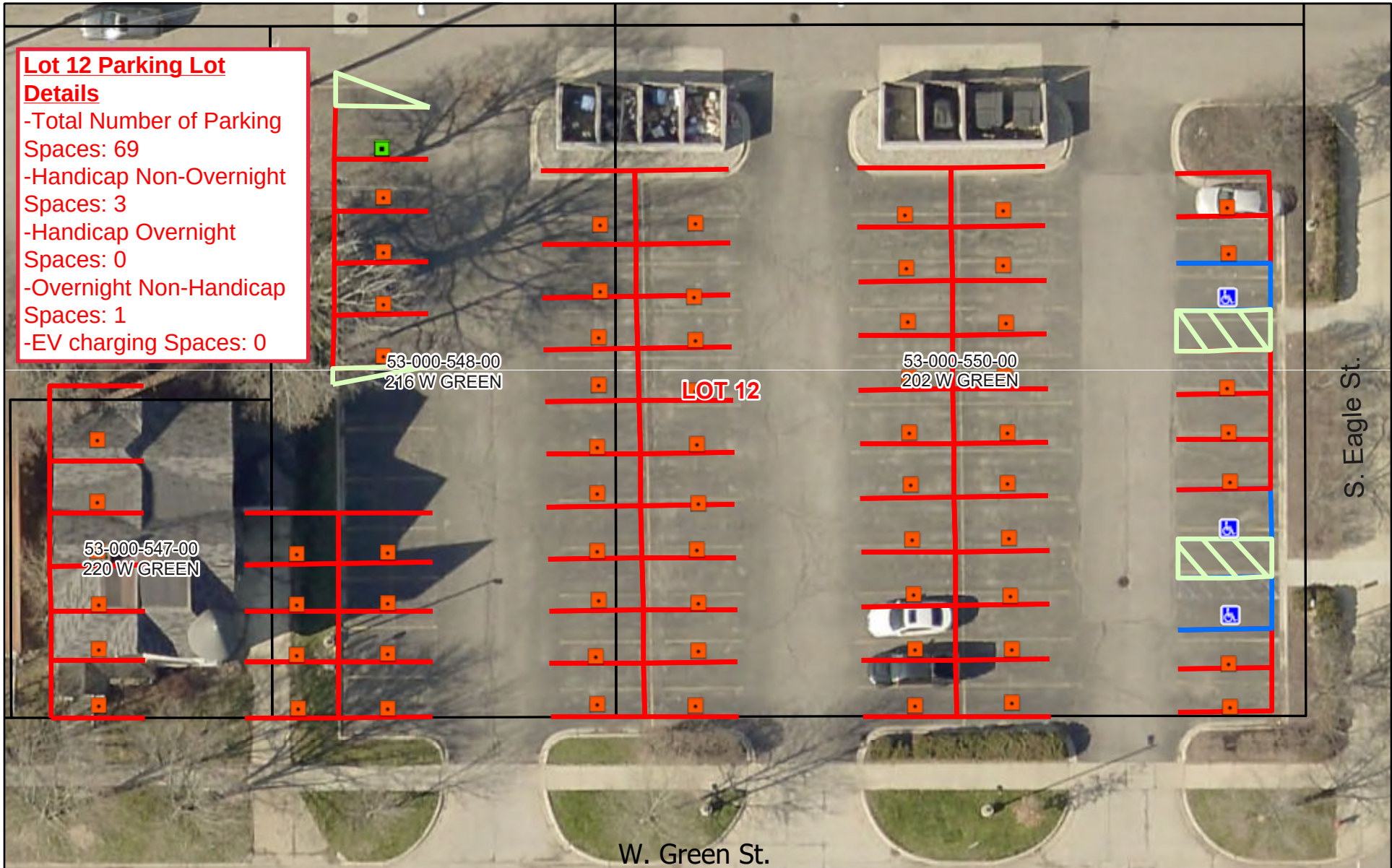
 - ELECTRIC CHARGING
 - HANDICAP
- STANDARD

NO PARKING AREA

Marshall City Tax Parcels



City Parking Lot Spaces Map



11/13/2023

City Parking Lot Space Points (by Type)



Handicap



Public

Public-Overnight Access

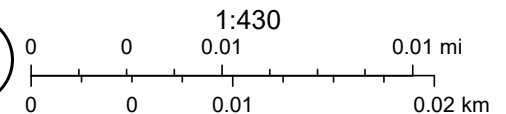
City Parking Lot Space Lines

HANDICAP

STANDARD

NO PARKING AREA

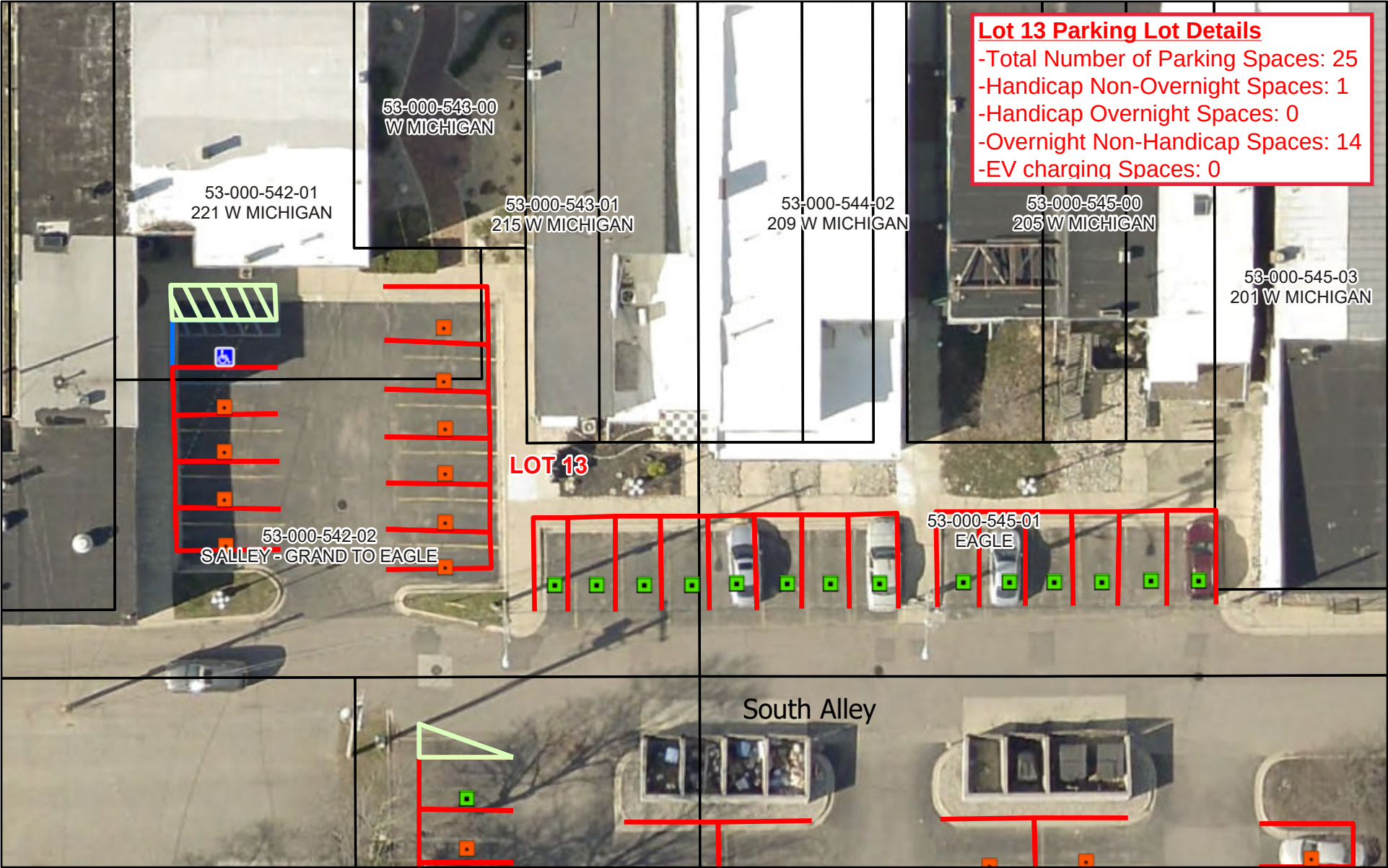
Marshall City Tax Parcels



Esri Canada, Esri, HERE, Garmin, INCREMENT P, USGS, EPA, USDA

City of Marshall Engineering Dept.

City Parking Lot Spaces Map



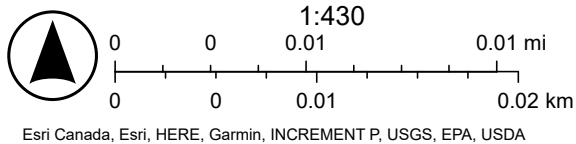
11/13/2023

City Parking Lot Space Points (by Type)

- Handicap
- Public

- Public-Overnight Access
- City Parking Lot Space Lines
- HANDICAP

- STANDARD
- NO PARKING AREA
- Marshall City Tax Parcels



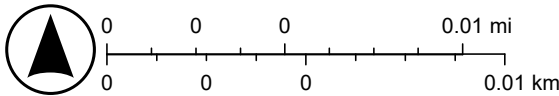
City Parking Lot Spaces Map



Lot 14 Parking Lot Details
-Total Number of Parking Spaces: 16
-Handicap Non-Overnight Spaces: 2
-Handicap Overnight Spaces: 0
-Overnight Non-Handicap Spaces: 0
-EV charging Spaces: 6

11/13/2023

- City Parking Lot Space Points (by Type)
-  HANDICAP
 -  Handicap
 -  Public
 -  STANDARD
 -  Marshall City Tax Parcels
 -  ELECTRIC CHARGING
- City Parking Lot Space Lines



Esri Canada, Esri, HERE, Garmin, INCREMENT P, USGS, EPA, USDA

City Parking Lot Spaces Map



11/29/2023

Roads

City Parking Lot Space Points (by Type)

Handicap

Public

City Parking Lot Space Lines

HANDICAP

STANDARD

Marshall City Tax Parcels

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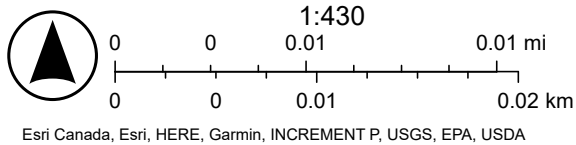
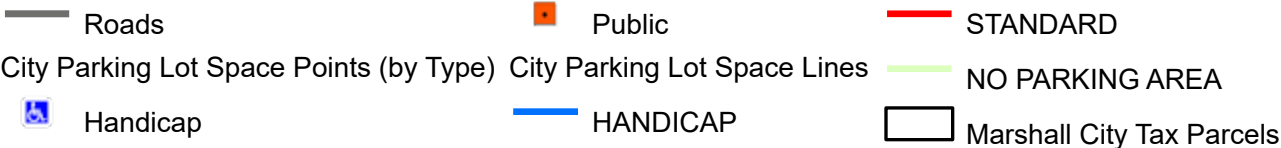
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Esri Canada, Esri, HERE, Garmin, INCREMENT P, USGS, EPA, USDA

City Parking Lot Spaces Map



11/29/2023



City Parking Lot Spaces Map

E. Mansion St.

Oaklawn-Owned Parking Lot Details

- Total Number of Parking Spaces: 47
- Handicap Non-Overnight Spaces: 2
- Handicap Overnight Spaces: 0
- Overnight Non-Handicap Spaces: 0
- EV charging Spaces: 0



11/10/2023

— Roads

City Parking Lot Space Points (by Type)

Handicap

Handicap-Overnight Access

Public

Public-Overnight Access

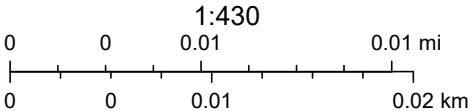
City Parking Lot Space Lines

HANDICAP

STANDARD

NO PARKING AREA

Marshall City Tax Parcels



Esri Canada, Esri, HERE, Garmin, INCREMENT P, USGS, EPA, USDA

City of Marshall Engineering Dept.

CITY PUBLIC PARKING LOTS INFO. -11/28/23

PARKING LOT NUM	LOCATION	PARKING SPACES TOTAL	HANDICAP NON- OVERNIGHT SPACES TOTAL	HANDICAP OVERNIGHT SPACES TOTAL	OVERNIGHT NON- HANDICAP SPACES TOTAL	EV CHARGING SPACES TOTAL
Oaklawn- owned lot	122 N. Madison (at N. Madison/E. Mansion-SE corner)	47	2	0	0	0
1	205 W. Mansion (at W. Mansion/N. Eagle-SW corner)	18	1	0	0	0
2	W. Mansion-S. side (between Division & N. Eagle)	74	4	1	8	0
3	E. Mansion/N. Jefferson-SW corner	44	0	2	7	0
4	111 N. Madison (at N. Madison/E. Mansion-SW corner)	40	2	1	5	0
5	110 N. Madison (at N. Alley on N. Madison-E. side)	8	0	1	7	0
6	306 E. Michigan (at E. Michigan/S. Hamilton-SE corner)	20	2	0	3	0

CITY PUBLIC PARKING LOTS INFO. -11/28/23

PARKING LOT NUM	LOCATION	PARKING SPACES TOTAL	HANDICAP NON- OVERNIGHT SPACES TOTAL	HANDICAP OVERNIGHT SPACES TOTAL	OVERNIGHT NON- HANDICAP SPACES TOTAL	EV CHARGING SPACES TOTAL
7	313 E. Green (on E. Green- N. side between S. Hamilton & Exchange)	27	0	3	5	0
8	216 E. Michigan (at E. Michigan/S. Hamilton-SW corner)	26	1	1	2	0
9	115 S. Jefferson (on S. Jefferson-E. side between Green & Michigan)	41	2	0	7	0
10	W. Green-N. side (between Eagle & Jefferson)	74	5	1	10	0
11	115/121 W. Green (on W. Green-S. side between Eagle & Jefferson)	88	0	4	15	6
12	202/216/220 W. Green (on W. Green-N. side between Eagle & Grand)	69	3	0	1	0
13	S. Alley (between Eagle & Grand)	25	1	0	14	0

CITY PUBLIC PARKING LOTS INFO. -11/28/23

PARKING LOT NUM	LOCATION	PARKING SPACES TOTAL	HANDICAP NON- OVERNIGHT SPACES TOTAL	HANDICAP OVERNIGHT SPACES TOTAL	OVERNIGHT NON- HANDICAP SPACES TOTAL	EV CHARGING SPACES TOTAL
14	231 W. Michigan (at W. Michigan/S. Grand-SE corner)	16	2	0	0	6
15	323 W. Michigan (behind City Hall on Green St.)	17	1	0	0	0
16	323 W. Michigan (in front of City Hall on W. Michigan)	8	1	0	0	0
TOTALS (for all 17 lots)		642	27	14	84	12

ITEM: 12.B

ADMINISTRATIVE REPORT



TO: Honorable Mayor and City Council
FROM: Derek N. Perry, City Manager
Eric Zuzga, Director of Community Services
DATE: December 4, 2023
SUBJECT: **135 WEST MANSION STREET OPRA EXEMPTION REQUEST - SET
PUBLIC HEARING**

The City has received a request from Vaughn and Amy Frentz to consider granting an Obsolete Property Rehabilitation (OPRA) exemption for 135 West Mansion Street. They are planning a renovation of the building to include an upstairs apartment and a multi-use space on the main floor that would include a professional kitchen. The property has been reviewed by our assessor and a functionally obsolete letter submitted summarizing his findings. The proposed investment is approximately \$500,000 which would result in a recommendation of an 8-year OPRA exemption, per our OPRA policy.

