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**1-301-715-8592 Meeting ID: 882 3695 8759**

The public will be able to listen to all discussion by Council members and will be permitted to speak for up to 5 minutes during the public comment section of the agenda. Please use the ZOOM feature in the participant section to raise your hand or press \*9 on the telephone keypad if you are using audio and you will be called upon to speak.

## MARSHALL CITY COUNCIL AGENDA

Monday – 7:00 P.M.

April 19, 2021

- 1) **CALL TO ORDER**
- 2) **ROLL CALL**
- 3) **INVOCATION** – Scott Loughrige, Cross Roads Church & Ministries
- 4) **PLEDGE OF ALLEGIANCE**
- 5) **APPROVAL OF AGENDA** – Items can be added or deleted from the Agenda by Council action.
- 6) **PUBLIC COMMENT ON AGENDA ITEMS** – Persons addressing 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 five (5) minutes on any agenda item.
- 7) **CONSENT AGENDA**

**A. Griswold Aviation Lease Agreement**

City Council will consider the recommendation to approve an extension of the lease with Griswold Aviation for portions of the property at Brooks Field, 1243 S. Kalamazoo Avenue.

**B. Financial Policies Updates**

City Council will consider the recommendation to approve the updated Debt Policy, Grant Policy, Investment Policy, and Reserve Policy.

**C. Calhoun County Fairgrounds-Cruise to the Fountain Event**

City Council will consider the recommendation to approve the rolling road block motorcade in support of the Calhoun County Fairgrounds Cruise to the Fountain event for Saturday, July 3, 2021.

**D. Oaklawn Hospitality Classic Race**

City Council will consider the recommendation to approve the Hospitality Classic Event and required street closures as requested, contingent on health mandates and orders in effect at the time of the event.

**E. City Council Minutes**

Regular Session..... Monday, April 5, 2021

Special Session..... Monday, April 12, 2021

**F. City Bills**

Regular Purchases..... \$ 131,519.06

Purchased Power..... \$735,994.21

Weekly Purchases –4/1/21 ..... \$29,972.61

Weekly Purchases –4/9/21 ..... \$43,695.83

**Total..... \$941,181.71**

**8) PRESENTATIONS AND RECOGNITIONS**

**9) INFORMATIONAL ITEMS**

**10) PUBLIC HEARINGS & SUBSEQUENT COUNCIL ACTION**

**A. Amendment of Ordinance 70.17 – Animal Drawn Vehicles**

City Council will hear public comment regarding the proposed amendment to Chapter 70.17: Animal Drawn Vehicles of the Marshall Code of Ordinances.

**11) OLD BUSINESS**

**12) REPORTS AND RECOMMENDATIONS**

**A. Sanitary Sewer Lining Construction Bids**

City Council will consider the recommendation to approve the bid for the Hanover sanitary sewer lining contract with Corby Energy Services, Inc. in the amount of \$52,695 with an additional contingency amount of \$5,305. Also, approve the use of Stantec's construction engineering oversight in the amount of not to exceed \$5,000 for a total amount of \$63,000.

**B. Clarifier Rehabilitation Construction Bids**

City Council will consider the recommendation to approve the award of the clarifier rehabilitation construction contract to LD Docsa and Associates for the amount of \$407,000 with a contingency of \$43,000. In addition, approve the award of a construction engineering services contract to Stantec in the amount of \$36,000 for a total project amount of \$486,000.

**C. FY 2022 Budget Process**

City Council will receive the FY 2022 Proposed Budget.

**13) APPOINTMENTS / ELECTIONS**

**14) PUBLIC COMMENT ON NON-AGENDA ITEMS**

Persons addressing 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 five (5) minutes on any item not on the agenda.

**15) COUNCIL AND MANAGER COMMUNICATIONS**

**16) ADJOURNMENT**

Respectfully submitted,



Tom Tarkiewicz  
City Manager



**ADMINISTRATIVE REPORT**  
**April 19, 2021 - CITY COUNCIL MEETING**

**REPORT TO:** Honorable Mayor and City Council  
**FROM:** Eric Zuzga, Director of Special Projects  
Tom Tarkiewicz, City Manager  
**SUBJECT:** Renewal of a Lease Agreement between City of Marshall and Griswold Aviation LLC for portions of the property at 1243 S. Kalamazoo Ave. (Brooks Field Airport), Marshall, MI 49068

**BACKGROUND:** With the construction of the new terminal, the former terminal space will be vacated. As the City has no need for this space and Griswold Aviation has expressed interest in adding this space to its existing lease, we are proposing an updated lease to include this area. The area added to the lease houses the only bathroom in the existing building and needs to remain available to Griswold Aviation.

Current rent is \$500/month with a \$25/month/year increase for each of the subsequent years. We are proposing to increase the rent to \$525 per month and to keep the \$25 per year increase for the subsequent years. The proposed lease would also extend to 2024.

**RECOMMENDATION:** For City Council to accept an extension of the attached lease with the minor changes noted in yellow.

**FISCAL EFFECTS:** Rent from this lease agreement becomes part of the revenue for the Airport Fund and will be placed in Revenue budget line item 295-000-667.00

**ALTERNATIVES:** As suggested by the Council.

Respectfully submitted,

Eric Zuzga  
Director of Special Projects

Tom Tarkiewicz  
City Manager

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

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cityofmarshall.com

## AIRPORT HANGAR LEASE AGREEMENT

THIS AGREEMENT, made as of April 19, 2021 between the City of Marshall, a Michigan municipal corporation of 323 W. Michigan Avenue, Marshall, Michigan 49068, hereinafter called "City", and Griswold Aviation LLC, a Michigan limited liability company of 1243 S. Kalamazoo Ave, Ste. C, Marshall, Michigan 49068 hereinafter called "Tenant" is as follows:

It is mutually covenanted and agreed by and between the parties hereto as follows, to-wit:

1. LOCATION: City, in consideration of the rents to be paid and the covenants and agreements to be performed by Tenant, hereby leases to Tenant a portion of premises ("Leased Premises") in the City of Marshall, Calhoun County, Michigan, described in Exhibit A attached hereto, which is located at Brooks Memorial Airport, which is owned by City. The Leased Premises shall be those areas marked exclusive and secure use of "GRISWOLD." During the term of this Lease, Tenant shall also have non-exclusive access to the areas listed under "Access included to" on Exhibit A, which is incorporated by reference.
2. POSSESSION AND TERM: Tenant shall be given possession of the Leased Premises and the term of this Agreement shall commence on the 1<sup>st</sup> day of July, 2021 and end on the 30<sup>th</sup> day of June, 2024 after which tenant shall be given the option to extend the lease annually for up to three additional lease years. As used herein the term "Lease Year" shall be a period of twelve (12) consecutive calendar months commencing on July 1<sup>st</sup> and ending June 30<sup>th</sup> of the following year.
3. RENT:
  - A. The rent all areas described in this agreement for the term of this agreement shall be the sum of Five Hundred twenty-five dollars (\$525.00) per month, during the term of the initial lease. Following the initial rent term; rent shall be increased Twenty-Five dollars (\$25.00) per month each renewal year. Rent is due on or before the first day of each month of the lease.
  - B. Use of the Main Hanger is included in the lease provided that the Tenant shall not interfere with any paying hanger tenants; and the Tenant shall not prevent any additional paying hanger tenants from occupying the available space.
  - C. The Tenant's member, Craig Griswold, shall have exclusive use of the 2<sup>nd</sup> Floor apartment provided it is maintained in current or better condition. No one else shall occupy the apartment without prior written approval from the City. Tenant shall not lease or sub-let this apartment. Any upgrades to this apartment shall be subject to Paragraph 10 of this agreement.
4. TERMINATION: Upon not less than ninety (90) days written notice to the other party, either the City or Tenant shall have the right to terminate this Agreement at the City's or Tenant's option for cause. Cause is defined as:
  - A. Failure to comply with any material term of this agreement, following notice by the City or Tenant of non-compliance and a failure to cure the non-compliance within 30 days from the date of notice.
  - B. Violation by Tenant or City of any State or Federal statute relating to and



interfering with the Tenant's ability to meet the requirements of this agreement.

C. Unauthorized assignment of this agreement to another entity or individual.

5. USE, REPAIRS, REPLACEMENT, MAINTENANCE AND SERVICE: Tenant covenants that the Leased Premises shall be used, occupied, and operated for aircraft maintenance and repair, sale of aircraft parts, sale of aircraft oil and related uses, and for no other purpose or purposes without the prior written consent of City. Tenant shall not serve, or permit the possession or use of, alcoholic beverages, or use of marihuana products or any unlawful use of controlled substances on Leased Premises. Within the apartment unit, alcohol possession and consumption for persons 21 years of age and over will be permissible. Smoking marihuana within the apartment unit is prohibited.

City, at its sole expense, shall maintain the structural portion of all buildings on the Leased Premises in good repair and make all necessary repairs and replacements to all buildings, including but not limited to electrical, mechanical, heating, and plumbing equipment, roof and Griswold's areas, parking areas, grounds, landscaping, and sidewalk areas. Tenant shall maintain the interior of the Leased Premises in a clean and safe condition. This shall not be interpreted to mean that it is responsible for other than daily maintenance and minor repairs. City shall be responsible for the removal of snow and ice from runways and taxiways. The City, at its sole expense, shall remove snow and ice from all driveways, parking, areas, sidewalk areas, tiedown areas and apron or ramp areas at City's sole expense. All City owned equipment used by Tenant shall be stored by Tenant on the Leased Premises without cost to the City and shall at all times remain on airport property, unless prior authorization is obtained from the City.

The City shall continue during the term of this lease and all extensions to be responsible for the fuel storage and fuel sales equipment. This responsibility shall specifically include responsibility to maintain the equipment in full compliance with all State and Federal environmental laws and regulations. All care, maintenance and replacement of the fuel tanks and distribution systems and, if necessary, environmental remediation relating to this equipment and its use, shall be the sole duty of the City.

Tenant is required by the terms of this lease to offer general maintenance service for piston engine powered airplanes on a regular and consistent basis. Tenant and its member(s) acknowledge and agree that Tenant and its member(s) are not employees of the City and therefore not entitled to any compensation or benefit that the City may provide to its employees. In addition to the INSURANCE requirements of paragraph 7 below, Tenant agrees to obtain and maintain an insurance policy for the maintenance service that Tenant provides to other parties.

6. UTILITIES: The cost of heat, air conditioning, electrical service, water and sewer and natural gas provided to the Leased Premises shall be paid by Tenant.
7. INSURANCE: Tenant shall pay for, and keep in force, a hangar keepers liability insurance policy, premises liability policy, products liability, business integration, and completed operations policy in an amount not less than \$1 Million with an insurance company subject to the reasonable approval of City. City shall be named as an additional



insured on such policy(s) and such policy(s) shall specifically provide that City shall be given at least thirty (30) day notice prior to cancellation, non-renewal or change in the types and amounts of coverages of such insurance.

8. TAXES: Tenant shall be liable for the payment of personal property taxes on any personal property owned by it on the Leased Premises. Tenant shall not be liable for real estate taxes or special assessments on the Leased Premises.

9. ASSIGNMENT CHANGE OF OWNERSHIP: Tenant shall not assign this Agreement or any right hereunder, or hypothecate or mortgage the same, or sublet the Leased Premises, or any part thereof, without the prior written consent of City.

Any assignment, hypothecation, mortgage or subletting without the said written consent shall give City the right to immediately terminate, this Agreement and reenter and repossess the Leased Premises.

The provisions of this paragraph shall not apply to leases or rental agreements with aircraft owners using the hangar or tie-down facilities on the Leased Premises. All such leases or rental agreements shall, however, provide that they are and will be terminable by City upon the expiration or termination of this Agreement.

10. ALTERATIONS AND FIXTURES: Except as specifically permitted herein, Tenant shall make no alterations and/ or additions or improvements to the Leased Premises without first obtaining the prior written consent of City. All facilities constructed by Tenant and all additions and improvements made by Tenant shall become the property of City on the expiration or termination of the Agreement or the termination of occupancy of the Leased Premises. In the event that Tenant, as part of the written approval obtained from the City prior to installation of an addition to or improvement of the Leased Premises shall obtain the City's approval for total or partial reimbursement by the City of the cost of said improvement or addition as a long-term capital improvement to the Leased Premises pursuant to a written amortization schedule, the City shall, upon expiration or termination of the Agreement or termination of occupancy of the Leased Premises reimburse Tenant for said long-term capital improvement in such amounts and on such bases as are set forth in the written approval obtained by Tenant from the City.

11. LIABILITY AND INDEMNITY: All personal property in or on the Leased Premises shall be at the risk of Tenant only and, without limiting the foregoing, City shall not be liable for any damage to persons or property sustained by Tenant or other persons due to buildings or any part or appurtenance thereof becoming out of repair or arising from the bursting or leaking of water, gas or steam pipes or breakage or failure of any electrical circuits, or of any act or neglect of Tenant or any occupants of any building or any other person, or due to the happening of any accident in, on or about said building, nor for any loss by theft or burglary. Tenant covenants and agrees that it will defend, indemnify, and save City harmless from all damages and any liability for injury to persons or property suffered by anyone upon the Leased Premises during the term of this Agreement or any renewal thereof so long as such injury is not the result, direct or indirect, of one or more negligent or willful acts or omissions of City, its agents, employees, or invitees.

12. **MUTUAL RELEASE:** Anything in this Agreement to the contrary notwithstanding, it is agreed that each party (the Releasing Party) hereby releases the other party (the Released Party) from liability which the Released Party would, but for this paragraph, have had to the Releasing Party during the term of this Agreement, resulting from the occurrence of any accident or occurrence or casualty (i) which is covered by a fire and extended coverage policy, or an all risk of direct physical loss policy, or (ii) covered by any other insurance being carried by the Releasing Party at the time of such occurrence; provided that such release shall not invalidate such insurance coverage.
13. **LIQUIDATED DAMAGES:** Should Tenant wrongfully withhold possession of the Leased Premises from City after the termination of this Agreement and written notice to vacate the Leased Premises given by City to Tenant, the damages for which Tenant shall be liable to City for such detention shall be and are hereby liquidated (for the period of such detention) at a sum equal to Fifty and 00/100 (\$50.00) Dollars per day during such term. Five (5) days notice of intent to impose such damages shall be given to Tenant by City, pursuant to the notice provisions hereof.
14. **IMPROPER USE; HAZARDOUS SUBSTANCES:** Tenant shall not conduct or permit to be conducted on the Leased Premises any business which is contrary to any laws or regulations of the United States or the State of Michigan or contrary to local ordinances. Tenant shall not, by any act or by neglect in or about the Leased Premises, infringe any laws or regulations of the United States or the State of Michigan or local ordinances or the regulations of any public authority, and shall save City harmless from any damage accruing to it from the failure of Tenant fully to keep this covenant.