To consider this exemption request, a public hearing needs to be set, and we are recommending the January 16, 2024, City Council meeting.

BUDGET IMPACT:

The taxable value of the property will be frozen for the next 8 years so the City will not lose any revenue, but we will forego any revenue increase over the life of the OPRA exemption. When the OPRA exemption is completed, the property will return to the regular tax rolls at its full taxable value.

RECOMMENDATION:

Set a public hearing for January 16, 2024 to consider approval of an OPRA exemption for up to 8 years for 135 West Mansion Street.

ITEM: 12.C

ADMINISTRATIVE REPORT



TO: Honorable Mayor and City Council
FROM: Derek N. Perry, City Manager
Martin Erskine, Fire Chief
Joshua Lanker, Chief of Police
DATE: December 4, 2023
SUBJECT: COUNTY HAZARD MITIGATION PLAN ADOPTION

Hazard mitigation planning provides the City of Marshall and the rest of Calhoun County with a road map to aid in the creation and revision of policies and procedures, and the use of available resources, to provide long-term, tangible benefits to the community. A well-designed hazard mitigation plan provides the City of Marshall and Calhoun County with realistic actions that can be taken to reduce potential vulnerability and exposure to identified hazards. This Multi-Jurisdictional Natural Hazard Mitigation Plan (HMP) was prepared to provide sustained actions to eliminate or reduce risk to people and property from the effects of natural hazards.

Federally approved mitigation plans are a prerequisite for mitigation project grants. Development and Federal Emergency Management Agency (FEMA) approval this plan will ensure future eligibility for federal disaster mitigation funds through the Hazard Mitigation Grant Program, Building Resilient Infrastructure and Communities, Repetitive Flood Claims, and a variety of other state and federal program.

As part of the process, each municipality participating in the Calhoun County plan needs to adopt the document.

BUDGET IMPACT:

There is no budget impact on adopting the plan, but adoption will make the City eligible for disaster-related clean-up funds from the Federal and State governments.

RECOMMENDATION:

Approve Resolution 2023-33, A Resolution to Adopt the November 2023 Calhoun County Michigan Multi-Jurisdictional Natural Hazard Mitigation Plan and Authorize the City Manager and City Clerk to sign the necessary documents.

**CITY OF MARSHALL, MICHIGAN
RESOLUTION NO. 2023-33**

**A RESOLUTION TO ADOPT THE NOVEMBER 2023
CALHOUN COUNTY MICHIGAN MULTI-JURISDICTIONAL
NATURAL HAZARD MITIGATION PLAN**

Minutes of a regular meeting of the Council of the City of Marshall, held on December 18, 2023, at 7:00 PM.

PRESENT:

ABSENT:

The following preamble and resolution were offered by _____, and supported by _____.

WHEREAS, the City of Marshall recognizes the threat that natural hazards pose to people and property within the City of Marshall; and

WHEREAS, the City of Marshall has prepared a multi-hazard mitigation plan, hereby known as the November 2023 Calhoun County Michigan Multi-Jurisdictional Natural Hazard Mitigation Plan in accordance with federal laws, including the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended; the National Flood Insurance Act of 1968, as amended; and the National Dam Safety Program Act, as amended; and

WHEREAS, the November 2023 Calhoun County Michigan Multi-Jurisdictional Natural Hazard Mitigation Plan identifies mitigation goals and actions to reduce or eliminate long-term risk to people and property in the City of Marshall from the impacts of future hazards and disasters; and

WHEREAS, adoption by the City of Marshall demonstrates its commitment to hazard mitigation and achieving the goals outlined in the November 2023 Calhoun County Michigan Multi-Jurisdictional Natural Hazard Mitigation Plan; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARSHALL hereby adopts the November 2023 Calhoun County Michigan Multi-Jurisdictional Natural Hazard Mitigation Plan. While content related to the City of Marshall may require revisions to meet the plan approval requirements, changes occurring after adoption will not require **the** City of Marshall to re-adopt any further iterations of the plan during the approval period. Subsequent plan updates following the approval period for this plan will require separate adoption resolutions.

Resolution declared adopted this 18th day of December 2023.

Michell Eubank, City Clerk

I, Michelle Eubank, being duly sworn as the City Clerk for the City of Marshall, hereby certify that the foregoing is a true and complete copy of the resolution adopted by the City Council, City of Marshall, County of Calhoun, State of Michigan, at a regular meeting held on December 18, 2023 and that the said meeting was conducted and that the minutes of the meeting were kept and will be or have been made available.

Michell Eubank, City Clerk

ITEM: 12.D

ADMINISTRATIVE REPORT



TO: Honorable Mayor and City Council
FROM: Derek N. Perry, City Manager
Alec Egnatuk, Wastewater Superintendent
DATE: December 4, 2023
SUBJECT: **WWTP CLARIFIER REHABILITATION**

In the Fall of 2020, an RFP for equipment to rehabilitate the two primary and two secondary clarifiers at the Wastewater Treatment Plant was issued. The plan was to rehabilitate one primary and one secondary clarifier during the summer of 2021 (Phase 1) and the remaining two clarifiers in the summer of 2023 (Phase 2). The purchase of equipment from WesTech for Phase 1 was approved on January 4, 2021 and the construction contract with LD Docsa was approved on April 19, 2021. Equipment installation was completed in December 2021 and sitework was completed in Spring 2022.

Due to unforeseen price increases, WesTech was unable to furnish the Phase 2 equipment for the 5% escalator provided in the original equipment bid. Stantec contacted the other 2021 equipment bidders and found the price increases were similar throughout the industry. Stantec and City Staff negotiated an equipment price agreeable to all parties and the equipment purchase was approved at the March 30, 2023 Council Meeting.

Stantec issued a potential change order for Phase 2 to LD Docsa to provide an updated quote for the painting and installation of the Phase 2 equipment. LD Docsa's price of \$357,426 includes painting, as well as, all necessary work to install and commission the remaining two clarifiers. Due to some sitework not needing to be duplicated, the price is actually lower than the 2021 construction bid. As LD Docsa's bid from 2021 was approximately 30% lower than the next lowest bidder and the work was performed satisfactorily, it was decided that a change order was the appropriate avenue for securing the construction services.

BUDGET IMPACT:

Construction/Installation and Contingency costs totaling \$401,526, will be funded by the Wastewater Department Capital Outlay line 590-900-970.00.

RECOMMENDATION:

Approve the clarifier rehabilitation construction change order with LD Docsa and Associates for the amount of \$357,526 with a contingency of \$44,000 for a total amount of \$401,526 and authorize the City Manager and City Clerk to sign the necessary documents.

ITEM: 12.E

ADMINISTRATIVE REPORT



TO: Honorable Mayor and City Council
FROM: Derek N. Perry, City Manager
Eric Zuzga, Director of Community Services
DATE: December 4, 2023
SUBJECT: **MDOT CONTRACT- NORTH APRON AND WEST TAXIWAY BROOKS FIELD**

As discussed earlier this year, the rehabilitation of the North Apron and West Taxiway at Brooks Field is planned in 2024 or 2025. MDOT has provided the attached contract to cover the engineering for this project for City Council consideration. This contract will cover the majority of the costs for the engineering contract which were approved earlier this year.

BUDGET IMPACT:

The City's share of the project is estimated to be \$3,439, and will be budgeted in the 2024-2025 Fiscal Year Airport Budget.

RECOMMENDATION:

Approve MDOT contract #2024-0127 as presented, subject to the City Attorney's substantial form concurrence, and authorize the City Manager and City Clerk to sign the contract documents as necessary.

MICHIGAN DEPARTMENT OF TRANSPORTATION
CITY OF MARSHALL
CONTRACT FOR A FEDERAL/STATE/LOCAL
AIRPORT PROJECT
UNDER THE BLOCK GRANT PROGRAM

This Contract is made and entered into between the Michigan Department of Transportation (MDOT) and City of Marshall (SPONSOR) for the purpose of fixing the rights and obligations of the parties in agreeing to the following undertaking at the Brooks Field, whose associated city is Marshall, Michigan, such undertaking (PROJECT) estimated in detail in Exhibit 1, dated October 18, 2023, attached hereto and made a part hereof.

PROJECT DESCRIPTION: REHABILITATE APRON - NORTH, REHABILITATE TAXIWAY - WEST PARALLEL - DESIGN

Recitals:

The PROJECT is eligible for federal funding under the federal Airport Improvement Program, pursuant to 49 USC 47101 *et seq.*, including 47128; and

MDOT has received a block grant from the Federal Aviation Administration (FAA) for airport development projects; and

MDOT is responsible for the allocation and management of block grant funds pursuant to the above noted act; and

Information required by 2 CFR Part 200 is attached to this Contract as Attachment X.

The parties agree that:

1. The term “PROJECT COST,” as used herein, is defined in Attachment(s) 9, attached hereto and made a part hereof. The PROJECT COST may also include administrative costs incurred by MDOT in connection with the PROJECT.

THE SPONSOR WILL:

2. Enter into a contract with a consultant for each element of the PROJECT that requires expertise. The consultant will be selected in conformity with FAA Advisory Circular 150/5100-14. MDOT will select the consultant for each element of the PROJECT that involves preparation of environmental documentation. The SPONSOR will select the consultant for all other aspects of the PROJECT. All consultant contracts will be submitted to MDOT for review and approval. Any such approvals will not be construed as a warranty of the consultant's qualifications, professional standing, ability to perform the work being subcontracted, or financial integrity. The SPONSOR will neither award a consultant contract nor authorize the consultant to proceed prior to receiving written approval of the contract from MDOT. Any change to the consultant contract will require prior written approval from MDOT. In the event that the consultant contract is terminated, the SPONSOR will give immediate written notice to MDOT.
3. Make payment to MDOT for the SPONSOR's share of the PROJECT COSTS within thirty (30) days of the billing date. MDOT will not make payments for any PROJECT work prior to receipt of payment from the SPONSOR for the SPONSOR's share of that item of the PROJECT work.

Eligible PROJECT COSTS that are paid by the SPONSOR may be submitted for credit toward the SPONSOR's share of the PROJECT COST provided that they are submitted within one hundred eighty (180) days of the date the costs were incurred or within one hundred eighty (180) days of the date of award of this Contract by the parties, whichever is later. Documentation of the PROJECT COST will include copies of the invoices on which the SPONSOR will write the amounts paid, the check numbers, the voucher numbers, and the dates of the checks. Each invoice will be signed by an official of the SPONSOR as proof of payment. The amount of the SPONSOR billing will be reduced by the amount of the eligible credit, based on documentation submitted, provided it is submitted prior to the date of the billing. Should it be determined that the SPONSOR has been given credit for payment of ineligible items of work, the SPONSOR will be billed an amount to ensure that the SPONSOR share of PROJECT COSTS is covered.

The SPONSOR pledges sufficient funds to meet its obligations under this Contract.

4. With regard to audits and record-keeping:
 - a. The SPONSOR will establish and maintain accurate records, in accordance with generally accepted accounting principles, of all expenses incurred for which payment is sought or made under this Contract (RECORDS). Separate accounts will be established and maintained for all costs incurred under this Contract.
 - b. The SPONSOR will maintain the RECORDS for at least six (6) years from the date of final payment made by MDOT under this Contract. In the event of a dispute with regard to allowable expenses or any other issue under this Contract, the SPONSOR will thereafter continue to maintain the RECORDS at least until

that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.

- c. MDOT or its representative may inspect, copy, scan, or audit the RECORDS at any reasonable time after giving reasonable notice.
 - d. If any part of the work is subcontracted, the SPONSOR will assure compliance with subsections (a), (b), and (c) above for all subcontracted work.
5. Provide and will require its subcontractors to provide access by MDOT or its representatives to all technical data, accounting records, reports, and documents pertaining to this Contract. Copies of technical data, reports, and other documents will be provided by the SPONSOR or its subcontractors to MDOT upon request. The SPONSOR agrees to permit representatives of MDOT to inspect the progress of all PROJECT work at any reasonable time. Such inspections are for the exclusive use of MDOT and are not intended to relieve or negate any of the SPONSOR's obligations and duties contained in this Contract. All technical data, reports, and documents will be maintained for a period of six (6) years from the date of final payment.
6. In the performance of the PROJECT herein enumerated, by itself, by a subcontractor, or by anyone acting on its behalf, comply with any and all applicable state, federal, and local statutes, ordinances, and regulations. The SPONSOR further agrees to obtain all permits that are applicable to the entry into and the performance of this Contract.

The SPONSOR agrees to comply with the General Conditions and Special Conditions set forth in Appendix F, the FAA Assurances, and the FAA Advisory Circulars, attached hereto and made part hereof.

In addition, the SPONSOR agrees to accomplish the PROJECT in compliance with all applicable FAA Sponsor Certifications.
7. The SPONSOR agrees that the costs reported to MDOT for this Contract will represent only those items that are properly chargeable in accordance with this Contract. The SPONSOR also certifies that it has read the Contract terms and has made itself aware of the applicable laws, regulations, and terms of this Contract that apply to the reporting of costs incurred under the terms of this Contract.

MDOT WILL:

8. Bill the SPONSOR for the SPONSOR's share of the estimated PROJECT COST.
9. Upon receipt of payment requests approved by the SPONSOR, make payment for eligible PROJECT COSTS. MDOT will seek reimbursement from the FAA through the block grant issued to MDOT for funds expended on eligible PROJECT COSTS.

MDOT will not make payment for any PROJECT work prior to receipt of payment from the SPONSOR for the SPONSOR's share of that item of PROJECT work.

10. Make final accounting to the SPONSOR upon completion of the PROJECT, payment of all PROJECT COSTS, and completion of necessary audits. Any excesses or deficiencies will be returned or billed to the SPONSOR.

IT IS FURTHER AGREED THAT:

11. The PROJECT COST participation is estimated to be as shown below and as shown in the attached Exhibit 1. The PROJECT COST participation shown in Exhibit 1 is to be considered an estimate. The actual MDOT, FAA, and SPONSOR shares of the PROJECT COST will be determined at the time of financial closure of the FAA grant.

Federal Share	\$61,893
Maximum MDOT Share	\$3,438
SPONSOR Share	<u>\$3,439</u>
<i>Estimated</i> PROJECT COST	\$68,770

12. The PROJECT COST may be met in part with federal funds granted to MDOT by the FAA through the block grant program and in part with MDOT funds. Upon final settlement of the costs, the federal funds will be applied to the federally-funded parts of this Contract at a rate not to exceed ninety-five percent (95%) up to and not to exceed the maximum federal obligation shown in Section 11 or the revised maximum federal obligation set forth in a budget letter, as set forth in Section 13. Those parts beyond the federal funding maximum may be eligible for state funds at a rate not to exceed ninety percent (90%) up to and not to exceed the maximum MDOT obligation shown in Section 11.

For portions of the PROJECT for which only MDOT and SPONSOR funds will be applied to the final settlement, MDOT funds will be at a rate not to exceed ninety percent (90%), and the total MDOT funds applied toward the PROJECT COST may be up to but will not exceed the maximum MDOT obligation shown in Section 11 or the revised maximum MDOT obligation set forth in a budget letter, as set forth in Section 13. Any items of PROJECT COST not funded by FAA or MDOT funds will be the sole responsibility of the SPONSOR.

Alternatively, the PROJECT COST may be met in whole with federal funds granted to MDOT by the FAA through the block grant program. Upon final settlement of the costs, the federal funds will be applied to one hundred percent (100%) of the PROJECT COSTS up to and not to exceed the maximum federal obligation shown in Section 11 or the revised maximum federal obligation set forth in a budget letter, as set forth in Section 13.

MDOT funds in this Contract made available through legislative appropriation are based on projected revenue estimates. MDOT may reduce the amount of this Contract if the revenue actually received is insufficient to support the appropriation under which this Contract is made.

13. The PROJECT COST shown in Section 11 is the maximum obligation of MDOT and federal funds under this Contract. The maximum obligation of MDOT and federal funds may be adjusted to an amount less than the maximums shown in Section 11 through a budget letter issued by MDOT. A budget letter will be used when updated cost estimates for the PROJECT reflect a change in the amount of funds needed to fund all PROJECT COSTS. The budget letter will be signed by the Manager of the Airport Development Section of the Office of Aeronautics.

A budget letter will also be used to add or delete work items from the PROJECT description, provided that the costs do not exceed the maximum obligations shown in Section 11. If the total amount of the PROJECT COST exceeds the maximum obligations shown in Section 11, the PROJECT scope will have to be reduced or a written amendment to this Contract to provide additional funds will have to be awarded by the parties before the work is started.

14. In the event it is determined by MDOT that there will be either insufficient funds or insufficient time to properly administer such funds for the entire PROJECT or portions thereof, MDOT, prior to advertising or authorizing work performance, may cancel the PROJECT or any portion thereof by giving written notice to the SPONSOR. In the event this occurs, this Contract will be void and of no effect with respect to the canceled portion of the PROJECT. Any SPONSOR deposits on the canceled portions less PROJECT COSTS incurred on the canceled portions will be refunded following receipt of a letter from the SPONSOR requesting that excess funds be returned or at the time of financial closure, whichever comes first.
15. In the event that an audit performed by or on behalf of MDOT indicates an adjustment to the costs reported under this Contract or questions the allowability of an item of expense, MDOT will promptly submit to the SPONSOR a Notice of Audit Results and a copy of the audit report, which may supplement or modify any tentative findings verbally communicated to the SPONSOR at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the SPONSOR will (a) respond in writing to the responsible Bureau of MDOT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense, and (c) submit to MDOT a written explanation as to any questioned or no opinion expressed item of expense (RESPONSE). The RESPONSE will be clearly stated and will provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the SPONSOR may supply appropriate excerpts and make alternate arrangements to conveniently and reasonably make that documentation available for review by MDOT. The RESPONSE will refer to and apply the language of the Contract. The SPONSOR agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes MDOT to finally disallow any items of questioned or no opinion expressed cost.

MDOT will make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of Audit Results. If MDOT determines that an overpayment has been made to the SPONSOR, the SPONSOR will repay that amount to MDOT or reach agreement with MDOT on a repayment schedule within thirty (30) days after the date of an invoice from MDOT. If the SPONSOR fails to repay the overpayment or reach agreement with MDOT on a repayment schedule within the thirty (30) day period, the SPONSOR agrees that MDOT will deduct all or a portion of the overpayment from any funds then or thereafter payable by MDOT to the SPONSOR under this Contract or any other agreement or payable to the SPONSOR under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The assessment of interest will begin thirty (30) days from the date of the invoice. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by MDOT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The SPONSOR expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest MDOT's decision only as to any item of expense the disallowance of which was disputed by the SPONSOR in a timely filed RESPONSE.

16. Failure on the part of the SPONSOR to comply with any of the conditions of this Contract may be considered cause for placing the SPONSOR in a state of noncompliance, thereby making the SPONSOR ineligible for future federal and/or state funds until such time as the noncompliance issues are resolved. In addition, this failure may constitute grounds for cancellation of the PROJECT and/or repayment of all grant amounts on a pro rata basis, if the PROJECT has begun. In this section, pro rata means proration of the cost of the PROJECT over twenty (20) years if the PROJECT has not yet begun.
17. Any approvals, acceptances, reviews, and/or inspections of any nature by MDOT will not be construed as warranties or assumptions of liability on the part of MDOT. It is expressly understood and agreed that any such approvals, acceptances, reviews, and/or inspections are for the sole and exclusive purposes of MDOT, which is acting in a governmental capacity under this Contract, and that such approvals, acceptances, reviews, and/or inspections are a governmental function incidental to the PROJECT under this Contract.

Any approvals, acceptances, reviews, and/or inspections by MDOT will not relieve the SPONSOR of its obligations hereunder, nor are such approvals, acceptances, reviews, and/or inspections by MDOT to be construed as warranties as to the propriety of the SPONSOR's performance but are undertaken for the sole use and information of MDOT.
18. With regard to nondiscrimination and Disadvantaged Business Enterprise (DBE) requirements:

- a. In connection with the performance of PROJECT work under this Contract, the SPONSOR (hereinafter in Appendix A referred to as the “contractor”) agrees to comply with the State of Michigan provisions for “Prohibition of Discrimination in State Contracts,” as set forth in Appendix A, dated June 2011, attached hereto and made a part hereof. The SPONSOR (hereinafter in Appendix B referred to as the “contractor”) further agrees to comply with the Civil Rights Act of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 USC Sections 1971, 1975a-1975d, and 2000a-2000h-6, and the Regulations of the United States Department of Transportation (49 CFR Part 21) issued pursuant to said Act, including Appendix B, attached hereto and made a part hereof. These provisions will be included in all subcontracts relating to this Contract.
 - b. The SPONSOR will carry out the applicable requirements of MDOT’s DBE program and 49 CFR Part 26, including, but not limited to, those requirements set forth in Appendix C, dated October 1, 2005, attached hereto and made a part hereof.
19. The SPONSOR agrees to require all prime contractors to pay each subcontractor for the satisfactory completion of work associated with the subcontract no later than ten (10) calendar days from the receipt of each payment the prime contractor receives from MDOT or the SPONSOR. The prime contractor also is required to return retainage payments to each subcontractor within ten (10) calendar days after the subcontractor’s work is satisfactorily completed. Any delay or postponement of payment from these time frames may occur only upon receipt of written approval from MDOT. These requirements are also applicable to all sub-tier subcontractors and will be made a part of all subcontract agreements.

This prompt payment provision is a requirement of 49 CFR, Part 26, as amended, and does not confer third-party beneficiary right or other direct right to a subcontractor against MDOT. This provision applies to both DBE and non-DBE subcontractors.

The SPONSOR further agrees that it will comply with 49 CFR, Part 26, as amended, and will report any and all DBE subcontractor payments to MDOT with each invoice in the format set forth in Appendix G, dated September 2015, attached hereto and made a part hereof, or any other format acceptable to MDOT.
20. In accordance with 1980 PA 278, MCL 423.321 *et seq.*, the SPONSOR, in the performance of this Contract, will not enter into a contract with a subcontractor, manufacturer, or supplier listed in the register maintained by the United States Department of Labor of employers who have been found in contempt of court by a federal court of appeals on not less than three (3) separate occasions involving different violations during the preceding seven (7) years for failure to correct an unfair labor practice, as prohibited by Section 8 of Chapter 372 of the National Labor Relations Act, 29 USC 158. MDOT may void this Contract if the name of the SPONSOR or the name of a subcontractor, manufacturer, or supplier utilized by the SPONSOR in the

performance of this Contract subsequently appears in the register during the performance period of this Contract.

21. With regard to claims based on goods or services that were used to meet the SPONSOR's obligation to MDOT under this Contract, the SPONSOR hereby irrevocably assigns its right to pursue any claims for relief or causes of action for damages sustained by the State of Michigan or MDOT due to any violation of 15 USC, Sections 1 - 15, and/or 1984 PA 274, MCL 445.771 - 445.788, excluding Section 4a, to the State of Michigan or MDOT.

The SPONSOR shall require any subcontractors to irrevocably assign their rights to pursue any claims for relief or causes of action for damages sustained by the State of Michigan or MDOT with regard to claims based on goods or services that were used to meet the SPONSOR's obligation to MDOT under this Contract due to any violation of 15 USC, Sections 1 - 15, and/or 1984 PA 274, MCL 445.771 - 445.788, excluding Section 4a, to the State of Michigan or MDOT as a third-party beneficiary.

The SPONSOR shall notify MDOT if it becomes aware that an antitrust violation with regard to claims based on goods or services that were used to meet the SPONSOR's obligation to MDOT under this Contract may have occurred or is threatened to occur. The SPONSOR shall also notify MDOT if it becomes aware of any person's intent to commence, or of commencement of, an antitrust action with regard to claims based on goods or services that were used to meet the SPONSOR's obligation to MDOT under this Contract.

22. In any instance of dispute and/or litigation concerning the PROJECT, the resolution thereof will be the sole responsibility of the party/parties to the contract that is/are the subject of the controversy. It is understood and agreed that any legal representation of the SPONSOR in any dispute and/or litigation will be the financial responsibility of the SPONSOR.
23. MDOT and the FAA will not be subject to any obligations or liabilities by contractors of the SPONSOR or their subcontractors or any other person not a party to this Contract without its specific consent and notwithstanding its concurrence in or approval of the award of any contract or subcontract or the solicitation thereof.
24. Each party to this Contract will remain responsible for any claims arising out of that party's performance of this Contract, as provided by this Contract or by law.

This Contract is not intended to increase or decrease either party's liability for or immunity from tort claims.

This Contract is not intended to give, nor will it be interpreted as giving, either party a right of indemnification, either by Contract or at law, for claims arising out of the performance of this Contract.

25. This Contract will be in effect from the date of award (the date of the final signature) through twenty (20) years.
26. In case of any discrepancies between the body of this Contract and any exhibit hereto, the body of the Contract will govern.



27. This Contract will become binding on the parties and of full force and effect upon signing by the duly authorized representatives of the SPONSOR and MDOT and upon adoption of a resolution approving said Contract and authorizing the signature(s) thereto of the respective representative(s) of the SPONSOR, a certified copy of which resolution will be sent to MDOT with this Contract, as applicable.

CITY OF MARSHALL

By: _____
Authorized Signer

MICHIGAN DEPARTMENT OF TRANSPORTATION

By: _____
Title: Department Director

The logo for the Michigan Department of Transportation (MDOT) is displayed. It features a green silhouette of the state of Michigan on the left. To the right of the map, the letters "MDOT" are written in a large, blue, serif font. Below "MDOT", the words "Michigan Department of Transportation" are written in a smaller, green, sans-serif font.