Any aircraft fuel or other substances used in the operation and maintenance of aircraft shall be stored only in such containers as shall be approved by City, and strictly in accordance with all laws and regulations of any governmental entity having jurisdiction over such storage. In the event that; during the term of this Agreement, the Leased Premises shall be in any way contaminated by any hazardous or toxic substance, as defined in any existing or hereinafter enacted law or regulation governing hazardous or toxic substances, and such contamination shall be the result of any willful or negligent act or omission on the part of Tenant or any employee of Tenant or any person engaged by Tenant, all costs of clean-up of such contamination of the Leased Premises and any adjoining premises contaminated thereby, shall be borne by Tenant. Such costs shall include all actual costs of clean-up and any related costs incurred by City including, but not limited to, reasonable attorney fees; and Tenant hereby covenants and agrees to defend, indemnify and hold City harmless from any and all loss, cost, expense, damage or claim of whatever name or nature and however the same shall be deemed to have arisen with respect to such contamination, so long as such loss, cost, expense, damage or claim is not the result, direct or indirect, of one or more negligent or willful acts or omissions of City, its agents, employees or invitees.

15. **DAMAGE OR DESTRUCTION:** If, during the Agreement term, the buildings, or improvements on, in or appurtenant to the Leased Premises at the commencement of the term, or thereafter erected, shall be destroyed or damaged in whole or in part by fire or other cause, City shall, to the extent of available insurance coverage, promptly repair,

replace, and rebuild the same, as nearly as possible to the character of the buildings and improvements existing immediately prior to such occurrence.

Restoration shall commence as soon as any insurance payments shall have been received and necessary permits shall have been obtained. City shall be responsible to undertake all necessary action to render the Leased Premises safe and secure immediately after any damage shall occur and to demolish damaged and dangerous structures and remove debris. Provided, however, that in no event shall City be liable to Tenant or any third party for any damages, including, but not limited to, for the injury of any person, the damage or destruction of any of Tenant's property or the property of any third party or for damages due to business interruption.

16. LIENS: Tenant shall have no power to do any act or make any contract which may create or be the foundation for any lien, mortgage or other encumbrance upon the reversion or other estate of City, or upon any interest of City in the Leased Premises or in the buildings or improvements thereon; it being agreed that should Tenant cause any alterations, rebuildings, replacements, changes, additions, improvements or repairs to be made to the Leased Premises, or cause any labor to be performed or material to be furnished therein, thereon or thereto, neither City nor the Leased Premises shall, under any circumstances, be liable for the payment of any expense incurred or for the value of any work done or material furnished, but all such alterations, rebuilding, replacements, changes, additions, improvements and repairs, and labor and material, shall be made, furnished and performed at Tenant's expense, and Tenant shall be solely and wholly responsible to contractors, laborers and suppliers furnishing and performing such labor and material. If, because- of any act or omission (or alleged act or omission) of Tenant, any construction or other lien, charge or order for the payment of money shall be filed against the Leased Premises or any building or improvements thereon, or against City, or any conditional bill of sale or security agreement may exist with respect to any building equipment or any materials used in the construction or alteration of, or installed in, any such building or improvement (whether or not such lien) charge or order, conditional bill of sale or security agreement is valid or enforceable as such), Tenant shall, at its own cost and expense, cause the same to be cancelled and discharged of record or bonded within ten (10) days after notice thereof.
17. DEFAULT AND REENTRY: Tenant shall observe and perform all the conditions and agreements herein contained to be observed and performed by Tenant. If default shall be made by Tenant in the payment of rent, additional rent, or in the performance of any of said conditions or agreements, or if Tenant shall become insolvent, or if bankruptcy, receivership or other insolvency proceedings shall be begun by or against Tenant, or if Tenant shall abandon or vacate the Leased Premises before the end of the term, then City shall be entitled to reenter the Leased Premises, and Tenant' right to enter shall be suspended. Such reentry and suspension shall not operate as an eviction or cancellation of this Agreement.

Tenant shall pay to City, in addition to any sums due hereunder, reasonable attorney's fees and court costs incurred by City in enforcing City's rights hereunder, if City shall prevail in any enforcement proceeding.



18. CITY'S INSPECTION: City shall have the right to enter the Leased Premises and buildings thereon at reasonable times to exhibit or examine the same, but City must give Tenant reasonable notice (at least one day) prior to entry, except in an emergency situation.
19. WAIVER BY CITY: No waiver of any condition of this Agreement shall be implied from City's omission to declare forfeiture or default on account of its violation, if such violation be continued or repeated. No express waiver shall affect any other than the conditions specified, and then only as specifically stated.
20. PERSONAL PROPERTY AFTER TERMINATION: If Tenant shall fail to remove all of its personal property from the Leased Premises after termination of this Agreement for any cause whatsoever, City may, at its option, remove the same in any manner that City shall choose, and store said property without liability to Tenant for loss thereof, and Tenant agrees to pay City on demand any and all expenses incurred in such removal, including court costs and reasonable attorney's fees and storage charges on such effects for any length of time the same shall be in City's possession; or City may at its option, without notice, sell said property, or any of the same, at private sale and without legal process, for such price as City may obtain and apply the proceeds of such sale upon any amounts due under this Agreement from Tenant to City and upon the expense incident to the removal and sale of said effects. Any remaining balance shall be paid to Tenant.
23. TERMINATION DUE TO FACTORS BEYOND CITY'S CONTROL: In the event that, for any reason, this Agreement shall be deemed or declared invalid by any Court or by the State of Michigan, or by the United States Government, then the same shall be deemed forthwith terminated, without compensation to Tenant. In the event that ownership and/ or control of the Leased Premises shall, for any reason, be placed in the hands of the State of Michigan, the United States Government or any other public entity, this Agreement may be terminated at the election of the entity assuming control of the Leased Premises.
22. REMEDIES NOT EXCLUSIVE: All rights and remedies of City and Tenant herein shall be cumulative, and none shall be exclusive of any other rights and remedies allowed by law.
23. NOTICES: Whenever in this Agreement it shall be required or permitted that notice or demand be given or served by either party upon the other, such notice or demand shall be in writing and shall be deemed to have been duly given or served upon deposit in the United States Mail, postage prepaid, and addressed as follows:

To City:                      City Manager  
   City of Marshall  
   Town Hall  
   323 West Michigan Avenue  
   Marshall, Michigan 49068

To Tenant

Griswold Aviation LLC  
1243 S. Kalamazoo Ave., Ste. C  
Marshall, MI 49068

24. SIGNS: Tenant shall comply with applicable ordinances regarding signage on the premises.
25. CONDITION OF PREMISES: Subject to the requirements contained in Paragraph 6, above, the Leased Premises shall be delivered to Tenant in "as is" condition and without any representation by City as to the condition; provided, however, that this provision does not in any way limit or alter the City obligations to keep and maintain the properties in a condition to allow the Tenant to fully utilize them in the manner intended by this agreement.
26. CITY'S ADVANCES: If Tenant shall default in any payment or expenditure required to be paid or expended by Tenant under the terms hereof, City may, at its option, make such payment or expenditure, in which event the amount thereof shall be payable as rental to City by Tenant on the next ensuing rent day, together with interest at twelve (12%) percent per annum from the date of such payment or expenditure by City until repayment thereof. On default in such payment, City shall have the same remedies as on another default hereunder.
27. PEACEFUL POSSESSION: Tenant on paying the rentals herein provided and performing all the covenants and agreements herein contained to be performed by it in the manner and at the time set therefore shall and may peacefully and quietly have, hold and occupy the Leased Premises for the term aforesaid.
28. REPRESENTATIONS: No agreement shall be binding upon either party unless made in writing and signed by it. No representation, guarantee or warranty, except such as is herein contained, nor any collateral agreement hereto shall be binding unless the same be in writing and shall refer to this Agreement.
29. AMENDMENT; INCORPORATION BY REFERENCE: This Agreement may not be amended or modified, except by an agreement in writing signed by both parties. Notwithstanding the foregoing, if the laws of the State of Michigan or of the United States, or any regulation promulgated pursuant to such laws, shall render any provision of this Agreement invalid, or shall require that any provision of this Agreement be amended, then the provision rendered invalid shall be deemed automatically eliminated, and any amendment automatically made to conform to such laws and regulations. This Agreement incorporates by reference any and all necessary provisions required by any law of the State of Michigan, or of the United States, or any regulation promulgated thereunder.
30. NON-EXCLUSIVE: Nothing contained herein shall be construed to grant or authorize the granting of an exclusive right prohibited by the constitution or laws of the State of Michigan, or the United States, or any regulation promulgated thereunder, and City reserves the right to grant to others the privilege and right of conducting any one or all of the activities listed herein, or any other activity of a similar nature, on the Airport property.

31. PARTIAL INVALIDITY: If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.
32. CAPTIONS, ETC.: The captions in this Agreement are inserted only for convenience and are not to be construed as part of this Agreement or as in any way affecting it. All negotiations, considerations, representations and understandings between the parties are incorporated herein, and may be modified or altered only by agreement in writing between the parties. ~~Whenever herein the singular number is used the same shall include the plural, and the masculine gender shall include the feminine and neuter genders.~~ ~~(Since this Agreement does not use pronouns, this line is unnecessary.)~~
33. BINDING ON SUCCESSORS, ETC.: The covenants, conditions and agreements made and entered into by the parties hereto shall inure to the benefit of and shall be binding upon their respective heirs, legal representatives, successors and assigns, as the case may be. If more than one person signs this Agreement as Tenant or City, the provisions hereof shall bind them jointly and severally.
34. INTERPRETATION: This Agreement shall be governed and interpreted in accordance with the laws of the State of Michigan, applicable to contracts made and to be performed in the State of Michigan and without reference to conflicts of laws rules. This Agreement has been executed and reviewed by both parties and after opportunity for both parties to have it reviewed by legal counsel of their choice. None of the provisions of this Agreement shall be interpreted against either party solely by reason of the fact that legal counsel for such party shall have drafted any such provision.
35. WARRANTY OF AUTHORITY: The persons executing this Agreement on behalf of Tenant hereby personally represent and warrant that they have the authority to do so and to thereby bind Tenant. For breach of such warranty, such persons shall be liable to City for all loss, cost, expense, damage or claim, including reasonable attorney fees and expenses.
36. TIME OF THE ESSENCE: Time is of the essence of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this

Agreement. Griswold Aviation LLC

City of Marshall

By: Craig Griswold

By: Trisha Nelson

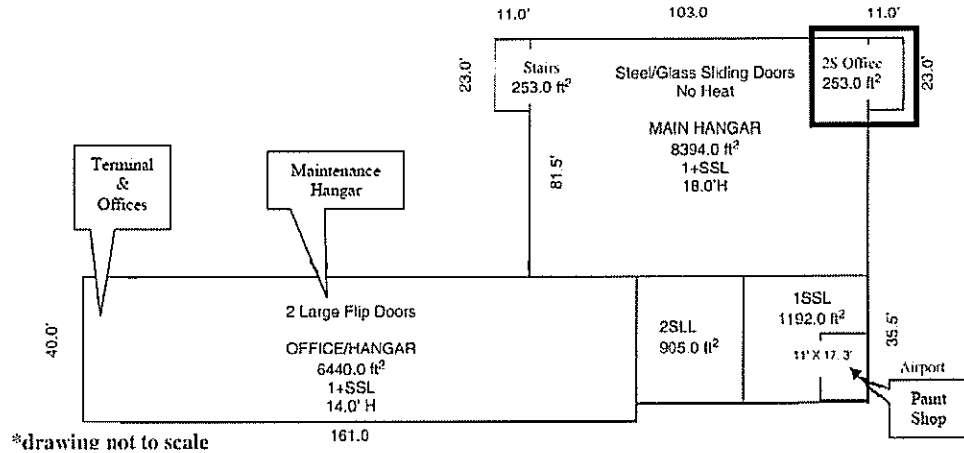
Its: Member

Its: City Clerk

Date:

Date:

**EXHIBIT  
A**



**Brooks Field – 1243 S. Kalamazoo Avenue, Marshall, MI 49068 (Description of area used by Griswold)**

**Exclusive and Secure Areas**

Exclusive and secure access to the following areas: Maintenance Hangar, 2SLL, 1SSL, Terminal & Offices, and Paint Shop) in the diagram above. The Tenant’s member, Craig Griswold, shall have exclusive use of the 2<sup>nd</sup> Floor apartment of the structure as described in Paragraph 3 (C) of the lease.

**Access Included To:**

Tenant shall have non-exclusive access to the areas designated as “**Main Hangar**” when necessary to service aircraft that will not fit into the leased maintenance hangar space, as described in Paragraph 3 (B) of the lease.





**ADMINISTRATIVE REPORT**  
**April 19, 2021 – CITY COUNCIL MEETING**

**TO:** Honorable Mayor and Council Members

**FROM:** Tom Tarkiewicz, City Manager

**SUBJECT:** Financial Policies Updates

**BACKGROUND:** In February of 2016, the Council approved four Financial Policies:

- Debt Policy
- Grant Policy
- Investment Policy
- Reserve Policy

The Interim Finance Director Karen Lancaster reviewed the policies and suggested updates. Also, City Staff reviewed the policies and made suggested updates. The attached policies show a redline/ strike out version and a final clean version.

**RECOMMENDATION:** It is recommended that the Council approve the updated Debt Policy, Grant Policy, Investment Policy, and Reserve Policy.

**FISCAL EFFECTS:** None.

**ALTERNATIVES:** As suggested by council.

Respectfully submitted,

Tom Tarkiewicz  
City Manager

323 W. Michigan Ave.

Marshall, MI 49068

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cityofmarshall.com

The following debt management policy should be used to provide the general framework for planning and reviewing debt proposals. City Council recognizes there are no absolute rules or easy formulas that can substitute for a thorough review of all information affecting the City's debt position. Debt decisions should be the result of deliberative consideration of all factors involved.