EXHIBIT 1

BROOKS FIELD MARSHALL, MICHIGAN

Project No. B-26-0064-2522
Job No. 132391PE, 208675PE

October 18, 2023

	Federal	State	Local	Total
PLANNING	\$0	\$0	\$0	\$0
DESIGN	\$61,893	\$3,438	\$3,439	\$68,770
Rehabilitate Apron-North - 90% FED	\$24,759	\$1,375	\$1,376	\$27,510 132391PE
Rehabilitate Taxiway-West Parallel - 90% FED	\$37,134	\$2,063	\$2,063	\$41,260 208675PE
CONSTRUCTION	\$0	\$0	\$0	\$0
TOTAL PROJECT BUDGET	\$61,893	\$3,438	\$3,439	\$68,770

Federal Billing Breakdown:

Bill #1 \$61,893 SBGP 14423 Grant Award Date: 8/4/2023 2022 NPE

Letting Information: N/A

Period of Performance End Date: 11/08/25

MAC Approval: 11/15/23

ATTACHMENT X
REQUIRED FOR ALL PROJECTS
Notification of Required Federal Program Information to
Sub-recipients for Federal Funding

1. Does this project receive Federal funds? Yes
2. Recipient's Name: CITY OF MARSHALL
3. Recipient's DUNS Number: DUNS 82-861-6628 / UEI PLHLA25J9BA8
4. Amount of Federal funds: \$61,893
5. Federal Grant Number(s): SBGP 14423
6. Grant Award Date(s): 8/4/2023
7. MDOT Project Number: B-26-0064-2522
8. Project Description: See Project Description on page one (1) of this contract.
9. CFDA Number, Federal Agency, Program Title: CFDA 20.106
Federal Aviation Administration
Airport Improvement Program
10. Federal Award Identification Number (FAIN): 3-26-SBGP-025-2022
11. Federal Award Date: 8/4/2023
12. Period of Performance Start Date: Award Date of MDOT Contract
13. Period of Performance End Date: 11/08/25
14. Amount of Federal Funds obligated by this action: \$61,893
15. Total amount of Federal Funds obligated: \$61,893
16. Total amount of the Federal award: \$61,893
17. Budget Approved Cost sharing or matching, where applicable: N/A
18. Name of Federal awarding agency and contact information for awarding official:
Director Bradley C. Wieferich, P.E., Michigan Department of Transportation
425 West Ottawa Street, Lansing, MI 48909
19. Is this a Research and Development award? No
20. Indirect cost rate for the Federal award (if applicable): N/A

ATTACHMENT 9

SUPPLEMENTAL PROVISIONS FOR FEDERAL/STATE/LOCAL CONTRACTS INVOLVING ONLY PRELIMINARY/DESIGN ENGINEERING AT ALL CLASSIFICATIONS OF AIRPORTS

1. The PROJECT COST will include the cost of the consultant hired to do preliminary/design engineering for the PROJECT.
2. The SPONSOR agrees that it will maintain the airport in full operating condition on a year-round basis for a period of twenty (20) years, in accordance with the general utility licensing requirements set forth by the Michigan Aeronautics Commission in its rules and regulations. During this period, the airport will not be abandoned or permanently closed without the express written permission of the DEPARTMENT.
3. In addition to the requirements of paragraph 2 of these supplemental provisions, and not in lieu thereof, should the SPONSOR desire to abandon, close, sell, or otherwise divest itself of the airport or any portion thereof, the SPONSOR agrees to provide the DEPARTMENT prior written notice of such intent giving the DEPARTMENT, for a period of one hundred eighty (180) days after receipt of such notice, a first right to purchase at fair market value the airport and all facilities thereon. Fair market value will be determined by an independent appraisal of such properties prepared by an appraiser on the DEPARTMENT's list of approved appraisers.

The notice of intent and first right to purchase will be provided via registered or certified mail, return receipt, postage prepaid, addressed to the Executive Administrator of the Office of Aeronautics, Michigan Department of Transportation.

4. The SPONSOR will operate and maintain in a safe and serviceable condition the airport and all facilities thereon and connected therewith that are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States or the State of Michigan, and will not permit any activity thereon that would interfere with its use for airport purposes, provided, however, that nothing herein will be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility that is substantially damaged or destroyed due to any act of God or other condition or circumstance beyond the control of the SPONSOR.
5. The SPONSOR will, either by the acquisition and retention of easements or other interests in or rights for the use of land or airspace or by the adoption and enforcement of zoning regulations, prevent the construction, erection, alteration, or growth of any structure, tree, or other object in the approach areas of the runways of the airport that would constitute an obstruction to air navigation according to the criteria or standards prescribed in the FAA Advisory Circulars.

APPENDIX A

PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.
5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.
6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.

7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.
8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.
9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

Revised June 2011

Appendix B

(Aeronautics)

CIVIL RIGHTS ACT OF 1964, TITLE VI - 49 CFR PART 21 CONTRACTUAL REQUIREMENTS

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the “contractor”) agrees as follows:

1. Compliance with Regulations. The contractor will comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter “DOT”) Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
2. Nondiscrimination. The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor will not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
3. Solicitation for Subcontracts, Including Procurement of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor’s obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
4. Information and Reports. The contractor will provide all information and reports required by the Regulations or directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor will so certify to the sponsor of the FAA, as appropriate, and will set forth what efforts it has made to obtain the information.
5. Sanctions for Noncompliance. In the event of the contractor’s noncompliance with the nondiscrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

- a. Withholding of payments to the contractor under the contract until the contractor complies, and/or
 - b. Cancellation, termination, or suspension of the contract, in whole or in part.
- 6. Incorporation of Provisions. The contractor will include the provisions of paragraphs 1 through 5 in every subcontract, including procurement of materials and leases of equipment, unless exempt by the Regulations or directive issued pursuant thereto. The contractor will take such action with respect to any subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

APPENDIX C
Assurances that Recipients and Contractors Must Make
(Excerpts from US DOT Regulation 49 CFR § 26.13)

- A. Each financial assistance agreement signed with a DOT operating administration (or a primary recipient) must include the following assurance:

The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any US DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26 and as approved by US DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

- B. Each contract MDOT signs with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:

The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of US DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

- (1) Withholding monthly progress payments;
- (2) Assessing sanction;
- (3) Liquidated damages; and/or
- (4) Disqualifying the contractor from future bidding as non-responsible.

APPENDIX F

GENERAL CONDITIONS

(Any Reference to FAA includes MDOT where applicable.)

1. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA/MDOT has determined to be ineligible or unallowable.
2. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with the regulations, policies and procedures of the Secretary. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
3. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this agreement, and the regulations, policies and procedures of the Secretary. The Sponsor also agrees to comply with the assurances which are part of this agreement.
4. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner in any project upon which Federal funds have been expended. For the purposes of this grant agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.
5. **United States Not Liable for Damage or Injury.** The United States is not be responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this subgrant agreement.
6. **Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality standards for all projects in this subgrant. If the Sponsor fails to comply with this requirement, the FAA/MDOT may suspend, cancel, or terminate this subgrant.
7. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.
8. **Buy American.** Unless otherwise approved in advance by the FAA/MDOT, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for which funds are provided under this subgrant. The Sponsor will include a provision implementing Buy American in every contract.

APPENDIX F

9. Suspension or Debarment.

The State must:

- A. Immediately disclose to the FAA whenever the State:
 - 1. Learns a sub-recipient has entered into a covered transaction with an ineligible entity;
 - 2. Suspends or debars a contractor, person or entity.

The Subgrantee must:

- B. When entering into “covered transactions”, as defined by 2 CFR 180.200:
 - 1. Verify the non-federal entity is eligible to participate in this Federal program by:
 - a. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if non-federal entity is excluded or disqualified; or
 - b. Collecting a certification statement from the non-federal entity attesting they are not excluded or disqualified from participating; or
 - c. Adding a clause or condition to covered transactions attesting individual or firm are not excluded or disqualified from participating.
 - 2. Require prime contractors to comply with 2 CFR 180.330 when entering into lower-Tier transactions (e.g. Sub-contracts).

10. Ban on Texting When Driving.

- a. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
 - i. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
 - ii. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
 - 1. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
 - 2. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- b. The Sponsor must insert the substance of this clause on banning texting when driving in all subgrants, contracts and subcontracts.

APPENDIX F

11. Trafficking in Persons.

- a. Prohibitions: The prohibitions against trafficking in persons (Prohibitions) that apply to any entity other than a State, local government, Indian tribe, or foreign public entity. This includes private Sponsors, public Sponsor employees, subrecipients of private or public Sponsors (private entity) are:
 - 1. Engaging in severe forms of trafficking in persons during the period of time that the agreement is in effect;
 - 2. Procuring a commercial sex act during the period of time that the agreement is in effect; or
 - 3. Using forced labor in the performance of the agreement, including subcontracts or sub-agreements under the agreement.
- b. In addition to all other remedies for noncompliance that are available to the FAA, Section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), allows the FAA/MDOT to unilaterally terminate this agreement, without penalty, if a private entity –
 - i. Is determined to have violated the Prohibitions; or
 - ii. Has an employee who the FAA/MDOT determines has violated the Prohibitions through conduct that is either—
 - 1. Associated with performance under this agreement; or
 - 2. Imputed to the Sponsor or subrecipient using 2 CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by the FAA at 49 CFR Part 29.

12. Exhibit A Included with Grant Application. The Exhibit “A” updated on the date shown on the Exhibit A, submitted with the project application, is made a part of this grant agreement.

13. Co-Sponsor.

The Co-Sponsors understand and agree that they jointly and severally adopt and ratify the representations and assurances contained therein and that the word "Sponsor" as used in the application and other assurances is deemed to include all co-sponsors.

14. Audits for Public Sponsors.

A subgrantee expending \$750,000 or more of Federal awards in a fiscal year must conduct a single or program specific audit in accordance with 2 CFR part 200 part 200.

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15. System for Award Management (SAM) Registration and Universal Identifier.

A. Requirement for System for Award Management (SAM): Unless the subgrantee is exempted from this requirement under 2 CFR 25.110, the subgrantee must maintain the currency of its information in the SAM until the State submits the final financial report required under this grant, or receives the final payment, whichever is later. This requires that the State review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).

B. Requirement for Data Universal Numbering System (DUNS) Numbers:

1. The State must notify a potential subrecipient that it cannot receive a subgrant unless it has provided its DUNS number to the State.
2. The State may not make a subgrant to a subrecipient unless the subrecipient has provided its DUNS number to the State.
3. Data Universal Numbering System: DUNS number means the nine-digit number Established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (866-606-8220) or on the web at <http://fedgov.dnb.com/webform>).

16. Employee Protection from Reprisal.

A. Prohibition of Reprisals-

1. In accordance with 41U.S.C. § 4712, an employee of a grantee or subgrantee may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in sub-paragraph (A)(2), information that the employee reasonably believes is evidence of:
 - i. Gross mismanagement of a Federal grant;
 - ii. Gross waste of Federal funds;
 - iii. An abuse of authority relating to implementation or use of Federal funds;
 - iv. A substantial and specific danger to public health or safety; or v. A violation of law, rule, or regulation related to a Federal grant.
2. Persons and bodies covered: The persons and bodies to which a disclosure by an employee is covered are as follows:
 - i. A member of Congress or a representative of a committee of Congress;
 - ii. An Inspector General;
 - iii. The Government Accountability Office;
 - iv. A Federal office or employee responsible for oversight of a grant program;
 - v. A court or grand jury;
 - vi. A management office of the grantee or subgrantee; or vii. A Federal or State regulatory enforcement agency.

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- B. Submission of Complaint- A person who believes that they have been subjected to a reprisal prohibited by paragraph A of this grant term may submit a complaint regarding the reprisal to the Office of Inspector General {OIG} for the U.S. Department of Transportation.
- C. Time Limitation for Submittal of a Complaint- A complaint may not be brought under this subsection more than three years after the date on which the alleged reprisal took place.
- D. Required Actions of the Inspection General- Actions, limitations and exceptions of the Inspector General's office are established under 41U.S.C. § 4712{b}.
- E. Assumption of Rights to Civil Remedy- Upon receipt of an explanation of a decision not to conduct or continue an investigation by the Office of Inspector General, the person submitting a complaint assumes the right to a civil remedy under 41U.S.C. § 4712(c).

17. Land Acquisition.

- A. "The Sponsor agrees that no payments will be made on the grant until the Sponsor has presented evidence to the State that it has recorded the grant agreement, including the grant assurances, in the public land records of the county courthouse. The Sponsor understands and agrees that recording the grant agreement legally enforces these requirements, encumbrances and restrictions on the obligated land."

APPENDIX F

Special Conditions

Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
Airport	ARFF and SRE : Equipment Acquisition	<u>ARFF and SRE EQUIPMENT AND VEHICLES:</u> The Sponsor agrees that it will: 1) house and maintain the equipment in a state of operational readiness on and for the airport; 2) provide the necessary staffing and training to maintain and operate the vehicle and equipment; 3) restrict the vehicle to on-airport use only; 4) restrict the vehicle to the use for which it was intended; and 5) amend the Airport Emergency Plan and/or Snow and Ice Control Plan to reflect the acquisition of the vehicle and equipment. (Applicable only for Part 139 Airports).
Airport	Equipment Replacement such as ARFF and SRE	<u>EQUIPMENT OR VEHICLE REPLACEMENT:</u> The Sponsor agrees that because the Fair Market Value is \$5,000 or more and the equipment/vehicle will not be retained by the Sponsor for airport purposes (or donated to another eligible/justified Sponsor), the Sponsor will use the Fair Market Value of equipment being replaced by this project to reduce the total project costs.
Airport	ARFF Equipment - Off-Airport Storage	<u>OFF-AIRPORT STORAGE OF ARFF VEHICLE:</u> The Sponsor agrees that it will: 1) house and maintain the vehicle in a state of operational readiness for the airport; 2) provide the necessary staffing and training to maintain and operate the vehicle; 3) restrict the vehicle to airport use only; 4) amend the Airport Emergency Plan to reflect the acquisition of the vehicle ; 5) within 60 days, execute an agreement with local government including the above provisions and a provision that violation of agreement could require repayment of subgrant funding; and 6) submit a copy of the executed agreement to the FAA.
Airport	AWOS	<u>AUTOMATED WEATHER OBSERVING SYSTEMS (AWOS):</u> The Sponsor agrees that it will: 1) within 60 calendar days of subgrant acceptance, establish a Memorandum of Agreement (MOA) with the FAA; 2) develop an Operations Maintenance Manual to more specifically describe the operational, maintenance, and documentation

¹ Sponsor types include Airport Sponsor (Public and Private), Airport Sponsor (Private Only), Noise, and State or Local Government

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Special Conditions

Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
		requirements for the AWOS; 3) within 60 calendar days of installation, take the necessary actions to initiate the AWOS commissioning by the FAA; and 4) provide for the installation, commissioning, continuous operation, and maintenance of any Non-Federal AWOS funded under this grant for the useful life of the equipment. The Sponsor further understands that the FAA will not take over the ownership, operation, or maintenance of any Sponsor-acquired equipment.
Airport	ALP & AIP Funded Construction	AIRPORT LAYOUT PLAN: The Sponsor understands and agrees to update the Airport Layout Plan to reflect the construction to standards satisfactory to the FAA and submit it in final form to the FAA. It is further mutually agreed that the reasonable cost of developing said Airport Layout Plan Map is an allowable cost within the scope of this project.
Airport	Lighting - Operation and Maintenance	LIGHTING: The Sponsor must operate and maintain the lighting system during the useful life of the system in accordance with applicable FAA standards.
Airport	Temporary NAVAIDS	TEMPORARY NAVAIDS: The Sponsor agrees that this equipment is being acquired for temporary use to minimize disruptions to the airport during construction. The Sponsor further agrees that upon construction completion of this project or at the point when this equipment is no longer needed for its intended use (but no later than the construction completion of the project), that the Sponsor will house this equipment in an interior enclosure. The Sponsor further agrees to make this equipment available, without cost, to be transferred to another airport or as directed by the FAA.
Airport	Construction on land not yet acquired/ Good Title	NOTICE TO PROCEED - PROPERTY INTEREST ACQUIRED: The Sponsor understands and agrees that the FAA authorization for the Sponsor to issue a notice to proceed with construction work will not be given until the Sponsor has adequately certified that good title will be acquired on the land on which construction is to be performed.
Airport	Construction on land not yet acquired/ Good Title	TITLE EVIDENCE: The Sponsor understands and agrees that the FAA will not make nor be obligated to make any payments involving Parcel(s) N/A until title evidence has been submitted to, and found satisfactory by the FAA, subject to no liens, encumbrances, reservations or exceptions which in the opinion of the FAA might create an undue risk or interference with the use and operation of the airport.

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Special Conditions

Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
Airport	DBE Plan	<u>DBE PLAN:</u> The Sponsor understands and agrees that the FAA will not make nor be obligated to make any payments on this subgrant until the Sponsor has received approval of its DBE Plan from the FAA Office of Civil Rights.
Airport	Environmental (Required for All Projects)	<u>ENVIRONMENTAL:</u> The environmental approval for this project was issued on the date/s shown in Aeronautics' Michigan Department of Transportation's computer program AeroPM. This project includes the following mitigation measures: Please refer directly to CATEX and all additional environmental documentation for impact considerations and mitigation measures. The Sponsor understands and agrees to complete the above-listed mitigation measures to standards satisfactory to the FAA. It is further mutually agreed that the reasonable cost of completing these mitigation measures is an allowable cost within the scope of this project.
Airport	EMAS	<u>EMAS BLOCK PRE-PURCHASE:</u> The Sponsor understands that it may request reimbursement for payment made by the Sponsor to the EMAS manufacturer for up to 90% of the cost of EMAS block manufacturing costs of EMAS blocks that remain in the manufacturer's care, custody and control provided that the Sponsor has provided a certification to the FAA as to quantity and condition of the EMAS blocks. The remaining payment may be made after delivery to the Sponsor's location and acceptance by the Sponsor.
Airport	Equipment	<u>EQUIPMENT ACQUISITION:</u> The Sponsor understands and agrees that any equipment acquired through this subgrant is considered a <i>facility</i> as that term is used in the Grant Assurances. Further, the equipment must be only operated by the Sponsor. The Sponsor agrees that it will maintain the equipment and use it exclusively at the airport for airport purposes.
Airport	Equipment - Friction Measuring Device	<u>FRICTION MEASURING DEVICES:</u> The Sponsor agrees that it will properly calibrate, operate, and maintain the friction measuring equipment. The friction measuring equipment and tow vehicle (if applicable) must not be used for any other purpose other than for conducting friction measuring tests on airport pavement surfaces and directly related activities.

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Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
Airport	NAVAIDS - ILS Note that in general, Category I ILS are no longer being installed. Instead, RNAV approaches provide equivalent approach minima. Installation of a new ILS must follow the ILS policy and must have APP-1 approval.	<u>INSTRUMENT LANDING SYSTEM AND ASSOCIATED EQUIPMENT IN PROJECT:</u> The Sponsor agrees that it will: 1) Prior to commissioning, assure the equipment meets the FAA's standards; and 2) Remove, relocate, lower, mark, or light each obstruction to obtain a clear approach as indicated in the 14 CFR part 77 aeronautical survey.
Airport	Fence - Wildlife	<u>WILDLIFE FENCE:</u> The Sponsor understands that the fence is being installed to prevent wildlife from entering the airfield. The Sponsor agrees that it will maintain the integrity of the fence for its useful life, but no less than 20 years from the date of the subgrant was issued. The Sponsor understands that maintenance of the fence includes repair of damage to the fence or gates due to any purpose.
Airport	Land - Revise Exhibit "A" Property Map	<u>UPDATE APPROVED EXHIBIT "A" PROPERTY MAP FOR LAND IN PROJECT:</u> The Sponsor understands and agrees to update the Exhibit "A" Property Map to standards satisfactory to the FAA and submit it in final form to the FAA. It is further mutually agreed that the reasonable cost of developing said Exhibit "A" Property Map is an allowable cost within the scope of this project.
Airport	Land acquisition -Future Land	<u>FUTURE DEVELOPMENT LAND:</u> The Sponsor agrees to perform the airport development which requires this land acquisition within 10 years of this subgrant agreement, and further agrees not to dispose of the land by sale or lease without prior consent and approval of the FAA. In the event the land is not used within 10 years for the purpose for which it was acquired, the Sponsor will refund the Federal and State share of acquisition cost or the current fair market value of the land, whichever is greater.
Airport	Master Plan - Coordination	<u>COORDINATION:</u> The Sponsor agrees to coordinate this master planning study with the metropolitan planning organizations, other local planning agencies, and with the State Airport System Plan prepared by the State's Department of Transportation and consider any pertinent information, data, projections, and forecasts which are currently available or as will become available. The Sponsor agrees to consider any State Clearinghouse comments and to furnish a copy of the final report to the State's Department of Transportation.

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Special Conditions

Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
Airport	NAVAIDS -Operations and maintenance	<u>AIRPORT-OWNED VISUAL OR ELECTRONIC NAVIGATION AIDS IN PROJECT:</u> The Sponsor agrees that it will: 1) Provide for the continuous operation and maintenance of any navigational aid funded under this subgrant agreement during the useful life of the equipment; 2) Prior to commissioning, assure the equipment meets the FAA's standards; and 3) Remove, relocate, lower, mark, or light each obstruction to obtain a clear approach as indicated in the 14 CFR part 77 aeronautical survey.
Airport	New or Replacement Airport	<u>SITE SELECTION:</u> The Sponsor understands and agrees that the Project cannot proceed beyond the site selection study until the Sponsor has received formal approval from the FAA to proceed.
Airport	Non-AIP Utility Proration (Refer to AIP Handbook –Ch. 3, Sec. 11, Par. 3-98)	<u>UTILITIES PRORATION:</u> For purposes of computing the United States' share of the allowable project costs, the allowable cost of the utilities specified in the Engineering Plans and Proposal included in the project must not exceed costs agreed upon in the Plans, Proposal, and Contract Changes and then calculated in total as a percent.
Airport	Utility Relocation	<u>UTILITY RELOCATION IN PROJECT:</u> The Sponsor understands and agrees that: 1) the United States will not participate in the cost of any utility relocation unless and until the Sponsor has submitted evidence satisfactory to the FAA that the Sponsor is legally responsible for payment of such costs; 2) FAA participation is limited to those utilities located on-airport or off-airport only where the Sponsor has an easement for the utility; and 3) the utilities exclusively serve the Airport;
Airport	Obstruction Removal	<u>OBSTRUCTION REMOVAL:</u> The Sponsor agrees to clear Parcel(s) as identified on the Engineering Plans, Proposal, and Contract Changes, as shown on Exhibit "A" Property Map, of the following obstructions: Obstructions as identified and called out on the Engineer Plans, as identified in the field, and as directed by the Engineer and then documented in the As-Built Plans at construction completion prior to final payment under the project. The Sponsor also agrees that it will not erect, nor permit the erection of any permanent structures or obstructions on the airport except those required for aids to air navigation or those which have been specifically approved by the FAA.

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Special Conditions

Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
Airport	Pavement	<u>PAVEMENT MAINTENANCE MANAGEMENT PROGRAM:</u> The Sponsor agrees that it will implement an effective airport pavement maintenance management program as required by Subgrant Assurance Pavement Preventive Management. The Sponsor agrees that it will use the program for the useful life of any pavement constructed, reconstructed, or repaired with federal financial assistance at the airport. The Sponsor further agrees that the program will 1. follow FAA Advisory Circular 150/5380-6, "Guidelines and Procedures for Maintenance of Airport Pavements," for specific guidelines and procedures for maintaining airport pavements, establishing an effective maintenance program, specific types of distress and its probable cause, inspection guidelines, and recommended methods of repair; 2. detail the procedures to be followed to assure that proper pavement maintenance, both preventive and repair, is performed; 3. include a Pavement Inventory, Inspection Schedule, Record Keeping, Information Retrieval, and Reference, meeting the following requirements: a. Pavement Inventory. The following must be depicted in an appropriate form and level of detail: 1) location of all runways, taxiways, and aprons; 2) dimensions; 3) type of pavement, and; 4) year of construction or most recent major rehabilitation. b. Inspection Schedule. 1) Detailed Inspection. A detailed inspection must be performed at least once a year. If a history of recorded pavement deterioration is available, i.e., Pavement Condition Index (PCI) survey as set forth in the Advisory Circular 150/5380-6, the frequency of inspections may be extended to three years. 2) Drive-By Inspection. A drive-by inspection must be performed a minimum of once per month to detect unexpected changes in the pavement condition. For drive-by inspections, the date of inspection and any maintenance performed must be recorded. 4. Record Keeping. Complete information on the findings of all detailed inspections and on the maintenance performed must be recorded and kept on file for a minimum of five years. The type of distress, location, and remedial action, scheduled or performed, must be documented. The minimum information is:

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Special Conditions

Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
		a. inspection date; b. location; c. distress types; and d. maintenance scheduled or performed. Information Retrieval System. The Sponsor must be able to retrieve the information and records produced by the pavement survey to provide a report to the FAA as may be required.
Airport	Pavement Exceeding \$500,000	<u>PROJECTS WHICH CONTAIN PAVING WORK IN EXCESS OF \$500,000:</u> The Sponsor agrees to: a. Furnish a construction management program to the FAA prior to the start of construction which details the measures and procedures to be used to comply with the quality control provisions of the construction contract, including, but not limited to, all quality control provisions and tests required by the Federal and State specifications. The program must include as a minimum: (1) The name of the person representing the Sponsor who has overall responsibility for contract administration for the project and the authority to take necessary actions to comply with the contract. (2) Names of testing laboratories and consulting engineer firms with quality control responsibilities on the project, together with a description of the services to be provided. (3) Procedures for determining that the testing laboratories meet the requirements of the American Society of Testing and Materials standards on laboratory evaluation referenced in the contract specifications (D 3666, C 1077). (4) Qualifications of engineering supervision and construction inspection personnel. (5) A listing of all tests required by the contract specifications, including the type and frequency of tests to be taken, the method of sampling, the applicable test standard, and the acceptance criteria or tolerances permitted for each type of test. (6) Procedures for ensuring that the tests are taken in accordance with the program, that they are documented daily, and that the proper corrective actions, where necessary, are undertaken.

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Special Conditions

Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
		b. Submit at completion of the project, a final test and quality control report documenting the results of all tests performed, highlighting those tests that failed or that did not meet the applicable test standard. The report must include the pay reductions applied and the reasons for accepting any out-of-tolerance material. An interim test and quality control report must be submitted, if requested by the FAA. c. Failure to provide a complete report as described in paragraph b, or failure to perform such tests, will, absent any compelling justification; result in a reduction in Federal participation for costs incurred in connection with construction of the applicable pavement. Such reduction will be at the discretion of the FAA and will be based on the type or types of required tests not performed or not documented and will be commensurate with the proportion of applicable pavement with respect to the total pavement constructed under the subgrant agreement. d. The FAA, at its discretion, reserves the right to conduct independent tests and to reduce subgrant payments accordingly if such independent tests determine that sponsor test results are inaccurate.
Airport	Pavement maintenance	<u>MAINTENANCE PROJECT LIFE:</u> The Sponsor agrees that pavement maintenance is limited to those aircraft pavements that are in sufficiently sound condition that they do not warrant more extensive work, such as reconstruction or overlays in the immediate or near future. The Sponsor further agrees that AIP funding for the pavements maintained under this project will not be requested for more substantial type rehabilitation (more substantial than periodic maintenance) for a 5-year period following the completion of this project unless the FAA determines that the rehabilitation or reconstruction is required for safety reasons.
Airport	RPZ Acquisition	<u>PROTECTION OF RUNWAY PROTECTION ZONE:</u> The Sponsor agrees to prevent the erection or creation of any structure, place of public assembly, or other use in the runway protection zone, as depicted on the Exhibit "A": Property Map, except for NAVAIDS that are fixed by their functional purposes or any other structure permitted by the FAA. The Sponsor further agrees that any existing structures or uses within the Runway Protection Zone will be cleared or discontinued by the Sponsor unless approved by the FAA.