## 1. General Debt Policy

- 1.1 The City shall seek to maintain and, if possible, to enhance its current bond rating so borrowing costs are minimized and access to credit is preserved. It is imperative that the City demonstrates to rating agencies, investment bankers, creditors, and taxpayers that City officials are following a prescribed financial plan. The City will follow a policy of full disclosure by communicating with bond rating agencies informing them of the City's financial condition.
- 1.2 The City recognizes that it is of the utmost importance that elected and appointed City officials, and all others associated with the issuance of City debt, not only avoid the reality of a conflict of interest, but the appearance thereof as well. City officials must conduct themselves in a manner consistent with the best interests of the City and taxpayers. Elected and appointed City officials should avoid even the appearance of linkages between politics and public finance that can erode the confidence of taxpayers, ratepayers, and voters. This includes avoiding gratuities, and political contributions of more than nominal value from service providers and the disclosure of all possible conflicts of interest shall be provided in writing and filed with the City Clerk.
- 1.3 Bonds will be sold on a competitive basis unless it is in the best interest of the City to conduct a negotiated sale. Competitive sales will be the preferred method. Negotiated sales may occur when selling bonds for a defeasance of existing debt, for current or advanced refunding of debt, or for other appropriate reasons.

## 2. Taxpayer Equity

- 2.1 Marshall's property taxpayers and citizens who benefit from projects financed by bonds should be the source of the related debt service funding. This principle of taxpayer equity should be a primary consideration in determining the type of projects selected for financing through bonds. Furthermore, the principle of taxpayer equity shall be applied for setting rates in determining net revenues for bond coverage ratios.

### 3. Uses

- 3.1 Bond proceeds should be limited to financing the costs of planning, design, land acquisition, buildings, permanent structures, attached fixtures or equipment, vehicles such as fire engines, or other costs as permitted by law. Utility revenue bond proceeds may be used to establish a debt service reserve as allowed by State law. Acceptable uses of bond proceeds can be viewed as items, which can be capitalized. Non-capital furnishings and supplies will not be financed from bond proceeds. Refunding bond issues designed to restructure currently outstanding debt are an acceptable use of bonds proceeds.

### 4. Decision Analysis

- 4.1 Whenever the City is contemplating a possible bond issue, information will be developed concerning the following four categories commonly used by rating agencies assessing the City's creditworthiness. The subcategories are representative of the types of items to be considered. The Finance Director will present this information to the City Manager:

#### 4.1.a Debt Analysis

- Debt capacity analysis
- Purpose for which debt is issued
- Debt structure
- Debt burden
- Debt history and trends
- Adequacy of debt and capital planning
- Obsolescence of capital plant

#### 4.1.b Financial Analysis

- Stability, diversity, and growth rates of tax or other revenue sources
- Trend in assessed valuation and collections
- Current budget trends
- Appraisal of past revenue and expenditure trends
- History and long-term trends of revenues and expenditures
- Evidences of financial planning
- Adherence to generally accepted accounting principles
- Audit results
- Fund balance status and trends in operating and debt funds
- Financial monitoring systems and capabilities
- Cash flow projections



- 4.1.c Governmental and Administrative Analysis
  - Government organization structure
  - Location of financial responsibilities and degree of control
  - Adequacy of basic service provision
  - Intergovernmental cooperation/conflict and extent of duplication
  - Overall city planning efforts
- 4.1.d Economic Analysis
  - Geographic and location advantages
  - Population and demographic characteristics
  - Wealth indicators
  - Housing characteristics
  - Level of new construction
  - Types of employment, industry, and occupation
  - Evidences of industrial decline
  - Trend of the economy
- 4.2 The City may use the services of qualified internal staff and outside advisors to assist in the analysis, evaluation, and decision process, including bond counsel and financial advisors. Recognizing the importance and value to the City's creditworthiness and marketability of the City's bonds, this policy is intended to ensure that potential debt complies with all laws and regulations, as well as sound financial principles.

## 5. Debt Planning

- 5.1 ~~Unlimited-tax general~~General obligation bond borrowing should be planned and the details of the plan should be included in the City's Capital Improvement Plan.
- 5.2 ~~Unlimited-tax general~~General obligation bond issues should be included in at least two Capital Improvement Plans preceding the year of the bond sale. The first inclusion should contain a general description of the project, its timing, and financial limits; subsequent inclusions should become increasingly specific.

## 6. Communication and Disclosure

- 6.1 Significant financial reports affecting or commenting on the City will be forwarded to the rating agencies. Each bond prospectus will follow the disclosure guidelines of the Government Finance Officers Association of the U.S. & Canada.



- 6.2 The City should attempt to develop coordinated communication processes concerning collective plans for future debt issues with all other jurisdictions with which it shares a common property tax base. Reciprocally, shared information on debt plans including amounts, purposes, timing, and types of debt would aid each jurisdiction in its debt planning decisions.

## 7. General Obligation Bonds

- 7.1 Every project proposed for financing through general obligation debt should be accompanied by a full analysis of the future operating, maintenance and depreciation costs associated with the project.
- 7.2 Generally, bonds cannot be issued for a longer maturity schedule than a conservative estimate of the useful life of the asset to be financed. The City will attempt to keep the average maturity of general obligation bonds at or below 25 years. The City will limit the total of its general obligation debt to 10% of the City's assessed value.
- 7.3 Whenever possible, the City will finance capital projects by using self-supporting revenue bonds. Revenue bonds assure the greatest degree of equity because those who benefit from a project and those who pay for a project are most closely matched.

## 8. Limited Tax General Obligation Debt

- 8.1 Limited tax general obligation bonds should be considered only when constraints preclude the practice of voter approved general obligation bonds. As a precondition to the issuance of limited tax general obligation bonds, all alternative methods of financing should have been investigated. Consideration should always be given to provide a pledge of facility revenue to accompany the basic pledge of limited tax revenues.
- 8.2 Limited tax general obligation bonds should only be issued under certain conditions:
- 8.2.a A project to be financed will generate positive net revenues, i.e., additional revenues generated by the project will be greater than the debt service requirements. The net revenues should be positive over the life of the bonds, and be positive each year if possible. The City recognizes that net revenues may not be positive in the early years of certain projects, but should be

positive within a reasonable time period of five to seven years. These calculations will be made on a conservative basis so that the potential for a long-term net decrease in general fund revenues is minimized.

8.2.b Matching fund monies are available which may be lost if not applied for in a timely manner.

8.2.c Catastrophic conditions.

This sub-section was eliminated from the model policy:

A project may be financed when the analysis shows the impact to the organization is in the best interest of the City for the long-term.

**9. Debt Coverage**

9.1 It is City policy that each utility or enterprise should provide adequate debt service coverage. This coverage is outlined in detail within the City’s Fund Balance/Net Position Policy. An example of the debt coverage calculation is below.

*EXAMPLE*

Debt Coverage Example:

Operating Revenues	\$14,000,000
Operating Investment Income	<u>800,000</u>
Total Operating Revenue	\$14,800,000
Operating Expenses	\$11,500,000
Less: Depreciation and Amortization	<u>1,000,000</u>
Net Expenses	\$10,500,000
Net Revenue Available for Debt Service	\$ 4,300,000 (1*)
Principal	\$ 1,500,000
Interest	<u>2,000,000</u>
Total Debt Service	\$ 3,500,000 (2*)
Debt Coverage Ratio (1* divided by 2*)	1.23

*EXAMPLE*



## 10. Short Term Financing/Capital Lease Debt

- 10.1 Short-term financing or capital lease debt will be considered to finance certain equipment and rolling stock purchases when the aggregate cost of equipment to be purchased exceeds \$100,000. Adequate funds for the repayment of principal and interest must be included in the requesting service area's approved budget.
- 10.2 The term of short-term financing will be limited to the usual useful life period of the vehicle or equipment, but in no case will exceed ten years.

The following two major sections were eliminated from the model policy:

### 11. Defeasance of Bonds (Refunding)

11.1 The City will solicit the advice of bond counsel and financial advisor in order to outline key legal and financial issues. Three key criteria will be evaluated when considering a refunding candidate:

- Financial and Policy Objectives
- Financial Savings / Results
- Bond Structure and Escrow Efficiency

11.2 Financial and Policy Objectives - The City will ensure that refunding bond issues comply with the Debt Management Policy objectives set forth herein, and otherwise comply with other City policies.

11.3 Financial Savings - The City shall ensure that refunding results in a positive Net Present Value savings of at least 3%, or \$100,000. In certain circumstances, lower savings thresholds may be justified. For example, when an advance refunding is being conducted primarily for policy reasons (other than economic savings), interest rates are at historically low levels or the time remaining to maturity is limited, and as such, future opportunities to achieve greater savings are not likely to occur. In this analysis, the following must be considered:

- issuance costs and the interest rate at which the bonds can be issued
- the maturity date of the refunded bonds
- call date of the refunded bonds
- call premium on the refunded bonds
- structure and yield of the refunding escrow
- any transferred proceeds penalty

11.4 Bond Structure and Escrow Efficiency - The City shall pay careful attention to the structure of bonds prior to issuance to address features that may affect flexibility in the future. Potential for refunding shall be anticipated.

Escrows for defeasance shall be structured to optimize efficiency and savings. All legally eligible securities shall be evaluated with regard to liquidity, risk and yield. Escrow securities shall be selected to mature and/or pay interest as closely as possible prior to debt service requirements of the refunded escrow, and also to minimize risk. The City shall seek the lowest cost escrow agent qualified to manage its escrows.

## 12. Inter-fund Loans

12.1 The City will consider loans to individual funds from the pool of invested funds as an alternative to installment loans and/or bond issuance when conditions warrant. There are situations when such loans are both prudent and appropriate, and can result in cost savings for the City.

12.2 When evaluating inter-fund borrowing, the criteria outlined in 4. Decision Analysis, above, shall be considered. In addition, it is important to note that the funding is backed by the General Fund. Thus, these loans should only be approved if the credit-worthiness of the fund is deemed high.

12.3 Inter-fund loans should only be approved when the interest rate charged to the borrowing fund exceeds the Annual Portfolio Yield Net of Fees for the previous year and is less than the market rate that could otherwise be realized.



The following debt management policy should be used to provide the general framework for planning and reviewing debt proposals. City Council recognizes there are no absolute rules or easy formulas that can substitute for a thorough review of all information affecting the City's debt position. Debt decisions should be the result of deliberative consideration of all factors involved.

**1. General Debt Policy**

- 1.1 The City shall seek to maintain and, if possible, to enhance its current bond rating so borrowing costs are minimized and access to credit is preserved. It is imperative that the City demonstrates to rating agencies, investment bankers, creditors, and taxpayers that City officials are following a prescribed financial plan. The City will follow a policy of full disclosure by communicating with bond rating agencies informing them of the City's financial condition.
- 1.2 The City recognizes that it is of the utmost importance that elected and appointed City officials, and all others associated with the issuance of City debt, not only avoid the reality of a conflict of interest, but the appearance thereof as well. City officials must conduct themselves in a manner consistent with the best interests of the City and taxpayers. Elected and appointed City officials should avoid even the appearance of linkages between politics and public finance that can erode the confidence of taxpayers, ratepayers, and voters. This includes avoiding gratuities, and political contributions of more than nominal value from service providers and the disclosure of all possible conflicts of interest shall be provided in writing and filed with the City Clerk.
- 1.3 Bonds will be sold on a competitive basis unless it is in the best interest of the City to conduct a negotiated sale. Competitive sales will be the preferred method. Negotiated sales may occur when selling bonds for a defeasance of existing debt, for current or advanced refunding of debt, or for other appropriate reasons.

**2. Taxpayer Equity**

- 2.1 Marshall's property taxpayers and citizens who benefit from projects financed by bonds should be the source of the related debt service funding. This principle of taxpayer equity should be a primary consideration in determining the type of projects selected for financing through bonds. Furthermore, the principle of taxpayer equity shall be applied for setting rates in determining net revenues for bond coverage ratios.

### 3. Uses

- 3.1 Bond proceeds should be limited to financing the costs of planning, design, land acquisition, buildings, permanent structures, attached fixtures or equipment, vehicles such as fire engines, or other costs as permitted by law. Utility revenue bond proceeds may be used to establish a debt service reserve as allowed by State law. Acceptable uses of bond proceeds can be viewed as items, which can be capitalized. Non-capital furnishings and supplies will not be financed from bond proceeds. Refunding bond issues designed to restructure currently outstanding debt are an acceptable use of bonds proceeds.

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  - Geographic and location advantages
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- 4.2 The City may use the services of qualified internal staff and outside advisors to assist in the analysis, evaluation, and decision process, including bond counsel and financial advisors. Recognizing the importance and value to the City's creditworthiness and marketability of the City's bonds, this policy is intended to ensure that potential debt complies with all laws and regulations, as well as sound financial principles.

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12.2 When evaluating inter-fund borrowing, the criteria outlined in 4. Decision Analysis, above, shall be considered. In addition, it is important to note that the funding is backed by the General Fund. Thus, these loans should only be approved if the credit-worthiness of the fund is deemed high.

12.3 Inter-fund loans should only be approved when the interest rate charged to the borrowing fund exceeds the Annual Portfolio Yield Net of Fees for the previous year and is less than the market rate that could otherwise be realized.

## Grant Accounting and Administration Policy

### Reason for Policy

To outline guidelines for the submittal of grant applications and the acceptance of grant awards (Federal, State or Local) or any non-grant Federal funding on behalf of the City of Marshall.

### Policy Statement

The municipality will maintain grant information and accounting to facilitate the annual audit and compliance with federal and state grant requirements.