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Special Conditions

Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
Airport	RPZ Acquisition	<u>PROTECTION OF RUNWAY PROTECTION ZONE:</u> The Sponsor agrees to take any and all steps necessary to ensure that the owner of the land within the designated Runway Protection Zone will not build any structure in the Runway Protection Zone that is an airport hazard or which might create glare or misleading lights or lead to the construction of residences, fuel handling and storage facilities, smoke generating activities, or places of public assembly, such as churches, schools, office buildings, shopping centers, and stadiums.
Airport	RPZ Future Acquisition (This special condition should be used if any of the following items are part of the grant: 1) An airfield project that impacts the runway threshold, 2) A change in the design critical aircraft that increases the RPZ dimensions, or 3) A new or revised instrument approach procedure that increases the RPZ dimensions).	<u>ACQUISITION OF THE RUNWAY PROTECTION ZONE:</u> Future Interest in the Runway Protection Zone: The Sponsor agrees that it will acquire the Fee Title or Easement as called out by legal description in signed, applicable agreements separate from this one, as appropriate, in the Runway Protection Zones for runways that presently are not under its control within a reasonable number of years of this Subgrant Agreement. The Sponsor further agrees to prevent the erection or creation of any structure or place of public assembly in the Runway Protection Zone, except for NAVAIDS that are fixed by their functional purposes or any other structure approved by the FAA. The Sponsor further agrees that any existing structures or uses within the Runway Protection Zone will be cleared or discontinued by the Sponsor unless approved by the FAA.
Airport	VALE equipment	<u>LOW EMISSION SYSTEMS:</u> The Sponsor agrees that vehicles and equipment included in this subgrant: 1) will be maintained and used at the airport for which they were purchased ; 2) will not be transferred, relocated, or used at another airport without the advance consent of the FAA; 3) will be clearly labeled using the FAA-designed VALE program emblem; 4) will be replaced, at the Sponsor's own cost, any disabled or seriously damaged vehicle or equipment at any time during its useful life, with an equivalent vehicle or unit that produces an equal or lower level of emissions for the useful life of the vehicle or equipment, or life of Airport Emission Reduction Credits, whichever is longer. The Sponsor further agrees that it will maintain annual records on individual vehicles and equipment, project expenditures, cost effectiveness, and emission reductions.

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Special Conditions

Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
Airport	VALE Recharging System	<u>RECHARGING SYSTEM VALE– USE AND OPERATION REQUIREMENTS:</u> The Sponsor understands that it is obligated to earn emissions credits from the state air quality agency on a yearly basis for the use of this recharging system and the use of electric ground support equipment at the airport. The Sponsor understands and agrees that the Sponsor may be obligated to repay to the FAA some or all of the federal share of the recharging project if Sponsor does not earn the emissions credits that the Sponsor estimated in the project application.
Airport or Noise	Building Allowable Costs (Prorate)	<u>BUILDING AIP PRORATION:</u> For purposes of computing the United States' share of the allowable project costs of the project, the allowable cost of the items called out in the Project Plans and Proposal, Contract Changes, Amendments, and agreed upon grant increases included in the project must not exceed costs agreed upon in the Exhibit 1 of this contract and any amendments to this contract calculated as a percent of the actual cost of the entire building.
Airport or Noise	Noise Land	<u>ACQUISITION OF NOISE LAND:</u> The Sponsor agrees that as part of the land acquisition in this project, it will prepare or update a Noise Land Inventory Map and Reuse Plan to standards satisfactory to the FAA and submit said documentation in final form to the FAA. It is further mutually agreed that the reasonable cost of developing or updating a Noise Land Inventory Map and Disposal Plan is an allowable cost within the scope of this project.
Airport or Noise	Noise - Annual Report	<u>ANNUAL NOISE REPORT:</u> As a condition of this Airport Improvement Program (AIP) subgrant, the Sponsor agrees to provide to the FAA, an annual report of funds expended and actions associated with this subgrant within 90 days following the end of each Federal fiscal year the subgrant remains open. The report must provide the following information: 1) Total noise subgrant funds expended during the fiscal year. 2) Amount of funds expended by Program Element(s) as identified in the Sponsor's Noise Compatibility Program (NCP). 3) Number of parcels mitigated by DNL contour and Program Element as identified in the Sponsor's NCP. 4) Total number of people impacted by the Sponsor's NCP (by DNL contour) and total number of people mitigated during the fiscal year by DNL contour and Program Element as identified in the Sponsor's NCP. 5) A graphic (map) depicting DNL contours and the location of mitigation action as defined by the Program Element(s) of the Sponsor's NCP, including a list by address for mitigation actions shown on the map.

APPENDIX F

Special Conditions

Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
		6) A written plan outlining actions being planned for the next year based on the Sponsor's priorities and the NCP. 7) Other information as required by the FAA.
All Sponsor Types	Plans and Specifications	PLANS AND SPECIFICATIONS PRIOR TO BIDDING: The Sponsor agrees that it will submit plans and specifications for FAA review and approval prior to advertising for bids.
All Sponsor Types	Plans and Specification s Certification	PLANS & SPECIFICATIONS APPROVAL BASED UPON CERTIFICATION: The FAA and the Sponsor agree that the FAA approval of the Sponsor's Plans and Specification is based primarily upon the Sponsor's certification to carry out the project in accordance with policies, standards, and specifications approved by the FAA. The Sponsor understands that: 1)The Sponsor's certification does not relieve the Sponsor of the requirement to obtain prior FAA approval for modifications to any AIP standards or to notify the FAA of any limitations to competition within the project; 2)The FAA's acceptance of a Sponsor's certification does not limit the FAA from reviewing appropriate project documentation for the purpose of validating the certification statements; 3) if the FAA determines that the Sponsor has not complied with their certification statements, the FAA will review the associated project costs to determine whether such costs are allowable under AIP.
All Sponsor Types	Design-Only Subgrants	DESIGN SUBGRANT: This subgrant agreement is being issued in order to complete the design of the project. The Sponsor understands and agrees that within 2 years after the design is completed that the Sponsor will accept, subject to the availability of the amount of federal funding identified in the Airport Capital Improvement Plan (ACIP), a subgrant to complete the construction of the project in order to provide a useful and useable unit of work. The Sponsor also understands that if the FAA has provided federal funding to complete the design for the project, and the Sponsor has not completed the design within four (4) years from the execution of this subgrant agreement, the FAA may suspend or terminate subgrants related to the design.
All Sponsor Types	Force account	FORCE ACCOUNT: The Sponsor agrees that proposals to accomplish construction or engineering with the Sponsor's own personnel must receive approval from the FAA prior to Sponsor incurring costs and that no reimbursement payments will be made on that portion of this subgrant until the Sponsor has received FAA approval for the force account information.

APPENDIX F

Special Conditions

Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
All Sponsor Types	Land Acquisition - Revenue and Program Income	<u>PROGRAM INCOME AND REVENUE FROM REAL PROPERTY:</u> The Sponsor understands that all program income produced from real property purchased in part with Federal funds in this subgrant received while the subgrant is open will be deducted from the total cost of that project for determining the net costs on which the maximum United States' obligation will be based. The Sponsor further agrees that once the subgrant is closed, all net revenues produced from real property purchased in part with Federal funds in this subgrant must be used on the airport for airport planning, development, or operating expenses. This income may not be used for the Sponsor's matching share of any subgrant. The Sponsor's fiscal and accounting records must clearly identify actual sources and uses of these funds.
All Sponsor Types	Land acquisition - Relocation	<u>UNIFORM RELOCATION ACT:</u> The Sponsor understands and agrees that all acquisition of real property under this project will be in accordance with the 49 Code of Federal Regulations Part 24, Uniform Relocation Assistance And Real Property Acquisition For Federal And Federally Assisted Programs.
All Sponsor Types	Noise - mitigation	<u>INELIGIBILITY OF PREVIOUSLY INSULATED STRUCTURES:</u> The Sponsor understands and agrees that AIP funds may only be applied to noise insulate structures under 14 Code of Federal Regulations Part 150 one single time and that no structures in this subgrant have been previously noise insulated using AIP funds.
All Sponsor Types	Noise Mitigation – Private Land	<u>NOISE PROJECTS ON PRIVATELY OWNED PROPERTY:</u> The Sponsor understands and agrees that no payment will be made under the terms of this Subgrant Agreement for work accomplished on privately owned land until the Sponsor submits the agreement with the owner of the property required by the Subgrant Assurance Number 5: Preserving Rights and Powers, and the FAA has determined that the agreement is satisfactory. As a minimum, the agreement with the private owner must contain the following provisions: 1) The property owner must inspect and approve or disapprove the work on the project during and after completion of the measures as the FAA or Sponsor reasonably requests. 2) The property owner is responsible for maintenance and operation of the items installed, purchased, or constructed under this Subgrant Agreement. Neither the FAA nor the Sponsor bears any responsibility for the maintenance, operation, or replacement of these items.

APPENDIX F

Special Conditions

Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
		3) If the Sponsor transfers Federal funds for the noise compatibility measures to a private property owner or agent, the property owner must agree to keep records and make those records available to the FAA and the Sponsor about the amount of funds received and the disposition of the funds. 4) The property owner's right to sue for adverse noise impacts will be abrogated if the property owner deliberately or willfully reduces the effectiveness of the noise compatibility measures during the useful life of such measures. This obligation will remain in effect throughout the useful life of the noise compatibility measures, but not to exceed 20 years from the date of the Sponsor's acceptance of federal aid for the project.
All Sponsor Types	Non AIP work in project	<u>NON-AIP WORK IN APPLICATION:</u> The Sponsor understands and agrees that: 1) the Project includes the planning and/or construction of any items specified in the Plans, Proposal, and Contract Changes that is not being funded with any Federal funding in this project; 2) although the Sponsor has estimated a total project cost of Costs shown in the Attached Exhibit 1 of this Contract, the total allowable cost for purposes of determining federal participation will not exceed Costs agreed upon as specified in the Plans, Proposal, and Contract Changes; 3) it must maintain separate cost records for the AIP and non-AIP work; 4) all cost records must be made available for inspection and audit by the FAA; 5) the Sponsor understands that all non-AIP work is the sole responsibility of the Sponsor; and 6) the amount of allowable cost that will be used for purposes of determining an increase in the maximum obligation of the United States will not exceed Costs agreed upon as specified in the Plans, Proposal, and Contract Changes, which is the total allowable cost for purposes of determining federal participation in 2) of this special condition.
All Sponsor Types	Planning Scope of Work	<u>PRELIMINARY SCOPE OF WORK:</u> This Subgrant is made and accepted upon the basis of a preliminary scope of work. The parties agree that within 30 days from the date of acceptance of this Subgrant Offer, the

APPENDIX F

Special Conditions

Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
		Sponsor will furnish a final scope of work to the FAA and that no work will commence, nor will there be any contract signed for accomplishment of such work, until the final scope of work has been approved by the FAA. The Sponsor and the FAA further agree that any reference to the scope of work made in the Subgrant Offer or in the project application is in respect to the final scope of work.
Airport - Non-primary	Fuel farms	FUELING SYSTEM – USE AND OPERATION REQUIREMENTS: This project includes the installation of a new aviation fuel system. All revenue generated by this fueling system must be used for the operation and maintenance of the Airport in accordance with the subgrant assurances. The fueling system established under this subgrant, will be operated solely by the Sponsor and/or the Sponsor's employees. The Sponsor is further obligated to operate and maintain the fueling system for the 20-year subgrant expected life, including meeting all local, state, and federal regulations related to the fuel system.
Airport - Non-primary	Revenue Producing Project	REVENUE PRODUCING PROJECT: The Sponsor agrees and understands that the Sponsor has certified to the FAA that it has made adequate provisions for financing its airside needs. Further, the Sponsor agrees it will not seek AIP discretionary subgrant funds for the airside needs of the airport for the three fiscal years following the fiscal year in which this subgrant is issued. All revenue generated by this project must be used for the operation and maintenance of the Airport in accordance with the subgrant assurances.
Airport	Land Acquisition	LAND ACQUISITION: The Sponsor agrees that no payments will be made on the subgrant until the Sponsor has presented evidence to the FAA that it has recorded the subgrant agreement, including the subgrant assurances in the public land records of the county courthouse. The Sponsor understands and agrees that recording the subgrant agreement legally enforces these requirements, encumbrances and restrictions on the obligated land.

APPENDIX G

PRIME CONSULTANT STATEMENT OF DBE SUBCONSULTANT PAYMENTS

Information required in accordance with 49 CFR Section 26.37 to monitor progress of the prime consultant in meeting contractual obligations to DBEs

PRIME CONSULTANT NAME	DBE % REQUIRED	CONTRACT / AUTH NO.	BILLING PERIOD TO	INVOICE NUMBER	SUBMITTAL DATE		
IS THIS PRIME FIRM MDOT-DBE CERTIFIED? ☐ YES ☐ NO			IS THIS THE FINAL INVOICE? ☐ YES ☐ NO				
CERTIFIED DBE SUBCONSULTANT	SERVICES / WORK PERFORMED	TOTAL SUBCONTRACT AMOUNT	TOTAL INVOICED TO DATE	DEDUCTIONS	ACTUAL AMOUNT PAID TO DATE	DBE AUTHORIZED SIGNATURE (FINAL PAYMENT REPORT ONLY)	DATE
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IF THE DBE % PROPOSED WAS NOT ATTAINED, PLEASE INCLUDE THE REASON

AS THE AUTHORIZED REPRESENTATIVE OF THE ABOVE PRIME CONSULTANT, I STATE THAT, TO THE BEST OF MY KNOWLEDGE, THIS INFORMATION IS TRUE AND ACCURATE			
PRIME CONSULTANT NAME	TITLE	SIGNATURE	DATE

COMMENTS

INSTRUCTIONS

PRIME CONSULTANT OR AUTHORIZED REPRESENTATIVE:

This statement reports the actual dollar amounts of the project cost earned by and paid to DBE subconsultants. Complete and submit to the Payment Analyst with each billing and within 20 days of receipt of final payment. Some forms may be blank if no payment was made since the previous billing.

For "Contract No., Authorization No.," and "Job No." as appropriate, use the numbers assigned by MOOT.

For "Period Covered," report the calendar days covered by the billing.

For "Services Work Performed" report the main service performed by the subconsultant during the reporting period.

For "Total Contract Amount" report the total amount of the contract between the prime consultant and the subconsultant.

For "Cumulative Dollar Value of Services Completed" report the total amount the subconsultant has earned since beginning this project.

For "Deductions," report deductions made by the prime consultant to the subconsultant's "Cumulative Dollar Value of Services Completed" for retainage, bond or other fees, materials, services or equipment provided to the subconsultant according to mutual, prior agreement (documentation of such agreement may be required by MDOT).

For "Actual Amount Paid to Date," report cumulative actual payments made to the subconsultant for services completed.

For "Actual Amount Paid During this Report Period" report actual payments made to the subcontractor for services during this reporting period.

"Provide "DBE Authorized Signature" for final payment only.

Be sure to sign, title and date this statement.

MDOT PAYMENT ANALYST:

Complete "Comments" if necessary, sign date and forward to the Office of Business Development within seven (7) days of receipt.

MDOT Office of Business Development
P.O. Box 30050
Lansing, Michigan 48909
Questions about this form? Call Toll-free, 1-866-DBE-1264



ASSURANCES

AIRPORT SPONSORS

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this Grant Agreement.

B. Duration and Applicability.

1. **Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.**

The terms, conditions and assurances of this Grant Agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.**

The preceding paragraph (1) also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. **Airport Planning Undertaken by a Sponsor.**

Unless otherwise specified in this Grant Agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 23, 25, 30, 32, 33, 34, and 37 in Section C apply to planning projects. The terms, conditions, and

assurances of this Grant Agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:

1. General Federal Requirements

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds for this Grant including but not limited to the following:

FEDERAL LEGISLATION

- a. 49 U.S.C. subtitle VII, as amended.
- b. Davis-Bacon Act, as amended — 40 U.S.C. §§ 3141-3144, 3146, and 3147, et seq.¹
- c. Federal Fair Labor Standards Act — 29 U.S.C. § 201, et seq.
- d. Hatch Act — 5 U.S.C. § 1501, et seq.²
- e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. § 4601, et seq.^{1, 2}
- f. National Historic Preservation Act of 1966 — Section 106 — 54 U.S.C. § 306108.¹
- g. Archeological and Historic Preservation Act of 1974 — 54 U.S.C. § 312501, et seq.¹
- h. Native Americans Grave Repatriation Act — 25 U.S.C. § 3001, et seq.
- i. Clean Air Act, P.L. 90-148, as amended — 42 U.S.C. § 7401, et seq.
- j. Coastal Zone Management Act, P.L. 92-583, as amended — 16 U.S.C. § 1451, et seq.
- k. Flood Disaster Protection Act of 1973 — Section 102(a) - 42 U.S.C. § 4012a.¹
- l. 49 U.S.C. § 303, (formerly known as Section 4(f)).
- m. Rehabilitation Act of 1973 — 29 U.S.C. § 794.
- n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin).
- o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.) (prohibits discrimination on the basis of disability).
- p. Age Discrimination Act of 1975 — 42 U.S.C. § 6101, et seq.
- q. American Indian Religious Freedom Act, P.L. 95-341, as amended.
- r. Architectural Barriers Act of 1968, as amended — 42 U.S.C. § 4151, et seq.¹
- s. Powerplant and Industrial Fuel Use Act of 1978 — Section 403 — 42 U.S.C. § 8373.¹
- t. Contract Work Hours and Safety Standards Act — 40 U.S.C. § 3701, et seq.¹
- u. Copeland Anti-kickback Act — 18 U.S.C. § 874.¹

- v. National Environmental Policy Act of 1969 – 42 U.S.C. § 4321, et seq.¹
- w. Wild and Scenic Rivers Act, P.L. 90-542, as amended – 16 U.S.C. § 1271, et seq.
- x. Single Audit Act of 1984 – 31 U.S.C. § 7501, et seq.²
- y. Drug-Free Workplace Act of 1988 – 41 U.S.C. §§ 8101 through 8105.
- z. The Federal Funding Accountability and Transparency Act of 2006, as amended (P.L. 109-282, as amended by section 6202 of P.L. 110-252).
- aa. Civil Rights Restoration Act of 1987, P.L. 100-259.
- bb. Build America, Buy America Act, P.L. 117-58, Title IX.

EXECUTIVE ORDERS

- a. Executive Order 11246 – Equal Employment Opportunity¹
- b. Executive Order 11990 – Protection of Wetlands
- c. Executive Order 11998 – Flood Plain Management
- d. Executive Order 12372 – Intergovernmental Review of Federal Programs
- e. Executive Order 12699 – Seismic Safety of Federal and Federally Assisted New Building Construction¹
- f. Executive Order 12898 – Environmental Justice
- g. Executive Order 13166 – Improving Access to Services for Persons with Limited English Proficiency
- h. Executive Order 13985 – Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government
- i. Executive Order 13988 – Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation
- j. Executive Order 14005 – Ensuring the Future is Made in all of America by All of America’s Workers
- k. Executive Order 14008 – Tackling the Climate Crisis at Home and Abroad

FEDERAL REGULATIONS

- a. 2 CFR Part 180 – OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
- b. 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. ^{4, 5}
- c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment.
- d. 14 CFR Part 13 – Investigative and Enforcement Procedures.
- e. 14 CFR Part 16 – Rules of Practice for Federally-Assisted Airport Enforcement Proceedings.
- f. 14 CFR Part 150 – Airport Noise Compatibility Planning.

- g. 28 CFR Part 35 – Nondiscrimination on the Basis of Disability in State and Local Government Services.
- h. 28 CFR § 50.3 – U.S. Department of Justice Guidelines for the Enforcement of Title VI of the Civil Rights Act of 1964.
- i. 29 CFR Part 1 – Procedures for Predetermination of Wage Rates.¹
- j. 29 CFR Part 3 – Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States.¹
- k. 29 CFR Part 5 – Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act).¹
- l. 41 CFR Part 60 – Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and Federally-assisted contracting requirements).¹
- m. 49 CFR Part 20 – New Restrictions on Lobbying.
- n. 49 CFR Part 21 – Nondiscrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964.
- o. 49 CFR Part 23 – Participation by Disadvantage Business Enterprise in Airport Concessions.
- p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs.^{1, 2}
- q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs.
- r. 49 CFR Part 27 – Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance.¹
- s. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the Department of Transportation.
- t. 49 CFR Part 30 – Denial of Public Works Contracts to Suppliers of Goods and Services of Countries That Deny Procurement Market Access to U.S. Contractors.
- u. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance).
- v. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).
- w. 49 CFR Part 38 – Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles.
- x. 49 CFR Part 41 – Seismic Safety.

FOOTNOTES TO ASSURANCE (C)(1)

¹ These laws do not apply to airport planning sponsors.

² These laws do not apply to private sponsors.

³ 2 CFR Part 200 contains requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation shall

apply where applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

- ⁴ Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.
- ⁵ Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

SPECIFIC ASSURANCES

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this Grant Agreement.

2. Responsibility and Authority of the Sponsor.

a. Public Agency Sponsor:

It has legal authority to apply for this Grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. Private Sponsor:

It has legal authority to apply for this Grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this Grant Agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. Sponsor Fund Availability.

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this Grant Agreement which it will own or control.

4. Good Title.

- a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.
- b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. Preserving Rights and Powers.

- a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this Grant Agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere

with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

- b. Subject to the FAA Act of 2018, Public Law 115-254, Section 163, it will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this Grant Agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this Grant Agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this Grant Agreement.
- c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.
- d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.
- e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.
- f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to ensure that the airport will be operated and maintained in accordance with Title 49, United States Code, the regulations and the terms, conditions and assurances in this Grant Agreement and shall ensure that such arrangement also requires compliance therewith.
- g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. Consistency with Local Plans.

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. Consideration of Local Interest.

It has given fair consideration to the interest of communities in or near where the project may be located.

8. Consultation with Users.

In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. Public Hearings.

In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. Metropolitan Planning Organization.

In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

11. Pavement Preventive Maintenance-Management.

With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. Terminal Development Prerequisites.

For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under 49 U.S.C. § 44706, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. Accounting System, Audit, and Record Keeping Requirements.

- a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this Grant, the total cost of the project in connection with which this Grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The

accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

- b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this Grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this Grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. Minimum Wage Rates.

It shall include, in all contracts in excess of \$2,000 for work on any projects funded under this Grant Agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor under 40 U.S.C. §§ 3141-3144, 3146, and 3147, Public Building, Property, and Works), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. Veteran's Preference.

It shall include in all contracts for work on any project funded under this Grant Agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in 49 U.S.C. § 47112. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. Conformity to Plans and Specifications.

It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this Grant Agreement, and, upon approval of the Secretary, shall be incorporated into this Grant Agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this Grant Agreement.

17. Construction Inspection and Approval.

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. Planning Projects.

In carrying out planning projects:

- a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.
- b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.
- c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.
- d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.
- e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.
- f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.
- g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.
- h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. Operation and Maintenance.

- a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, state, and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for:
 1. Operating the airport's aeronautical facilities whenever required;
 2. Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
 3. Promptly notifying pilots of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood, or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or

facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

- b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

20. Hazard Removal and Mitigation.

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. Compatible Land Use.

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. Economic Nondiscrimination.

- a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.
- b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to:
 - 1. Furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and
 - 2. Charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
- c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.
- d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.
- e. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable

classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

- f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees (including, but not limited to maintenance, repair, and fueling) that it may choose to perform.
- g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.
- h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.
- i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. Exclusive Rights.

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

- a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and
- b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. Fee and Rental Structure.

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for

which a Grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. Airport Revenues.

- a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:
 1. If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.
 2. If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.
 3. Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at 49 U.S.C. § 47102), if the FAA determines the airport sponsor meets the requirements set forth in Section 813 of Public Law 112-95.
- b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.
- c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of 49 U.S.C. § 47107.

26. Reports and Inspections.

It will:

- a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the

public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

- b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;
- c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this Grant Agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and
- d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
 - 1. all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and
 - 2. all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. Use by Government Aircraft.

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that:

- a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or
- b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. Land for Federal Facilities.

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. Airport Layout Plan.

- a. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, it will keep up to date at all times an airport layout plan of the airport showing:
 1. boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;
 2. the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;
 3. the location of all existing and proposed non-aviation areas and of all existing improvements thereon; and
 4. all proposed and existing access points used to taxi aircraft across the airport's property boundary.

Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

- b. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, if a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary:
 1. eliminate such adverse effect in a manner approved by the Secretary; or
 2. bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

30. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, color, and national origin (including limited English proficiency) in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4); creed and sex (including sexual orientation and gender identity) per 49 U.S.C. § 47123 and related requirements; age per the Age Discrimination Act of 1975 and related requirements; or disability per the Americans with Disabilities Act of 1990 and related requirements, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any program and activity conducted with, or benefiting from, funds received from this Grant.

- a. Using the definitions of activity, facility, and program as found and defined in 49 CFR §§ 21.23(b) and 21.23(e), the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by or pursuant to these assurances.
- b. Applicability
 1. Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.
 2. Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter, or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.
 3. Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. Duration.

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

1. So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or
2. So long as the sponsor retains ownership or possession of the property.

- d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this Grant Agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

"The ([**Selection Criteria: Sponsor Name**]), in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, [select businesses, or disadvantaged business enterprises or airport concession disadvantaged business enterprises] will be afforded full and fair opportunity to submit bids in response to this invitation and no businesses will be discriminated against on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in consideration for an award."

e. Required Contract Provisions.

1. It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the Department of Transportation (DOT), and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.

2. It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.
3. It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.
4. It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:
 - a. For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
 - b. For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
- f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.
- g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

31. Disposal of Land.

- a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:
 1. Reinvestment in an approved noise compatibility project;
 2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. § 47117(e);
 3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. §§ 47114, 47115, or 47117;
 4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
 5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.

If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development

project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

- b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:
 - 1. Reinvestment in an approved noise compatibility project;
 - 2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. § 47117(e);
 - 3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. §§ 47114, 47115, or 47117;
 - 4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
 - 5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.
- c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.
- d. Disposition of such land under (a), (b), or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. Engineering and Design Services.

If any phase of such project has received Federal funds under Chapter 471 subchapter 1 of Title 49 U.S.C., it will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services in the same manner as a contract for architectural and engineering services is negotiated under Chapter 11 of Title 40 U.S.C., or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. Foreign Market Restrictions.

It will not allow funds provided under this Grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by

the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. Policies, Standards, and Specifications.

It will carry out any project funded under an Airport Improvement Program Grant in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, current FAA Advisory Circulars (<https://www.faa.gov/airports/aip/media/aip-pfc-checklist.pdf>) for AIP projects as of [Selection Criteria: Project Application Date].

35. Relocation and Real Property Acquisition.

- a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.
- b. It will provide a relocation assistance program offering the services described in Subpart C of 49 CFR Part 24 and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.
- c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. Access By Intercity Buses.

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. Disadvantaged Business Enterprises.

The sponsor shall not discriminate on the basis of race, color, national origin, or sex, in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. § 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. §§ 3801-3809, 3812).

38. Hangar Construction.

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. Competitive Access.

- a. If the airport owner or operator of a medium or large hub airport (as defined in 49 U.S.C. § 47102) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that:
 - 1. Describes the requests;
 - 2. Provides an explanation as to why the requests could not be accommodated; and
 - 3. Provides a time frame within which, if any, the airport will be able to accommodate the requests.
- b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.