### Policy Procedure

- 1) Application for Grants – All grant applications over the fiscal year purchasing threshold must be approved by the City Council before submission for the grant. Contact the Finance Director for assistance in determining appropriate wording for the resolution as well as to discuss grant matches or other potential grant requirements. See Appendix A for required information for grant applications.
- 2) City Council Approval of the Award - The resolution should authorize the acceptance and administration of the grant and confirm either that the grant award and conditions are not substantially changed from the application or note any changes from the application. The resolution must also establish the appropriate expenditure accounts and appropriate any funds required.
- 3) Internal Controls over Federal Grant Awards- After the grant is awarded, review the grant award documentation with the Finance Director. ***No funds will be expended until all internal documentation has been completed.*** In this meeting, the Finance Director, or designee, will review the Grant Project Checklist (see Appendix C) with the grant administrator. The Checklist gathers information prior to the grant being set up in the financial system or any procurement activities/other incurred direct costs. Periodically, throughout the life cycle of the grant, the Finance Director will meet with the grant administrator to ensure compliance with the grant agreement. Areas of internal controls that will be reviewed include:
  - a. Procurement of good and services
  - b. Allowability of Costs-Documentation of costs charged to the grant must demonstrate the allowability under the grant agreement. The grant administrator is solely responsible for understanding the costs allowed under the grant.
  - c. Payroll and Fringes-Documentation of charges for payroll and fringes charged
  - d. Cash Management- Cash draws must be made timely in accordance with the grant agreement. Draws should be requested no later than 30 days after the end of the quarter. All draws must be reviewed by the Finance Director/Controller, or their designee, prior to requesting Federal money. The Treasurer, or their designee, is the only authorized requestor of Federal and State grant reimbursement. No



## Grant Accounting and Administration Policy

other staff is authorized to draw down funds on behalf of The City of Marshall. This includes funds drawn through the State of Michigan LARS system.

- e. Indirect Costs-Under no circumstances, should The City of Marshall apply for an indirect cost rate when applying for a grant, or accept reimbursement for indirect costs without discussing the implications with the Finance Director.
- f. Authorization, Approvals and Documentation- For each transaction charged to the grant, the grant administrator is certifying the cost is allowable under the grant when the request for reimbursement is given to the Finance Director. Documentation to support the request must match the financial system and all related backup must be attached to the grant request including invoices, receipts, time and attendance reports and other related documentation.

For more information on the Uniform Grant Guidance requirements, please visit:

<https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards>

- 4) Grant Award Information Required for the Annual Audit - The grant administrator will provide the Finance Director with the following information (if applicable) (*See Appendix B – for the Summary of Grant Information Form to attach with contract & resolution*):
  - a) Grant name and program description.
  - b) A copy of the grant application.
  - c) A copy of the City Council resolution approving the grant
  - d) Funding agency. (If the funding agency is a State agency, the grant administrator must note whether the funds are pass-through funds from the Federal government.)
  - e) Catalog of Federal Domestic Assistance number, if grant award is Federal
  - f) Grant number.
  - g) Program amount requested.
  - h) Grant administrator contact person (name, title, and phone-number).
  - i) Financing Information
    - i. Source of funds (grantor, amount)
    - ii. Use of funds (type of expenditure, amount)
    - iii. Grant expiration (length of time account will be needed)
    - iv. Relationship to other grants/projects

## Grant Accounting and Administration Policy

For example, if the City Council approved a grant contract for a consultant study of land use, with total funding of \$100,000 (Federal grant, \$80,000; State grant, \$15,000; local grant match, see the financial information furnished to the Finance Director below:

<u>Source of Funds</u>	
Federal Funds	\$80,000
State grant	\$15,000
Municipality Funds	<u>\$ 5,000</u>
<b>Total</b>	<b>\$100,000</b>
<u>Use of Funds</u>	
Consultant services	<u>\$100,000</u>
Total	\$100,000

The grant administrator in consultation with the Finance Director would then set up the grant in the financial system using specific general ledger account numbers.

- 5) Grant Close Out Documents - After the terms of the grant have been satisfied, all necessary documents to close out the grant shall be prepared on a timely basis. Copies of all grants close-out documents (final reports) should be provided to the Finance Director after the final reimbursement is requested.

# Grant Accounting and Administration Policy

## Appendix A

### Summary of Grant Application for Review and Approval

Funding agency (if a State agency, it is also important to note if these are pass-through funds)

\_\_\_\_\_

Grant name and program description and Project Name/File Number (if applicable):

\_\_\_\_\_

\_\_\_\_\_

Program Award Amount: \$ \_\_\_\_\_

Grant administrator (name, title, phone #):

\_\_\_\_\_

Grant Application Questions:

	Yes	No	N/A
Does the grant require matching funds? If yes, how much? <input style="width: 150px;" type="text"/>			
Does the grant require a budget adjustment from the City Council?			
If the grant funds FTEs, is there a requirement to retain those employees for a certain period of time? If yes, how many years? <input style="width: 150px;" type="text"/>			
If the grant funds capital outlay, is there a requirement to track the equipment for a certain number of years after the grant award? If yes, how many? <input style="width: 100px;" type="text"/>			
If the grant has special reporting requirements, have those been discussed with Finance?			
If the grant has special banking requirements to receive funding, have those been discussed with the Treasurer?			
Are there other commitments that the City of Marshall will be making if this grant is awarded?			

Submitted by: \_\_\_\_\_ Date: \_\_\_\_\_

Finance Director Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Return Completed Form to the Finance Director after all approvals are obtained.

Grant Accounting and Administration Policy

**Appendix B**

**Summary of Grant Information**

Funding agency (if a State agency, it is also important to note if these are pass-through funds)

---

---

Grant name and program description and Project Name/File Number (if applicable):

---

---

Catalog of Federal Domestic Assistance Number: \_\_\_\_\_

Grant Number: \_\_\_\_\_

Program Award Amount: \$ \_\_\_\_\_

Accounting information:

GL Accounts: \_\_\_\_\_



## Grant Accounting and Administration Policy

Expected expenditure amount \$ \_\_\_\_\_

Please attach copies of the following:

- grant application
- approved resolution
- grant award letter/contract
- grant closeout documents (if applicable)

Grant contact person (name, title, phone #): \_\_\_\_\_

**Return Completed Form to the Finance Director.**

# Grant Accounting and Administration Policy

## Appendix C-Sample Grant Checklist

Department: \_\_\_\_\_

Federal Agency Awarding Grant: \_\_\_\_\_

Grant Amount: \_\_\_\_\_

Grant Name and GL Account: \_\_\_\_\_

### General Questions

Are you a direct recipient or a pass-through entity? (200.330) \_\_\_\_\_

Are you passing through funding to other agencies? (200.331) \_\_\_\_\_

Have you received your Federal Award Identification Information? If so, provide a copy to the Finance Director. If not, obtain your information and bring it to the Finance Director.

Is your grant construction related? If yes, discuss specific construction requirements here. \_\_\_\_\_

Does your grant award include a grant match (200.306)? If so, how much and what is the source of the match? \_\_\_\_\_

Does your grant generate any program income (200.307)? \_\_\_\_\_

What is your period of performance (200.309)? \_\_\_\_\_

Does your grant involve the purchase of real property (200.311)? \_\_\_\_\_

Does your grant involve the purchase of equipment (200.313)? \_\_\_\_\_

Does your grant involve the purchase of supplies (200.314)? \_\_\_\_\_

Does your grant involve the purchase of intangible property (200.315)? \_\_\_\_\_

Does your grant allow for indirect costs (200.416)? \_\_\_\_\_

Does this Grantor Agency have specific additional requirements above Uniform Grant Guidance? If so, summarize here. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Grant Accounting and Administration Policy

### Procurement (200.318 to 200.326)

#### Prior to Bidding

- Notify Procurement that bid/proposal has Federal grant funding
- Does your Grantor agency require a review of your bid/proposal specifications? If so, date review was complete: \_\_\_\_\_
- Demonstrate bid avoids purchasing unnecessary or duplicative items
- Demonstrate consideration of intergovernmental procurement agreements
- Demonstrate consideration of Federal excess and surplus property
- Demonstrate compliance with the recycled/recovered content per the EPA guidelines
- Demonstrate steps were taken to contract with small and minority businesses, women's business enterprises, and labor surplus area firms
- Include Federal Funding Reference in project solicitation
- Include Required Bid and Contract Documents Packet in bid packet
- Demonstrate compliance with APP 207, ***Procurement Standards for Federal Grants***

#### During Project Bidding Process

- Bid advertisement date: \_\_\_\_\_
- Pre-bid meeting date (if applicable): \_\_\_\_\_
- Confirm no mandatory meetings were required

#### After Bid Opening

- Provide analysis to the Finance Director of economical purchases (i.e. lease vs. buy, consolidation of procurements, use of surplus property.)
- Provide the Finance Director with a copy of the bid tabulation/proposal scoring for grant file
- Date Conflict of Interest was received \_\_\_\_\_
- Provide the Finance Director evidence of review of Federal Debarment List located at [www.sam.gov](http://www.sam.gov) before contract award



## Grant Accounting and Administration Policy

### Award Period

- Provide the Finance Director with a copy of the contract award letter and City Council resolution.
  - Provide the Finance Director with how contractor oversight will be maintained.
  - Provide the Finance Director with a copy of the Performance Bond (if required).
  - For Quarterly/Semi-Annual Financial Reporting, were your reports filed in a timely manner? (200.327) Dates filed: \_\_\_\_\_
  - For Annual Financial Reporting, was your report filed in a timely manner? (200.327) Date filed: \_\_\_\_\_
  - For monitoring and reporting program performance, were your reports filed at the interval required by the Grantor agency with 90 days after the reporting period? (200.328) \_\_\_\_\_
- 

- Submit a completed Reimbursement Request Form with the following information attached:

- Copy of invoice
- Copy of proof of payment
- Any other relevant backup documentation (if applicable) or  N/A

### Post-Award Closeout (200.343-200.345)

- Closeout submitted within 90 days of the end of the performance period

**To be completed by the Finance Director in conjunction with the Grant Administrator.**

## Grant Accounting and Administration Policy

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### Policy Procedure

- 1) Application for Grants – All grant applications over the fiscal year purchasing threshold must be approved by the City Council before submission for the grant. Contact the Finance Director for assistance in determining appropriate wording for the resolution as well as to discuss grant matches or other potential grant requirements. See Appendix A for required information for grant applications.
- 2) City Council Approval of the Award - The resolution should authorize the acceptance and administration of the grant and confirm either that the grant award and conditions are not substantially changed from the application or note any changes from the application. The resolution must also establish the appropriate expenditure accounts and appropriate any funds required.
- 3) Internal Controls over Federal Grant Awards- After the grant is awarded, review the grant award documentation with the Finance Director. ***No funds will be expended until all internal documentation has been completed.*** In this meeting, the Finance Director, or designee, will review the Grant Project Checklist (see Appendix C) with the grant administrator. The Checklist gathers information prior to the grant being set up in the financial system or any procurement activities/other incurred direct costs. Periodically, throughout the life cycle of the grant, the Finance Director will meet with the grant administrator to ensure compliance with the grant agreement. Areas of internal controls that will be reviewed include:
  - a. Procurement of good and services
  - b. Allowability of Costs-Documentation of costs charged to the grant must demonstrate the allowability under the grant agreement. The grant administrator is solely responsible for understanding the costs allowed under the grant.
  - c. Payroll and Fringes-Documentation of charges for payroll and fringes charged
  - d. Cash Management- Cash draws must be made timely in accordance with the grant agreement. Draws should be requested no later than 30 days after the end of the quarter. All draws must be reviewed by the Finance Director/Controller, or their designee, prior to requesting Federal money. The Treasurer, or their designee, is the only authorized requestor of Federal and State grant reimbursement. No

## Grant Accounting and Administration Policy

other staff is authorized to draw down funds on behalf of The City of Marshall. This includes funds drawn through the State of Michigan LARS system.

- e. Indirect Costs-Under no circumstances, should The City of Marshall apply for an indirect cost rate when applying for a grant, or accept reimbursement for indirect costs without discussing the implications with the Finance Director.
- f. Authorization, Approvals and Documentation- For each transaction charged to the grant, the grant administrator is certifying the cost is allowable under the grant when the request for reimbursement is given to the Finance Director. Documentation to support the request must match the financial system and all related backup must be attached to the grant request including invoices, receipts, time and attendance reports and other related documentation.

For more information on the Uniform Grant Guidance requirements, please visit:

<https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards>

- 4) Grant Award Information Required for the Annual Audit - The grant administrator will provide the Finance Director with the following information (if applicable) (*See Appendix B – for the Summary of Grant Information Form to attach with contract & resolution*):
  - a) Grant name and program description.
  - b) A copy of the grant application.
  - c) A copy of the City Council resolution approving the grant
  - d) Funding agency. (If the funding agency is a State agency, the grant administrator must note whether the funds are pass-through funds from the Federal government.)
  - e) Catalog of Federal Domestic Assistance number, if grant award is Federal
  - f) Grant number.
  - g) Program amount requested.
  - h) Grant administrator contact person (name, title, and phone-number).
  - i) Financing Information
    - i. Source of funds (grantor, amount)
    - ii. Use of funds (type of expenditure, amount)
    - iii. Grant expiration (length of time account will be needed)
    - iv. Relationship to other grants/projects

## Grant Accounting and Administration Policy

For example, if the City Council approved a grant contract for a consultant study of land use, with total funding of \$100,000 (Federal grant, \$80,000; State grant, \$15,000; local grant match, see the financial information furnished to the Finance Director below:

<u>Source of Funds</u>	
Federal Funds	\$80,000
State grant	\$15,000
Municipality Funds	<u>\$ 5,000</u>
<b>Total</b>	<b>\$100,000</b>
<u>Use of Funds</u>	
Consultant services	<u>\$100,000</u>
Total	\$100,000

The grant administrator in consultation with the Finance Director would then set up the grant in the financial system using specific general ledger account numbers.

- 5) Grant Close Out Documents - After the terms of the grant have been satisfied, all necessary documents to close out the grant shall be prepared on a timely basis. Copies of all grants close-out documents (final reports) should be provided to the Finance Director after the final reimbursement is requested.



# Grant Accounting and Administration Policy

## Appendix A

### Summary of Grant Application for Review and Approval

Funding agency (if a State agency, it is also important to note if these are pass-through funds)

\_\_\_\_\_

Grant name and program description and Project Name/File Number (if applicable):

\_\_\_\_\_

\_\_\_\_\_

Program Award Amount: \$ \_\_\_\_\_

Grant administrator (name, title, phone #):

\_\_\_\_\_

Grant Application Questions:

	Yes	No	N/A
Does the grant require matching funds? If yes, how much? <input type="text"/>			
Does the grant require a budget adjustment from the City Council?			
If the grant funds FTEs, is there a requirement to retain those employees for a certain period of time? If yes, how many years? <input type="text"/>			
If the grant funds capital outlay, is there a requirement to track the equipment for a certain number of years after the grant award? If yes, how many? <input type="text"/>			
If the grant has special reporting requirements, have those been discussed with Finance?			
If the grant has special banking requirements to receive funding, have those been discussed with the Treasurer?			
Are there other commitments that the City of Marshall will be making if this grant is awarded?			