U.S. Department
of Transportation

**Federal Aviation
Administration**

FAA Form 5100-135, Certification and Disclosure Regarding Potential Conflicts of Interest – Airport Improvement Program Sponsor Certification

Paperwork Reduction Act Burden Statement

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB Control Number. The OMB Control Number for this information collection is 2120-0569. Public reporting for this collection of information is estimated to be approximately 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing and reviewing the collection of information. All responses to this collection of information are required under 49 U.S.C. Section 47105 to retain a benefit and to meet the reporting requirements of 2 CFR 200. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Federal Aviation Administration, 10101 Hillwood Parkway, Fort Worth, TX 76177-1524.



Certification and Disclosure Regarding Potential Conflicts of Interest Airport Improvement Program Sponsor Certification

Sponsor: CITY OF MARSHALL

Airport: Brooks Field

Project Number: B-26-0064-2522

Description of Work: REHABILITATE APRON - NORTH, REHABILITATE TAXIWAY - WEST PARALLEL - DESIGN

Application

Title 2 CFR § 200.112 and § 1201.112 address Federal Aviation Administration (FAA) requirements for conflict of interest. As a condition of eligibility under the Airport Improvement Program (AIP), sponsors must comply with FAA policy on conflict of interest. Such a conflict would arise when any of the following have a financial or other interest in the firm selected for award:

- a) The employee, officer or agent,
- b) Any member of his immediate family,
- c) His or her partner, or
- d) An organization which employs, or is about to employ, any of the above.

Selecting "yes" represents sponsor or sub-recipient acknowledgement and confirmation of the certification statement. Selecting "No" represents sponsor or sub-recipient disclosure that it cannot fully comply with the certification statement. If "No" is selected, provide support information explaining the negative response as an attachment to this form. This includes whether the sponsor has established standards for financial interest that are not substantial or unsolicited gifts are of nominal value (2 CFR § 200.318(c)). The term "will" means Sponsor action taken at appropriate time based on the certification statement focus area, but no later than the end of the project period of performance.

Certification Statements

1. The sponsor or sub-recipient maintains a written standards of conduct governing conflict of interest and the performance of their employees engaged in the award and administration of contracts (2 CFR § 200.318(c)). To the extent permitted by state or local law or regulations, such standards of conduct provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the sponsor's and sub-recipient's officers, employees, or agents, or by contractors or their agents.

☐ Yes ☐ No

2. The sponsor's or sub-recipient's officers, employees or agents have not and will not solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements (2 CFR § 200.318(c)).

☐ Yes ☐ No

3. The sponsor or sub-recipient certifies that it has disclosed and will disclose to the FAA any known potential conflict of interest (2 CFR § 1200.112).

☐ Yes ☐ No

Attach documentation clarifying any above item marked with "no" response.

Sponsor's Certification

I certify, for the project identified herein, responses to the foregoing items are accurate as marked and have the explanation for any item marked "no" is correct and complete.

Executed on this _____ day of _____, 2023.
(Day) (Month)

Name of Sponsor: _____

Printed/Typed Name of Sponsor's Authorized Official: _____

Printed/Typed Title of Sponsor's Authorized Official: _____

Signature of Sponsor's Authorized Official: _____

I declare under penalty of perjury that the foregoing is true and correct. I understand that knowingly and willfully providing false information to the federal government is a violation of 18 USC § 1001 (False Statements) and could subject me to fines, imprisonment, or both.



U.S. Department
of Transportation

**Federal Aviation
Administration**

FAA Form 5100-130, Drug-Free Workplace – Airport Improvement Program Sponsor Certification

Paperwork Reduction Act Burden Statement

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB Control Number. The OMB Control Number for this information collection is 2120-0569. Public reporting for this collection of information is estimated to be approximately 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing and reviewing the collection of information. All responses to this collection of information are required under 49 U.S.C. Section 47105 to retain a benefit and to meet the reporting requirements of 2 CFR 200. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Federal Aviation Administration, 10101 Hillwood Parkway, Fort Worth, TX 76177-1524.



Drug-Free Workplace Airport Improvement Program Sponsor Certification

Sponsor: CITY OF MARSHALL

Airport: Brooks Field

Project Number: B-26-0064-2522

Description of Work: REHABILITATE APRON - NORTH, REHABILITATE TAXIWAY - WEST PARALLEL - DESIGN

Application

49 USC § 47105(d) authorizes the Secretary to require certification from the sponsor that it will comply with the statutory and administrative requirements in carrying out a project under the Airport Improvement Program (AIP). General requirements on the drug-free workplace within federal grant programs are described in 2 CFR part 182. Sponsors are required to certify they will be, or will continue to provide, a drug-free workplace in accordance with the regulation. The AIP project grant agreement contains specific assurances on the Drug-Free Workplace Act of 1988.

Certification Statements

Except for certification statements below marked as not applicable (N/A), this list includes major requirements of the construction project. Selecting "yes" represents sponsor acknowledgement and confirmation of the certification statement. The term "will" means Sponsor action taken at appropriate time based on the certification statement focus area, but no later than the end of the project period of performance. This list is not comprehensive and does not relieve the sponsor from fully complying with all applicable statutory and administrative standards. The source of the requirement is referenced within parenthesis.

1. A statement has been or will be published prior to commencement of project notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the sponsor's workplace, and specifying the actions to be taken against employees for violation of such prohibition (2 CFR § 182.205).

☐ Yes ☐ No ☐ N/A

2. An ongoing drug-free awareness program (2 CFR § 182.215) has been or will be established prior to commencement of project to inform employees about:

- a. The dangers of drug abuse in the workplace;
- b. The sponsor's policy of maintaining a drug-free workplace;
- c. Any available drug counseling, rehabilitation, and employee assistance programs; and
- d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

☐ Yes ☐ No ☐ N/A

3. Each employee to be engaged in the performance of the work has been or will be given a copy of the statement required within item 1 above prior to commencement of project (2 CFR § 182.210).

☐ Yes ☐ No ☐ N/A

4. Employees have been or will be notified in the statement required by item 1 above that, as a condition employment under the grant (2 CFR § 182.205(c)), the employee will:

- a. Abide by the terms of the statement; and
- b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction.

☐ Yes ☐ No ☐ N/A

5. The Federal Aviation Administration (FAA) will be notified in writing within 10 calendar days after receiving notice under item 4b above from an employee or otherwise receiving actual notice of such conviction (2 CFR § 182.225). Employers of convicted employees must provide notice, including position title of the employee, to the FAA (2 CFR § 182.300).

☐ Yes ☐ No ☐ N/A

6. One of the following actions (2 CFR § 182.225(b)) will be taken within 30 calendar days of receiving a notice under item 4b above with respect to any employee who is so convicted:

- a. Take appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; and
- b. Require such employee to participate satisfactorily in drug abuse assistance or rehabilitation programs approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.

☐ Yes ☐ No ☐ N/A

7. A good faith effort will be made, on a continuous basis, to maintain a drug-free workplace through implementation of items 1 through 6 above (2 CFR § 182.200).

☐ Yes ☐ No ☐ N/A

Site(s) of performance of work (2 CFR § 182.230):

Location 1

Name of Location:

Address:

Location 2 (if applicable)

Name of Location:

Address:

Location 3 (if applicable)

Name of Location:

Address:

Attach documentation clarifying any above item marked with "no" response.

Sponsor's Certification

I certify, for the project identified herein, responses to the forgoing items are accurate as marked and additional documentation for any item marked "no" is correct and complete.

Executed on this _____ day of _____, 2023.
(Day) (Month)

Name of Sponsor: _____

Printed/Typed Name of Sponsor's Authorized Official: _____

Printed/Typed Title of Sponsor's Authorized Official: _____

Signature of Sponsor's Authorized Official: _____

I declare under penalty of perjury that the foregoing is true and correct. I understand that knowingly and willfully providing false information to the federal government is a violation of 18 USC § 1001 (False Statements) and could subject me to fines, imprisonment, or both.



U.S. Department of
Transportation

**Federal Aviation
Administration**

FAA Form 5100-134, Selection of Consultants – Airport Improvement Program Sponsor Certification

Paperwork Reduction Act Burden Statement

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB Control Number. The OMB Control Number for this information collection is 2120-0569. Public reporting for this collection of information is estimated to be approximately 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing and reviewing the collection of information. All responses to this collection of information are required under 49 U.S.C. Section 47105 to retain a benefit and to meet the reporting requirements of 2 CFR 200. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Federal Aviation Administration, 10101 Hillwood Parkway, Fort Worth, TX 76177-1524.



Selection of Consultants

Airport Improvement Program Sponsor Certification

Sponsor: CITY OF MARSHALL

Airport: Brooks Field

Project Number: B-26-0064-2522

Description of Work: REHABILITATE APRON - NORTH, REHABILITATE TAXIWAY - WEST PARALLEL - DESIGN

Application

49 USC § 47105(d) authorizes the Secretary to require certification from the sponsor that it will comply with the statutory and administrative requirements in carrying out a project under the Airport Improvement Program (AIP). General requirements for selection of consultant services within federal grant programs are described in 2 CFR §§ 200.317-200.326. Sponsors may use other qualifications-based procedures provided they are equivalent to standards of Title 40 chapter 11 and FAA Advisory Circular 150/5100-14, Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects.

Certification Statements

Except for certification statements below marked as not applicable (N/A), this list includes major requirements of the construction project. Selecting "yes" represents sponsor acknowledgement and confirmation of the certification statement. The term "will" means Sponsor action taken at appropriate time based on the certification statement focus area, but no later than the end of the project period of performance. This list is not comprehensive and does not relieve the sponsor from fully complying with all applicable statutory and administrative standards. The source of the requirement is referenced within parenthesis.

1. Sponsor acknowledges their responsibility for the settlement of all contractual and administrative issues arising out of their procurement actions (2 CFR § 200.318(k)).
☐ Yes ☐ No ☐ N/A
2. Sponsor procurement actions ensure or will ensure full and open competition that does not unduly limit competition (2 CFR § 200.319).
☐ Yes ☐ No ☐ N/A
3. Sponsor has excluded or will exclude any entity that develops or drafts specifications, requirements, or statements of work associated with the development of a request-for-qualifications (RFQ) from competing for the advertised services (2 CFR § 200.319).
☐ Yes ☐ No ☐ N/A
4. The advertisement describes or will describe specific project statements-of-work that provide clear detail of required services without unduly restricting competition (2 CFR § 200.319).
☐ Yes ☐ No ☐ N/A

5. Sponsor has publicized or will publicize a RFQ that:
- a. Solicits an adequate number of qualified sources (2 CFR § 200.320(d)); and
 - b. Identifies all evaluation criteria and relative importance (2 CFR § 200.320(d)).
- ☐ Yes ☐ No ☐ N/A
6. Sponsor has based or will base selection on qualifications, experience, and disadvantaged business enterprise participation with price not being a selection factor (2 CFR § 200.320(d)).
- ☐ Yes ☐ No ☐ N/A
7. Sponsor has verified or will verify that agreements exceeding \$25,000 are not awarded to individuals or firms suspended, debarred or otherwise excluded from participating in federally assisted projects (2 CFR §180.300).
- ☐ Yes ☐ No ☐ N/A
8. A/E services covering multiple projects: Sponsor has agreed to or will agree to:
- a. Refrain from initiating work covered by this procurement beyond five years from the date of selection (AC 150/5100-14); and
 - b. Retain the right to conduct new procurement actions for projects identified or not identified in the RFQ (AC 150/5100-14).
- ☐ Yes ☐ No ☐ N/A
9. Sponsor has negotiated or will negotiate a fair and reasonable fee with the firm they select as most qualified for the services identified in the RFQ (2 CFR § 200.323).
- ☐ Yes ☐ No ☐ N/A
10. The Sponsor's contract identifies or will identify costs associated with ineligible work separately from costs associated with eligible work (2 CFR § 200.302).
- ☐ Yes ☐ No ☐ N/A
11. Sponsor has prepared or will prepare a record of negotiations detailing the history of the procurement action, rationale for contract type and basis for contract fees (2 CFR §200.318(i)).
- ☐ Yes ☐ No ☐ N/A
12. Sponsor has incorporated or will incorporate mandatory contract provisions in the consultant contract for AIP-assisted work (49 U.S.C. Chapter 471 and 2 CFR part 200 Appendix II)
- ☐ Yes ☐ No ☐ N/A
13. For contracts that apply a time-and-material payment provision (also known as hourly rates, specific rates of compensation, and labor rates), the Sponsor has established or will establish:
- a. Justification that there is no other suitable contract method for the services (2 CFR §200.318(j));
 - b. A ceiling price that the consultant exceeds at their risk (2 CFR §200.318(j)); and
 - c. A high degree of oversight that assures consultant is performing work in an efficient manner with effective cost controls in place 2 CFR §200.318(j)).
- ☐ Yes ☐ No ☐ N/A

14. Sponsor is not using or will not use the prohibited cost-plus-percentage-of-cost (CPPC) contract method. (2 CFR § 200.323(d)).

☐ Yes ☐ No ☐ N/A

Sponsor's Certification

I certify, for the project identified herein, responses to the forgoing items are accurate as marked and additional documentation for any item marked "no" is correct and complete.

I declare under penalty of perjury that the foregoing is true and correct. I understand that knowingly and willfully providing false information to the federal government is a violation of 18 USC § 1001 (False Statements) and could subject me to fines, imprisonment, or both.

Executed on this _____ day of _____, 2023.
(Day) (Month)

Name of Sponsor: _____

Printed/Typed Name of Sponsor's Authorized Official: _____

Printed/Typed Title of Sponsor's Authorized Official: _____

Signature of Sponsor's Authorized Official: _____

I declare under penalty of perjury that the foregoing is true and correct. I understand that knowingly and willfully providing false information to the federal government is a violation of 18 USC § 1001 (False Statements) and could subject me to fines, imprisonment, or both.