Submitted by: \_\_\_\_\_ Date: \_\_\_\_\_

Finance Director Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Return Completed Form to the Finance Director after all approvals are obtained.

Grant Accounting and Administration Policy

**Appendix B**

**Summary of Grant Information**

Funding agency (if a State agency, it is also important to note if these are pass-through funds)

---

---

Grant name and program description and Project Name/File Number (if applicable):

---

---

Catalog of Federal Domestic Assistance Number: \_\_\_\_\_

Grant Number: \_\_\_\_\_

Program Award Amount: \$\_\_\_\_\_

Accounting information:

GL Accounts: \_\_\_\_\_

## Grant Accounting and Administration Policy

Expected expenditure amount \$ \_\_\_\_\_

Please attach copies of the following:

- grant application
- approved resolution
- grant award letter/contract
- grant closeout documents (if applicable)

Grant contact person (name, title, phone #): \_\_\_\_\_

**Return Completed Form to the Finance Director.**

# Grant Accounting and Administration Policy

## Appendix C-Sample Grant Checklist

Department: \_\_\_\_\_

Federal Agency Awarding Grant: \_\_\_\_\_

Grant Amount: \_\_\_\_\_

Grant Name and GL Account: \_\_\_\_\_

### General Questions

Are you a direct recipient or a pass-through entity? (200.330) \_\_\_\_\_

Are you passing through funding to other agencies? (200.331) \_\_\_\_\_

Have you received your Federal Award Identification Information? If so, provide a copy to the Finance Director. If not, obtain your information and bring it to the Finance Director.

Is your grant construction related? If yes, discuss specific construction requirements here. \_\_\_\_\_

Does your grant award include a grant match (200.306)? If so, how much and what is the source of the match? \_\_\_\_\_

Does your grant generate any program income (200.307)? \_\_\_\_\_

What is your period of performance (200.309)? \_\_\_\_\_

Does your grant involve the purchase of real property (200.311)? \_\_\_\_\_

Does your grant involve the purchase of equipment (200.313)? \_\_\_\_\_

Does your grant involve the purchase of supplies (200.314)? \_\_\_\_\_

Does your grant involve the purchase of intangible property (200.315)? \_\_\_\_\_

Does your grant allow for indirect costs (200.416)? \_\_\_\_\_

Does this Grantor Agency have specific additional requirements above Uniform Grant Guidance? If so, summarize here. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

## Grant Accounting and Administration Policy

### Procurement (200.318 to 200.326)

#### Prior to Bidding

- Notify Procurement that bid/proposal has Federal grant funding
- Does your Grantor agency require a review of your bid/proposal specifications? If so, date review was complete: \_\_\_\_\_
- Demonstrate bid avoids purchasing unnecessary or duplicative items
- Demonstrate consideration of intergovernmental procurement agreements
- Demonstrate consideration of Federal excess and surplus property
- Demonstrate compliance with the recycled/recovered content per the EPA guidelines
- Demonstrate steps were taken to contract with small and minority businesses, women's business enterprises, and labor surplus area firms
- Include Federal Funding Reference in project solicitation
- Include Required Bid and Contract Documents Packet in bid packet
- Demonstrate compliance with APP 207, ***Procurement Standards for Federal Grants***

#### During Project Bidding Process

- Bid advertisement date: \_\_\_\_\_
- Pre-bid meeting date (if applicable): \_\_\_\_\_
- Confirm no mandatory meetings were required

#### After Bid Opening

- Provide analysis to the Finance Director of economical purchases (i.e. lease vs. buy, consolidation of procurements, use of surplus property.)
- Provide the Finance Director with a copy of the bid tabulation/proposal scoring for grant file
- Date Conflict of Interest was received \_\_\_\_\_
- Provide the Finance Director evidence of review of Federal Debarment List located at [www.sam.gov](http://www.sam.gov) before contract award



## Grant Accounting and Administration Policy

### Award Period

- Provide the Finance Director with a copy of the contract award letter and City Council resolution.
  - Provide the Finance Director with how contractor oversight will be maintained.
  - Provide the Finance Director with a copy of the Performance Bond (if required).
  - For Quarterly/Semi-Annual Financial Reporting, were your reports filed in a timely manner? (200.327) Dates filed: \_\_\_\_\_
  - For Annual Financial Reporting, was your report filed in a timely manner? (200.327) Date filed: \_\_\_\_\_
  - For monitoring and reporting program performance, were your reports filed at the interval required by the Grantor agency with 90 days after the reporting period? (200.328) \_\_\_\_\_
- 

- Submit a completed Reimbursement Request Form with the following information attached:

- Copy of invoice
- Copy of proof of payment
- Any other relevant backup documentation (if applicable) or  N/A

### Post-Award Closeout (200.343-200.345)

- Closeout submitted within 90 days of the end of the performance period

**To be completed by the Finance Director in conjunction with the Grant Administrator.**

## INVESTMENT POLICY

Adopted: February 16, 2016

Amended: April 19, March 4, 2021

### I.

#### Overview

The City of Marshall, Michigan (hereafter known as the CITY) is a home rule municipality operating under its City Charter and City Code. The CITY functions under the direction of a City Manager who is appointed by a seven-member City Council. The purpose of this Investment Policy is to establish the investment scope, objectives, delegation of authority, standards of prudence, eligible investments and transactions, internal controls, reporting requirements, and safekeeping and custodial procedures necessary for the investment of the funds of the CITY.

This Investment Policy has been adopted by resolution of the City Council of Marshall, Michigan and replaces all previous investment policies or resolutions concerning the cash management or investment of City funds.

The CITY manages a flexible investment portfolio, which includes general operating funds, bond reserve funds, proceeds from bond sales that will be expended on capital projects as well as various other funds. Because these funds may be required at any time, it is essential that the CITY maintain strict maturity horizons for the purpose of liquidity control.

### II. Policy

It is the policy of the ~~City of Marshall (hereafter known as the~~CITY) to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the CITY and conforming to all State statutes and local ordinances governing the investment of public funds.

#### **Scope**

This investment policy applies to all financial assets held by the CITY. These assets are accounted for in the CITY's ~~Comprehensive~~ Annual Financial Report (CAFR) and include:

- General Fund
- Special Revenue Funds
- Internal Service Funds
- Capital Project Funds
- Enterprise Funds
- Trust and Agency Funds
- Debt Service Funds
- Any new fund created by the City, unless specifically exempted by the legislative body.

Except for cash in certain restricted and special funds, the CITY shall consolidate cash balances

## INVESTMENT POLICY

Adopted: February 16, 2016

Amended: April 19, ~~March 1,~~ 2021

from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income shall be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

The CITY does not invest employee pension funds as these funds are managed by the Municipal Employees' Retirement System (MERS).

### III. **Investment Objectives**

The following investment objectives, in priority order, will be applied in the management of the CITY's funds:

#### Safety

The primary objective of the CITY's investment activities is the preservation of capital in the overall portfolio and the protection of investment principal. The Finance Director will employ mechanisms to control risks and diversify investments regarding specific security types or individual financial institutions.

#### Liquidity

The investment portfolio will remain sufficiently liquid to enable the CITY to meet operating requirements which may be reasonably anticipated.

#### Return on Investment

Subject to the foregoing constraints, the CITY will strive to maximize the rate of return on the portfolio and to preserve the purchasing power but will avoid assuming unreasonable investment risk. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

### IV. **Prudence and Indemnification**

In managing its investment portfolio, the Finance Director shall avoid any transaction that might impair public confidence. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence

## INVESTMENT POLICY

Adopted: February 16, 2016

Amended: April 19, March 1, 2021

exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The above standard is established as the standard for professional responsibility and shall be applied in the context of managing the overall portfolio. The Finance Department staff of the CITY, as designated by the Finance Director, acting in accordance with State statute, this Investment Policy, written procedures as may be established, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion, and appropriate action is taken to control adverse developments.

### V. **Delegation of Authority and Investment Procedures**

Authority to manage the CITY's investment program is derived from State statutes.

Daily management responsibility for the investment program is the responsibility of the Finance Director, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of the procedures established by the Finance Director. Such procedures should also include reference to safekeeping, repurchase agreements, wire transfer agreements, collateral or depository agreements and banking service contracts. The Finance Director shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of designated staff.

### VI. **Ethics and Conflicts of Interest**

Designated staff involved in the investment process shall refrain from personal business activity which could conflict with proper execution of the investment program or which could impair—or create the appearance of an impairment—in their ability to make impartial investment decisions. Any employee involved with investments shall disclose to the City Manager any material financial interests in financial institutions that conduct business with the CITY, and they shall further disclose any ~~material~~ large personal financial investment positions that could be related to the performance of the CITY's portfolio. Employees shall subordinate their personal investment transactions to those of the CITY. Failure to report these relationships may be grounds for discipline, up to and including termination. Employees shall comply with all applicable laws, regulations, professional codes of responsibilities and CITY policies.

### VII. **Authorized Financial Dealers and Institutions**

The Finance Director will maintain a list of financial institutions, which are authorized to provide investment and depository services. In addition, a list will also be maintained of approved security broker/dealers selected by credit-worthiness, who maintain an office in the State of Michigan or who are "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by State law.



## INVESTMENT POLICY

Adopted: February 16, 2016

Amended: April 19, March 1, 2021

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Finance Director with the following: audited financial statements for the recent fiscal year; certification of having read the CITY's investment policy and the pertinent State statutes; proof of National Association of Security Dealers certification; and proof of State registration, where applicable.

Alternatively, if the CITY has engaged the services of an investment advisory firm, the authorized Investment Advisor may utilize the Investment Advisor's list of broker/dealers when executing transactions on behalf of the CITY, provided that each broker/dealer meets the minimum criteria listed above in items 1 – 3 of this section. The Investment Advisor's approved list of broker/dealers shall be provided to the CITY on an annual basis or upon request. In addition, the authorized Investment Advisor shall provide a written receipt of this Investment Policy and agreement to conduct transactions on behalf of the CITY in accordance with this Investment Policy. The authorized Investment Advisor shall provide such certification on an annual basis or upon any revision to this Investment Policy.

### VIII. Authorized and Suitable Investments

The CITY is empowered by State statute (1988 Public Act 239, M.C.L. 129.91) to invest in the following types of securities:

a. Treasury Bills, Treasury Bonds, Treasury Notes, Treasury STRIPS, and other securities or obligations of the United States, or an agency or instrumentality of the United States;

b. Certificates of Deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the federal deposit insurance corporation or a savings and loan which is a member of the federal savings and loan insurance corporation or a credit union which is insured by the national credit union administration, but only if the bank, savings and loan, or credit union is eligible to be a depository of surplus funds belonging to the state under section 5 or 6 of Act No.105 of the Public Acts of 1855, as amended;

c. In United States government or federal agency obligation repurchase agreements with a termination date of 90 days or less collateralized by U.S. Treasury Obligations or Federal Instrumentality Securities listed in (a.) above with maturities not exceeding ten years.

§.Collateralization: For the purpose of this section, the term "collateral" shall mean "purchased securities" under the terms of the CITY approved Master Repurchase Agreement. The collateral shall have an original minimum market value (including accrued interest) of 102% of the dollar value of the transaction and the collateral maintenance level shall be 101%. If collateralized value drops below 101 percent, it will immediately be restored to 102%. Collateral shall be held by the CITY's custodial bank as safekeeping agent, and the market value of the collateral securities shall be marked to the market daily based on that day's bid price. The right of collateral substitution is granted.



## INVESTMENT POLICY

Adopted: February 16, 2016

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Master Repurchase Agreement: Repurchase Agreements shall be entered into only with primary dealers reporting to the Federal Reserve Bank of New York, or with firms that have a primary dealer within their holding company structure or with approved depository banks that have executed an approved Master Repurchase Agreement with the CITY. The Finance Director shall maintain a copy of the CITY's approved Master Repurchase Agreement along with a list of the counterparties who have executed a Master Repurchase Agreement with the CITY.

There is no limit on the percentage of the portfolio that may be invested in repurchase agreements.

d. Obligations of the State of Michigan or any of its political subdivisions with a final maturity not exceeding ten years from the date of trade settlement, that are rated at least A- or the equivalent with a stable or positive rating outlook by at least one nationally recognized statistical rating organization (NRSRO). Investments in such obligations shall not exceed 10% of the CITY's investment portfolio and no more than 5% of the CITY's investment portfolio may be invested in any one issuer. Diversification and credit criteria described for obligations of the State of Michigan are not applicable to issues of the City of Marshall.

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ed. In Banker's Acceptances (BA's) of United States banks;

fe. In commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and which matures not more than 270 days after the date of purchase;

gf. In mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan;

hg. Investments purchased through an inter-local agreement under the urban co-operations act of 1967, (Ex Sess) PA 7, MCL 124.501 to 124.512;

ih. Investment pools organized under the surplus funds investment pool act, 1982 Public Act 367, MCL 129.111 to 129.118; and

ji. The investment pools organized under the local investment pool act, 1985 Public Act 121, MCL 129.141 to 129.150.

The Finance Director is restricted to investments which meet the statutory restrictions above and limitations on security issues and issuers as detailed below:

~~a. Repurchase agreements shall be negotiated only with dealers or financial institutions with whom the Finance Director's Office has negotiated a Master Repurchase Agreement or with the CITY's primary bank. Repurchase agreements must be signed with the bank or dealer and must contain provisions similar to those outlined in the Public Security Association's model Master Repurchase Agreement. Similar language suggested above.~~

ab. Investments in Commercial Paper are restricted to those which have, at the time

## INVESTMENT POLICY

Adopted: February 16, 2016

~~Amended: April 19, March 1, 2021~~

of purchase, the top investment rating provided by any two nationally recognized rating agencies. Commercial paper held in the portfolio which subsequently receives a reduced rating shall be closely monitored and sold immediately if the principal invested may otherwise be jeopardized.

~~be.~~ Certificates of deposits shall be purchased only from financial institutions which qualify under Michigan law and are consistent with Opinion No. 6168, Opinions of the Attorney General (1982).

~~d. In money market mutual funds or qualified bank trust funds composed of investment vehicles which are legal for direct investment by local governments in Michigan. Looks to be the same as page 5 (f.)~~

### IX. Diversification

The CITY will diversify its instruments and investments by security type and institution. With the exception of U.S. Treasury securities and authorized investment pools, no more than fifty percent (50%) of the total investment portfolio will be invested in a single security type OR with a single financial institution. I suggest adding a table that provides maximum allocations by security type, something similar to:

65% in Federal Instrumentality Securities

30% in Money Market Mutual Funds

25% in Prime Commercial Paper

10% in Time Certificates of Deposit

10% in Federal Agency Securities

10% in Obligations of the State of Michigan or any of its political subdivisions

10% in Investment Pools

10% in Joint Interlocal Investment Ventures

10% in Local Government Investment Pools

### X.

#### **Pooling of Cash**

~~The Finance Director or Designee may, where appropriate, pool cash of various funds to maximize earnings. Investment income shall be allocated to the various funds based upon their respective participation.~~

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~~This can be removed, as it is covered in II. Policy above~~

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### XI. Maximum Maturities

To the extent possible, the CITY will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the CITY will not directly invest in securities maturing more than three (3) years from the date of purchase. Reserve funds may be invested in securities exceeding three (3) years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds. I suggest setting an absolute maximum maturity horizon, perhaps ten years.

## INVESTMENT POLICY

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I suggest a new section:

### Competitive Transactions

Each investment shall be competitively transacted with authorized broker/dealers. Whenever possible, at least three broker/dealers shall be contacted and their bid and offering prices shall be recorded. If the CITY is offered a security for which there is no other readily available competitive offering, then quotations for comparable or alternative securities shall be documented. Transactions executed by the CITY's investment advisor shall be conducted on a competitive basis as described in this section.

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### **XII. Collateralization, Safekeeping and Custody**

The State of Michigan does not require collateralization of Public Funds. Non-negotiable, non-collateralized Certificates of Deposit, as is the law in the State of Michigan, shall be evidenced by a Safekeeping Receipt from the issuing bank.

### **XIII. Accounting**

The CITY maintains its records on the basis of funds and account groups, each of which is considered a separate accounting entity. All investment transactions shall be recorded in the various funds of the CITY in accordance with generally accepted accounting principles as promulgated by the Government Accounting Standards Board. Accounting treatment will include:

- Investments will be carried at cost or amortized cost which approximates market.
- Premium or discount will be amortized over the life of the investment.
- Gains or losses of investments in all funds will be recognized at the time of disposition of the security.
- Market price shall be disclosed annually in the financial statements and periodically in the performance reports.

### **XIV. Investment Performance and Reporting**

The Finance Director shall submit a quarterly investment report that provides:

- Principal and type of investment by fund
- Annualized yield
- Ratio of cash to investments
- Earnings for the current quarter and year-to-date
- Market price and a summary report of cash and investments maintained in each financial institution.

I suggest adding a section that compares performance to benchmark.

Performance of the portfolio shall be reported to the City Manager and Marshall City Council quarterly. Reports shall include details of the characteristics of the portfolio as well as its performance for that period. Material deviations from projected investment strategies shall be reported immediately to the City Manager.

### **XV. Internal Controls**



## INVESTMENT POLICY

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The Finance Director shall establish a system of internal controls which is designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by designated employees of the Finance Office. Required elements of the system of internal controls shall include: 1) The timely reconciliation of all bank accounts (i.e. monthly reconciliations within 30 days of the end of the monthly cycle), 2) details of delivery versus payment procedures and trust receipt documentation, and 3) a third party audit to be conducted annually. Internal controls will also encompass at a minimum the additional issues of:

- transfers of all funds (purchases, sales, etc.);
- separation of functions including transaction authority and accounting and record-keeping;
- custodial safekeeping;
- avoidance of delivery of bearer from or non-wireable securities to the CITY;
- delegation of authority to staff members;
- written confirmation of telephone transactions;
- supervisory control of employee actions;
- specific guidelines regarding securities losses and remedial action;
- identification and minimization of the number of authorized investment officials

### XVI. Investment Policy Adoption

The CITY's investment policy shall be adopted by resolution of the Marshall City Council. The policy shall be reviewed as necessary by the Marshall City Council.

I suggest a new section:

#### Performance

The benchmark yield shall be equal to the average yield on the U.S. Treasury Security that most closely corresponds to the portfolio's actual weighted average maturity. When comparing the performance of the CITY's portfolio, the reported rate of return shall include both average weighted yield and rate of return net of fees.

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## INVESTMENT POLICY

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### GLOSSARY

**Bankers' Acceptance (BA):** A draft or bill of exchange accepted by bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Broker:** A broker brings buyers and sellers together for a commission.

**Commercial Paper:** Short-term unsecured debt obligation issued by a bank holding company, finance company, utility or industrial company to raise short term cash.

**Certificate of Deposit (CD):** A receipt of funds deposited in a financial institution for a specified period at a specified rate of interest. A negotiable receipt may be in bearer or registered form and can be traded in the secondary market. A non-negotiable receipt is always registered and has no secondary market. Denominations can be any agreed amount, and interest is normally calculated using actual number of days on a 360 day year. However, each financial institution's calculations vary, and the investor should ask to avoid misunderstanding.

**Discount:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**Federal Deposit Insurance Corporation (FDIC):** A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

**Federal Savings and Loan Insurance Corporation (FSLIC):** A federal institution that insures deposits of federally chartered savings and loan associations.

**Liquidity:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the Money Market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**Market Price:** The price at which a security is trading and could presumably be purchased or sold.

**National Credit Union Administration:** A federal institution that insures deposits of federal and state chartered credit unions.

**Primary Dealer:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks and a few unregulated firms.

**Portfolio:** Collection of securities held by an investor.



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**Rate of Return:** The yield obtainable on a security based on its purchase price or its current market price. (see Yield)

**Repurchase Agreement:** A contractual arrangement, not a security, between a financial institution or dealer and an investor. The agreement normally can run for one to thirty days, but some can go longer. The investor puts up his funds for a certain number of days at a stated yield. In return he takes title to a given block of securities as collateral. At maturity the securities are returned and the funds repaid plus interest.

**Safekeeping:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vault for protection.

**SEC Rule 15C3-1:** See Uniform Net Capital Rule.

**Securities & Exchange Commission:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SIPC:** Securities Investor Protection Corporation created as a non-profit member corporation by Congress in 1970 for the purpose of protection of cash and securities held by member SEC-registered broker/dealers that protects customer accounts in the event of the financial failure of a member.

**Treasury Bills:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

**Treasury Bonds:** Long-term coupon-bearing U.S. Treasury security issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

**Treasury Notes:** Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government bearing interest payable at six month intervals and having initial maturities from one to 10 years.

**Treasury STRIPS:** Separate Trading of Registered Interest and Principal of Securities issued by the U.S. Government

**Uniform Net Capital Rule:** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash

**Yield:** The rate of annual income return on an investment, expressed as a percentage.

# INVESTMENT POLICY

Adopted: April 19, 2021

## I. Overview

The City of Marshall, Michigan (hereafter known as the CITY) is a home rule municipality operating under its City Charter and City Code. The CITY functions under the direction of a City Manager who is appointed by a seven-member City Council. The purpose of this Investment Policy is to establish the investment scope, objectives, delegation of authority, standards of prudence, eligible investments and transactions, internal controls, reporting requirements, and safekeeping and custodial procedures necessary for the investment of the funds of the CITY.

This Investment Policy has been adopted by resolution of the City Council of Marshall, Michigan and replaces all previous investment policies or resolutions concerning the cash management or investment of City funds.

The CITY manages a flexible investment portfolio, which includes general operating funds, bond reserve funds, proceeds from bond sales that will be expended on capital projects as well as various other funds. Because these funds may be required at any time, it is essential that the CITY maintain strict maturity horizons for the purpose of liquidity control.

## II. Policy

It is the policy of the CITY to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the CITY and conforming to all State statutes and local ordinances governing the investment of public funds.

### Scope

This investment policy applies to all financial assets held by the CITY. These assets are accounted for in the CITY's Annual Financial Report (AFR) and include:

- General Fund
- Special Revenue Funds
- Internal Service Funds
- Capital Project Funds
- Enterprise Funds
- Trust and Agency Funds
- Debt Service Funds
- Any new fund created by the City, unless specifically exempted by the legislative body.

Except for cash in certain restricted and special funds, the CITY shall consolidate cash balances from all funds to maximize investment earnings and to increase

# INVESTMENT POLICY

Adopted: April 19, 2021

efficiencies with regard to investment pricing, safekeeping and administration. Investment income shall be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

The CITY does not invest employee pension funds as these funds are managed by the Municipal Employees' Retirement System (MERS).

### **III. Investment Objectives**

The following investment objectives, in priority order, will be applied in the management of the CITY's funds:

#### **Safety**

The primary objective of the CITY's investment activities is the preservation of capital in the overall portfolio and the protection of investment principal. The Finance Director will employ mechanisms to control risks and diversify investments regarding specific security types or individual financial institutions.

#### **Liquidity**

The investment portfolio will remain sufficiently liquid to enable the CITY to meet operating requirements which may be reasonably anticipated.

#### **Return on Investment**

Subject to the foregoing constraints, the CITY will strive to maximize the rate of return on the portfolio and to preserve the purchasing power but will avoid assuming unreasonable investment risk. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

### **IV. Prudence and Indemnification**

In managing its investment portfolio, the Finance Director shall avoid any transaction that might impair public confidence. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The above standard is established as the standard for professional responsibility and shall be applied in the context of managing the overall portfolio. The Finance Department staff of the CITY, as designated by the Finance Director, acting in accordance with State statute, this Investment Policy, written procedures as may be established, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion, and appropriate action is taken to control adverse developments.

# INVESTMENT POLICY

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## **V. Delegation of Authority and Investment Procedures**

Authority to manage the CITY's investment program is derived from State statutes. Daily management responsibility for the investment program is the responsibility of the Finance Director, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of the procedures established by the Finance Director. Such procedures should also include reference to safekeeping, repurchase agreements, wire transfer agreements, collateral or depository agreements and banking service contracts. The Finance Director shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of designated staff.

## **VI. Ethics and Conflicts of Interest**

Designated staff involved in the investment process shall refrain from personal business activity which could conflict with proper execution of the investment program or which could impair—or create the appearance of an impairment—in their ability to make impartial investment decisions. Any employee involved with investments shall disclose to the City Manager any material financial interests in financial institutions that conduct business with the CITY, and they shall further disclose any material personal financial investment positions that could be related to the performance of the CITY's portfolio. Employees shall subordinate their personal investment transactions to those of the CITY. Failure to report these relationships may be grounds for discipline, up to and including termination. Employees shall comply with all applicable laws, regulations, professional codes of responsibilities and CITY policies.

## **VII. Authorized Financial Dealers and Institutions**

The Finance Director will maintain a list of financial institutions, which are authorized to provide investment and depository services. In addition, a list will also be maintained of approved security broker/dealers selected by credit-worthiness, who maintain an office in the State of Michigan or who are "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by State law.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Finance Director with the following: audited financial statements for the recent fiscal year; certification of having read the CITY's investment policy and the pertinent State statutes; proof

# INVESTMENT POLICY

Adopted: April 19, 2021

of National Association of Security Dealers certification; and proof of State registration, where applicable.

Alternatively, if the CITY has engaged the services of an investment advisory firm, the authorized Investment Advisor may utilize the Investment Advisor's list of broker/dealers when executing transactions on behalf of the CITY, provided that each broker/dealer meets the minimum criteria listed above in items 1 – 3 of this section. The Investment Advisor's approved list of broker/dealers shall be provided to the CITY on an annual basis or upon request. In addition, the authorized Investment Advisor shall provide a written receipt of this Investment Policy and agreement to conduct transactions on behalf of the CITY in accordance with this Investment Policy. The authorized Investment Advisor shall provide such certification on an annual basis or upon any revision to this Investment Policy.

## **VIII. Authorized and Suitable Investments**

The CITY is empowered by State statute (1988 Public Act 239, M.C.L. 129.91) to invest in the following types of securities:

- a. Treasury Bills, Treasury Bonds, Treasury Notes, Treasury STRIPS, and other securities or obligations of the United States, or an agency or instrumentality of the United States;
- b. Certificates of Deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the federal deposit insurance corporation or a savings and loan which is a member of the federal savings and loan insurance corporation or a credit union which is insured by the national credit union administration, but only if the bank, savings and loan, or credit union is eligible to be a depository of surplus funds belonging to the state under section 5 or 6 of Act No.105 of the Public Acts of 1855, as amended;
- c. In United States government or federal agency obligation repurchase agreements with a termination date of 90 days or less collateralized by U.S. Treasury Obligations or Federal Instrumentality Securities listed in (a.) above with maturities not exceeding ten years.

Collateralization: For the purpose of this section, the term "collateral" shall mean "purchased securities" under the terms of the CITY approved Master Repurchase Agreement. The collateral shall have an original minimum market value (including accrued interest) of 102% of the dollar value of the transaction and the collateral maintenance level shall be 101%. If collateralized value drops below 101 percent, it will immediately be restored to 102%. Collateral shall be held by the CITY's custodial bank as safekeeping agent, and the market value of the collateral securities shall be



## INVESTMENT POLICY

Adopted: April 19, 2021

marked to the market daily based on that day's bid price. The right of collateral substitution is granted.

Master Repurchase Agreement: Repurchase Agreements shall be entered into only with primary dealers reporting to the Federal Reserve Bank of New York, or with firms that have a primary dealer within their holding company structure or with approved depository banks that have executed an approved Master Repurchase Agreement with the CITY. The Finance Director shall maintain a copy of the CITY's approved Master Repurchase Agreement along with a list of the counterparties who have executed a Master Repurchase Agreement with the CITY.

There is no limit on the percentage of the portfolio that may be invested in repurchase agreements.

- d. Obligations of the State of Michigan or any of its political subdivisions with a final maturity not exceeding ten years from the date of trade settlement, that are rated at least A- or the equivalent with a stable or positive rating outlook by at least one nationally recognized statistical rating organization (NRSRO). Investments in such obligations shall not exceed 10% of the CITY's investment portfolio and no more than 5% of the CITY's investment portfolio may be invested in any one issuer. Diversification and credit criteria described for obligations of the State of Michigan are not applicable to issues of the City of Marshall.
- e. In Banker's Acceptances (BA's) of United States banks;
- f. In commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and which matures not more than 270 days after the date of purchase;
- g. In mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan;
- h. Investments purchased through an inter-local agreement under the urban co-operations act of 1967, (Ex Sess) PA 7, MCL 124.501 to 124.512;
- i. Investment pools organized under the surplus funds investment pool act, 1982Public Act 367, MCL 129.111 to 129.118; and
- j. The investment pools organized under the local investment pool act, 1985 Public Act 121, MCL 129.141 to 129.150.

# INVESTMENT POLICY

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The Finance Director is restricted to investments which meet the statutory restrictions above and limitations on security issues and issuers as detailed below:

- a. Investments in Commercial Paper are restricted to those which have, at the time of purchase, the top investment rating provided by any two nationally recognized rating agencies. Commercial paper held in the portfolio which subsequently receives a reduced rating shall be closely monitored and sold immediately if the principal invested may otherwise be jeopardized.
- b. Certificates of deposits shall be purchased only from financial institutions which qualify under Michigan law and are consistent with Opinion No. 6168, Opinions of the Attorney General (1982).

## **IX. Diversification**

The CITY will diversify its instruments and investments by security type and institution. With the exception of U.S. Treasury securities and authorized investment pools, no more than fifty percent (50%) of the total investment portfolio will be invested in a single security type OR with a single financial institution. I suggest adding a table that provides maximum allocations by security type, something similar to:

- 65% in Federal Instrumentality Securities
- 30% in Money Market Mutual Funds
- 25% in Prime Commercial Paper
- 10% in Time Certificates of Deposit
- 10% in Federal Agency Securities
- 10% in Obligations of the State of Michigan or any of its political subdivisions
- 10% in Investment Pools
- 10% in Joint Interlocal Investment Ventures
- 10% in Local Government Investment Pools

## **X. Maximum Maturities**

To the extent possible, the CITY will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the CITY will not directly invest in securities maturing more than three (3) years from the date of purchase. Reserve funds may be invested in securities exceeding three (3) years, but no more than ten (10) years, if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

## **XI. Competitive Transactions**

Each investment shall be competitively transacted with authorized broker/dealers. Whenever possible, at least three broker/dealers shall be contacted and their bid

# INVESTMENT POLICY

Adopted: April 19, 2021

and offering prices shall be recorded. If the CITY is offered a security for which there is no other readily available competitive offering, then quotations for comparable or alternative securities shall be documented. Transactions executed by the CITY's investment advisor shall be conducted on a competitive basis as described in this section.

## **XII. Collateralization, Safekeeping and Custody**

The State of Michigan does not require collateralization of Public Funds. Non-negotiable, non-collateralized Certificates of Deposit, as is the law in the State of Michigan, shall be evidenced by a Safekeeping Receipt from the issuing bank.

## **XIII. Accounting**

The CITY maintains its records on the basis of funds and account groups, each of which is considered a separate accounting entity. All investment transactions shall be recorded in the various funds of the CITY in accordance with generally accepted accounting principles as promulgated by the Government Accounting Standards Board. Accounting treatment will include:

- Investments will be carried at cost or amortized cost which approximates market.
- Premium or discount will be amortized over the life of the investment.
- Gains or losses of investments in all funds will be recognized at the time of disposition of the security.
- Market price shall be disclosed annually in the financial statements and periodically in the performance reports.

## **XIV. Investment Performance and Reporting**

The Finance Director shall submit a quarterly investment report that provides:

- Principal and type of investment by fund
- Annualized yield
- Ratio of cash to investments
- Earnings for the current quarter and year-to-date
- Market price and a summary report of cash and investments maintained in each financial institution.
- Investment performance to available benchmark.

Performance of the portfolio shall be reported to the City Manager and Marshall City Council quarterly. Reports shall include details of the characteristics of the portfolio as well as its performance for that period. Material deviations from projected investment strategies shall be reported immediately to the City Manager.

## **XV. Internal Controls**

# INVESTMENT POLICY

Adopted: April 19, 2021

The Finance Director shall establish a system of internal controls which is designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by designated employees of the Finance Office. Required elements of the system of internal controls shall include: 1) The timely reconciliation of all bank accounts (i.e., monthly reconciliations within 30 days of the end of the monthly cycle), 2) details of delivery versus payment procedures and trust receipt documentation, and 3) a third party audit to be conducted annually. Internal controls will also encompass at a minimum the additional issues of:

- transfers of all funds (purchases, sales, etc.);
- separation of functions including transaction authority and accounting and record-keeping;
- custodial safekeeping;
- avoidance of delivery of bearer or non-wireable securities to the CITY;
- delegation of authority to staff members;
- written confirmation of telephone transactions;
- supervisory control of employee actions;
- specific guidelines regarding securities losses and remedial action;
- identification and minimization of the number of authorized investment officials

## **XVI. Investment Policy Adoption**

The CITY's investment policy shall be adopted by resolution of the Marshall City Council. The policy shall be reviewed as necessary by the Marshall City Council.

## **XVII. Performance**

The benchmark yield shall be equal to the average yield on the U.S. Treasury Security that most closely corresponds to the portfolio's actual weighted average maturity. When comparing the performance of the CITY's portfolio, the reported rate of return shall include both average weighted yield and rate of return net of fees.

# INVESTMENT POLICY

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## GLOSSARY

**Bankers' Acceptance (BA):** A draft or bill of exchange accepted by bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Broker:** A broker brings buyers and sellers together for a commission.

**Commercial Paper:** Short-term unsecured debt obligation issued by a bank holding company, finance company, utility or industrial company to raise short term cash.

**Certificate of Deposit (CD):** A receipt of funds deposited in a financial institution for a specified period at a specified rate of interest. A negotiable receipt may be in bearer or registered form and can be traded in the secondary market. A non-negotiable receipt is always registered and has no secondary market. Denominations can be any agreed amount, and interest is normally calculated using actual number of days on a 360 day year. However, each financial institution's calculations vary, and the investor should ask to avoid misunderstanding.

**Discount:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**Federal Deposit Insurance Corporation (FDIC):** A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

**Federal Savings and Loan Insurance Corporation (FSLIC):** A federal institution that insures deposits of federally chartered savings and loan associations.

**Liquidity:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the Money Market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**Market Price:** The price at which a security is trading and could presumably be purchased or sold.

**National Credit Union Administration:** A federal institution that insures deposits of federal and state chartered credit unions.

# INVESTMENT POLICY

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**Primary Dealer:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks and a few unregulated firms.

**Portfolio:** Collection of securities held by an investor.

**Rate of Return:** The yield obtainable on a security based on its purchase price or its current market price. (see Yield)

**Repurchase Agreement:** A contractual arrangement, not a security, between a financial institution or dealer and an investor. The agreement normally can run for one to thirty days, but some can go longer. The investor puts up his funds for a certain number of days at a stated yield. In return he takes title to a given block of securities as collateral. At maturity the securities are returned and the funds repaid plus interest.

**Safekeeping:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vault for protection.

**SEC Rule 15C3-1:** See Uniform Net Capital Rule.

**Securities & Exchange Commission:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SIPC:** Securities Investor Protection Corporation created as a non-profit member corporation by Congress in 1970 for the purpose of protection of cash and securities held by member SEC registered broker/dealers that protects customer accounts in the event of the financial failure of a member.

**Treasury Bills:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

**Treasury Bonds:** Long-term coupon-bearing U.S. Treasury security issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

**Treasury Notes:** Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government bearing interest payable at six month intervals and having initial maturities from one to 10 years.

**Treasury STRIPS:** Separate Trading of Registered Interest and Principal of Securities issued by the U.S. Government



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**Uniform Net Capital Rule:** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash

**Yield:** The rate of annual income return on an investment, expressed as a percentage.

FUND BALANCE/NET POSITION RESERVE POLICY

April 6, 2015  
(revised April 19February  
22, 2021)

Government Accounting Standards Board Statement No. 54, **Fund Balance Reporting and Governmental Fund Type Definitions**, requires certain actions by the governing body in order to establish a means to segregate fund balance for reporting purposes. In addition, although not required by any accounting standard, in order to ensure that governments maintain adequate levels of fund balance to mitigate risks and provide a back-up for revenue shortfalls, it is the recommended best practice that governments establish a minimum level of unrestricted fund balance in their general fund, along with policies related to use and replenishment of fund balance.

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The City desires to maintain a prudent level of financial resources to guard its citizens against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures. The Fund Balance/Net Position has been designated to meet this purpose. The Fund Balance/Net Position unrestricted reserve is intended to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The City's goals are to maintain annual expenditure increases at a conservative growth rate, and to limit expenditures to anticipated revenues.

The following fund balance/net position reserve policy should be used to provide the general framework for setting unassigned/unreserved, ~~undesignated~~ fund balance/net position reserve levels and for proposals with intended use of fund balance/net position reserves. City Council recognizes there are no absolute rules or easy formulas that provide fund balance/net position reserve levels. Generally, reserve levels are determined based on a percent of operating expenditures plus debt service ratio. The City recognizes the need to provide a policy which provides the guidelines for the annual review and discussion of fund balance/net position reserves during the budget development process. Planned use of fund balance/net position reserve decisions should be the result of deliberative consideration of all factors involved.

Monitoring compliance with the fund balance policy shall occur after the audit before the next budget cycle. The analysis should include audited unreserved, unassigned fund balance compared to audited expenditures, including debt service amount where applicable. For funds that are not in compliance with this policy, a plan will be included for Council's approval in the next budget cycle.

**Definitions**

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Fund Balance – A governmental fund's fund balance is the difference between its assets, deferred outflows and its liabilities and deferred inflows.

Fund Balance Components – An accounting distinction is made between the portions of fund equity that are spendable and non-spendable. Under GASB 54, these are broken up into five categories:

- 1) Non-spendable fund balance – Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund)
- 2) Restricted fund balance – Amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants and dedicated millages.
- 3) Committed fund balance- Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint. This would be a Board action to commit a portion of fund balance.
- 4) Assigned fund balance – Amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- 5) Unassigned fund balance – is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. The General Fund is the only fund with Unassigned fund balance.

**GENERAL FUND 18-25% Operating Expenditures Plus 1.2 Debt Service Ratio**

To account for resources traditionally associated with governments, which are not required to be accounted for in another fund. Expenditures from the General Fund go to services such as public safety (police, fire, and emergency management); parks and recreation programs; development and planning; community development services; roads; the City's legal and general government administration; and a variety of other services and programs.

The City Council considers it a good practice to keep around 18-25% of annual operating expenditures in unrestricted governmental fund balance plus 1.2 debt service ratio to cover new, unexpected expenses.

The decision to retain a fund balance of 18-25% of operating expenditures stems from the following considerations:

- This amount, in combination with the Working Capital Reserve, provides adequate funding to cover approximately three months (or 25%) of operating expenses.



FUND BALANCE/NET POSITION RESERVE POLICY

April 6, 2015

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- It provides the liquidity necessary to accommodate the City's uneven cash flow, which is inherent in its periodic tax collection schedule.
- It provides the liquidity to respond to contingent liabilities.

Fund balance may be accessed under the following conditions.

- The Fund balance target will be maintained at 18-25% of Operating Expenditures. Surplus Funds may be transferred to Capital Reserve, Long Term Obligation or Debt Service Fund, or may be used to restore the target fund balance.
- Except in the event of a declaration of an emergency by the City Council, a minimum Fund Balance equal to 18-25% of operating expenditures will be maintained. A majority of the Council is required to approve use of the Fund Balance such that it falls below a 15% level. The City will identify a plan to restore the General Government Fund Balance to its target amount as part of the emergency budget proposal.

**ENTERPRISE FUNDS A specified percent of Operating Expenditures Plus 1.2 Debt Service Ratio**

Includes all revenue and expenses necessary to operate the funds including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.

For Utility fund balance reserves (electric, wastewater and water), the decision to increase or decrease target unrestricted net position will be supported by the report of cost of service study or review provided by the City's consultant.

Marshall House – 15%, to account for the HUD assistance and rental activities of a lower-income senior citizen housing facility.

Fibernet-25%, to account for the provision of fiber service to the City and account for the revenue and expense related to the operations of City's Fibernet System.

Electric System – 25%, to account for the provision of electricity of the City and account for the proceeds of bonds and construction of infrastructure related to the City's Electric System.

Dial-A-Ride Transportation – 15%, to account for the user fees, property taxes and grants related to the operation and maintenance of a local public transportation system.

Waste Water Disposal System – 25%, to account for the collection and treatment of the sewage of the City and to account for the proceeds of bonds and construction of

FUND BALANCE/NET POSITION RESERVE POLICY

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infrastructure related to the City's Sewage Disposal System.

Water Supply System – 25%, to account for the provision of treated water of the City and account for the proceeds of bonds and construction of infrastructure related to the City's Water Supply System.

Solid Waste-15%, to account for the user fees and expenses related to the operation and maintenance of the City's solid waste program.

**SPECIAL REVENUE FUNDS A specified percent of Operating Expenditures Plus 1.2 Debt Service Ratio**

To account for the proceeds of specific revenue sources (other than those from expendable trusts or for major capital projects), which are restricted legally to expenditure for specified purposes.

MVH Major and Local Roads – 15%, to account for the State-Shared gasoline and weight tax collections to provide for certain maintenance, repair costs and capital improvements of the City's Roads.

Street Millage-15% plus 1.2 debt service ratio, to account for the dedicated millage collections and debt service related to the construction and improvement of streets.

Marshall Regional Law Enforcement Center-15% plus 1.2 debt service ratio, to account for the operations and debt service related to the Marshall Regional Law Enforcement Center.

Leaf, Brush and Trash Removal – 25%, to account for the dedicated millage collections to provide for certain maintenance, repair costs and capital improvements of the City's Leaf removal, spring brush removal and spring trash removal services.

**INTERNAL SERVICE FUNDS 15% Operating Expenditures plus 1.2 Debt Service Ratio**

To account for the costs of the various services below, which are billed to the various other funds on the basis of services used. The costs include, but are not limited to, administrative, operation, maintenance and financing costs.

Data Processing - to account for the operation and maintenance of the City's information technology equipment and software.

Motor Pool - to account for the operation and maintenance of the City's motor vehicle fleet and other equipment.



FUND BALANCE/NET POSITION RESERVE POLICY

April 6, 2015  
~~(revised April 19 February~~  
~~22, 2021)~~

~~Safety - to account for the operation of the City's safety training program.~~

~~Health Reimbursement Arrangement - to account for the City's funding for health insurance HRA and HSA deductibles.~~

**COMPONENT UNITS 15% Plus 1.2 Debt Service Ratio**

Legally separate organizations for which the elected officials of the primary government are financially accountable.

Downtown Development Authority - to account for the tax increment revenue that is derived from new construction in the Downtown Development District, which is used to finance various improvements in the downtown area.

Local Development Finance Authority - to account for the monies which provide local financing/partnership for developing and sustaining local industrial business.

Northeast Neighborhood Improvement Authority- to account for tax increment revenue that is derived from new construction in this district which is used to finance improvements.

South Neighborhood Improvement Authority- to account for tax increment revenue that is derived from new construction in this district as well as bond proceeds and debt service which are used to finance improvements.

Order of Resource Use

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In general, restricted funds are used first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. In addition, for unrestricted fund balance, the order of use of fund balance shall generally be: 1) committed; 2) assigned; and 3) unassigned.

Government Accounting Standards Board Statement No. 54, ***Fund Balance Reporting and Governmental Fund Type Definitions***, requires certain actions by the governing body in order to establish a means to segregate fund balance for reporting purposes. In addition, although not required by any accounting standard, in order to ensure that governments maintain adequate levels of fund balance to mitigate risks and provide a back-up for revenue shortfalls, it is the recommended best practice that governments establish a minimum level of unrestricted fund balance in their general fund, along with policies related to use and replenishment of fund balance.

The City desires to maintain a prudent level of financial resources to guard its citizens against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures. The Fund Balance/Net Position has been designated to meet this purpose. The Fund Balance/Net Position unrestricted reserve is intended to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The City's goals are to maintain annual expenditure increases at a conservative growth rate, and to limit expenditures to anticipated revenues.

The following fund balance/net position reserve policy should be used to provide the general framework for setting unassigned/unreserved, fund balance/net position reserve levels and for proposals with intended use of fund balance/net position reserves. City Council recognizes there are no absolute rules or easy formulas that provide fund balance/net position reserve levels. Generally, reserve levels are determined based on a percent of operating expenditures plus debt service ratio. The City recognizes the need to provide a policy which provides the guidelines for the annual review and discussion of fund balance/net position reserves during the budget development process. Planned use of fund balance/net position reserve decisions should be the result of deliberative consideration of all factors involved.

Monitoring compliance with the fund balance policy shall occur after the audit before the next budget cycle. The analysis should include audited unreserved, unassigned fund balance compared to audited expenditures, including debt service amount where applicable. For funds that are not in compliance with this policy, a plan will be included for Council's approval in the next budget cycle.

### **Definitions**

**Fund Balance** – A governmental fund's fund balance is the difference between its assets, deferred outflows and its liabilities and deferred inflows.

**Fund Balance Components** – An accounting distinction is made between the portions of fund equity that are spendable and non-spendable. Under GASB 54, these are broken up into five categories:

- 1) Non-spendable fund balance – Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund)
- 2) Restricted fund balance – Amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants and dedicated millages.
- 3) Committed fund balance- Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint. This would be a Board action to commit a portion of fund balance.
- 4) Assigned fund balance – Amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- 5) Unassigned fund balance – is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. The General Fund is the only fund with Unassigned fund balance.

**GENERAL FUND      18-25% Operating Expenditures Plus 1.2 Debt Service Ratio**

To account for resources traditionally associated with governments, which are not required to be accounted for in another fund. Expenditures from the General Fund go to services such as public safety (police, fire, and emergency management); parks and recreation programs; development and planning; community development services; roads; the City's legal and general government administration; and a variety of other services and programs.

The City Council considers it a good practice to keep around 18-25% of annual operating expenditures in unrestricted governmental fund balance plus 1.2 debt service ratio to cover new, unexpected expenses.

The decision to retain a fund balance of 18-25% of operating expenditures stems from the following considerations:

- This amount, in combination with the Working Capital Reserve, provides adequate funding to cover approximately three months (or 25%) of operating expenses.
- It provides the liquidity necessary to accommodate the City's uneven cash flow, which is inherent in its periodic tax collection schedule.

- It provides the liquidity to respond to contingent liabilities.

Fund balance may be accessed under the following conditions.

- The Fund balance target will be maintained at 18-25% of Operating Expenditures. Surplus Funds may be transferred to Capital Reserve, Long Term Obligation or Debt Service Fund, or may be used to restore the target fund balance.
- Except in the event of a declaration of an emergency by the City Council, a minimum Fund Balance equal to 18-25% of operating expenditures will be maintained. A majority of the Council is required to approve use of the Fund Balance such that it falls below a 15% level. The City will identify a plan to restore the General Government Fund Balance to its target amount as part of the emergency budget proposal.

**ENTERPRISE FUNDS A specified percent of Operating Expenditures Plus 1.2 Debt Service Ratio**

Includes all revenue and expenses necessary to operate the funds including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.

For Utility fund balance reserves (electric, wastewater and water), the decision to increase or decrease target unrestricted net position will be supported by the report of cost-of-service study or review provided by the City's consultant.

Marshall House – **15%**, to account for the HUD assistance and rental activities of a lower-income senior citizen housing facility.

Fibernet-**25%**, to account for the provision of fiber service to the City and account for the revenue and expense related to the operations of City's Fibernet System.

Electric System – **25%**, to account for the provision of electricity of the City and account for the proceeds of bonds and construction of infrastructure related to the City's Electric System.

Dial-A-Ride Transportation – **15%**, to account for the user fees, property taxes and grants related to the operation and maintenance of a local public transportation system.

Waste Water Disposal System – **25%**, to account for the collection and treatment of the sewage of the City and to account for the proceeds of bonds and construction of infrastructure related to the City's Sewage Disposal System.

Water Supply System – **25%**, to account for the provision of treated water of the City and account for the proceeds of bonds and construction of infrastructure related to the City's

Water Supply System.

Solid Waste-15%, to account for the user fees and expenses related to the operation and maintenance of the City's solid waste program.

**SPECIAL REVENUE FUNDS A specified percent of Operating Expenditures Plus 1.2 Debt Service Ratio**

To account for the proceeds of specific revenue sources (other than those from expendable trusts or for major capital projects), which are restricted legally to expenditure for specified purposes.

MVH Major and Local Roads – 15%, to account for the State-Shared gasoline and weight tax collections to provide for certain maintenance, repair costs and capital improvements of the City's Roads.

Street Millage-15% plus 1.2 debt service ratio, to account for the dedicated millage collections and debt service related to the construction and improvement of streets.

Marshall Regional Law Enforcement Center-15% plus 1.2 debt service ratio, to account for the operations and debt service related to the Marshall Regional Law Enforcement Center.

Leaf, Brush and Trash Removal – 25%, to account for the dedicated millage collections to provide for certain maintenance, repair costs and capital improvements of the City's Leaf removal, spring brush removal and spring trash removal services.

**INTERNAL SERVICE FUNDS 15% Operating Expenditures plus 1.2 Debt Service Ratio**

To account for the costs of the various services below, which are billed to the various other funds on the basis of services used. The costs include, but are not limited to, administrative, operation, maintenance and financing costs.

Data Processing - to account for the operation and maintenance of the City's information technology equipment and software.

Motor Pool - to account for the operation and maintenance of the City's motor vehicle fleet and other equipment.

**COMPONENT UNITS 15% Plus 1.2 Debt Service Ratio**

Legally separate organizations for which the elected officials of the primary government are financially accountable.

Downtown Development Authority - to account for the tax increment revenue that is derived from new construction in the Downtown Development District, which is used to finance various improvements in the downtown area.



Local Development Finance Authority - to account for the monies which provide local financing/partnership for developing and sustaining local industrial business.

Northeast Neighborhood Improvement Authority- to account for tax increment revenue that is derived from new construction in this district which is used to finance improvements.

South Neighborhood Improvement Authority- to account for tax increment revenue that is derived from new construction in this district as well as bond proceeds and debt service which are used to finance improvements.

Order of Resource Use

In general, restricted funds are used first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. In addition, for unrestricted fund balance, the order of use of fund balance shall generally be: 1) committed; 2) assigned; and 3) unassigned.



**ADMINISTRATIVE REPORT**  
**April 19, 2021 - CITY COUNCIL MEETING**

**TO:** Honorable Mayor Caron and City Council

**FROM:** Scott McDonald, Public Safety Director  
Tom Tarkiewicz, City Manager

**SUBJECT:** Request from Calhoun County Fairgrounds for 'Rolling Road Closure' to escort a classic vehicle motorcade in conjunction with their 'Cruise to the Fountain' event.

**BACKGROUND:** The Cruise to the Fountain car show has been a staple event at the fairgrounds for many years, and is one of their significant fund raisers. Traditionally, the event has some type of sanctioned event in our downtown, where the road is closed and cars are parked. Due to the pandemic, the fairgrounds has elected to keep the entire event on the fairgrounds, and to only allow for a one time drive through event of the downtown.

**FAIRGROUNDS EVENT:** The actual event will be at the fairgrounds. They have developed a very thorough health and safety plan, and will be keeping all activity on their grounds, except this rolling parade. Their safety plan is attached.

**RECOMMENDATION:** It is recommended that the Council consider the rolling road block motorcade in support of the Fairgrounds Cruise to the Fountain event for Saturday July 3, 2021.

**FISCAL EFFECTS:** The event will require manpower and vehicles from the Public Safety Department, which will all be paid at overtime rates. This is estimated at \$2539.24. This number is likely to rise, as the cruise generally draws a very large crowd that is not directly affiliated with the sanctioned event. This typically creates a great deal of traffic, along with numerous driving violations and significant noise complaints from downtown residents. These will all require a significant police presence to manage.

It may also require several barricades be erected, which may result in an additional \$455.92 to \$911.84 of costs, depending on the determined needs.

These costs can either be waived by Council, or can be assessed to the event sponsor by the City Clerk prior to the event.

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

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cityofmarshall.com

It is also recommended that as the event will be on City roads and involves motor vehicles, a certificate of proof of liability coverage insurance with coverage amounts/requirements to be determined by the City Attorney, and with City of Marshall named as co-insured, be obtained from the event sponsor.

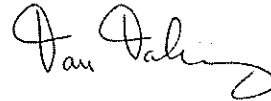
**ALTERNATIVES:**

As suggested by Council.

Respectfully submitted,



Scott McDonald  
Public Safety Director



Tom Tarkiewicz  
City Manager



**Calhoun County Fairgrounds**  
720 Fair Street, PO Box 311  
Marshall MI 49068  
Office: 269-781-8161  
Fax: 269-781-6377  
[ccaisoffice@gmail.com](mailto:ccaisoffice@gmail.com)

April 7, 2021

To Whom it May Concern:

Please accept this letter as a formal request for the temporary closure of Michigan Avenue in Marshall, Michigan, for our annual Cruise at the Fountain Car Show. Details of the closure and a timeline below:

**Saturday, July 3, 2021**

- 6:30pm – Registered participants will begin lining up at the fairgrounds
- 6:58pm – Police escort to downtown Marshall
- 7:00pm – Michigan Avenue closed from Marshall Avenue to the Michigan turnaround (eastbound to westbound) near McDonalds (including Fountain Circle) – vehicles must remain in motion for the entire 20 minutes, parking will not be allowed during the event
- 7:20pm – Michigan Avenue reopens – end of event

Thank you in advance for your consideration.

Respectfully,

Jen Rice  
General Manager  
Calhoun County Fairgrounds



# **CRUISE AT THE FOUNTAIN**

MARSHALL, MICHIGAN

## **2021 HEALTH & SAFETY PLAN**

Prepared:  
April 1, 2021

Revisions:



## BACKGROUND

Marshall's Cruise at the Fountain used to be one of the largest car shows in Michigan. Through the years, with various managers in the fairgrounds office and different car show promoters, the iconic event lost some of its luster. Early in 2020, the current CCAIS General Manager brought back the small group of folks who were involved in organizing Marshall's Cruise during its heyday. This new steering committee looks forward to resurrecting Marshall's Cruise at the Fountain to the event it used to be, drawing upwards of 1,500 show cars during the late 1990s.

It is respectfully submitted and suggested by the Marshall's Cruise at the Fountain steering committee, that this year's car show (July 3-4, 2021) can reasonably and safely be permitted to operate conditioned upon and with the exception that those responsible for planning the event will conduct it in a manner that takes into account the need to practice enhanced physical distancing throughout the fairgrounds' programming areas and to impose precautionary measures throughout the entirety of the operations.

The steering committee acknowledges that it is important to note that guidance will most certainly change as state guidelines, best practices, and guidance from public health officials evolve. The CCAIS General Manager will periodically revise this document with additional information as updates become available.

Unlike other venues for mass gatherings, such as movie theatres, sports arenas, and stadiums, the Calhoun County Fairgrounds (CCF) is differentiable along the following lines:

- The CCF can manage and reduce capacity at 18 different physical locations on the grounds to allow for appropriate social distancing (11 venues, 7 gates)
- All CCF entertainment for 2021 will occur outdoors
- All dining at the fairgrounds will occur outside
- Exposure time between non-same-household sheltering family members is somewhat limited and is completely controllable by the CCF guests themselves
- CCF guests move freely throughout the outdoor portions of the fairgrounds and its buildings (they are not sitting in a single location in close proximity for an extended period of time)

The principles and considerations outlined in this document were compiled from federal and state health mandates, fair, outdoor attractions, amusement, agriculture, livestock exposition, food service, and commercial vendor industry trade associations including:

- Centers for Disease Control (CDC)
- Occupational Health & Safety Administration (OSHA)
- Michigan Department of Health and Human Services (MDHHS)
- World Health Organization (WHO)
- International Association of Fairs and Expositions (IAFE)
- Outdoor Amusement Business Association (OABA)
- National Independent Concessionaires Association (NICA)
- International Association of Amusement Parks and Attractions (IAAPA)
- Michigan Association of Fairs and Exhibitions (MAFE)
- Calhoun County Public Health Department (CCPHD)

In order to prepare such a plan, many key and critical assumptions have been made as to where Marshall's Cruise at the Fountain's steering committee reasonably believes the state will be by July 3, 2021, relative to public health protocols and the phased reopening of the economy of the State of Michigan.

19 should NOT be directed to use public transportation. Guests who are denied entry to the facility because they are displaying COVID-19 symptoms will be given a COVID-19 Information Card, detailing local health care contacts for assistance.

The CCAIS General Manager will prepare an incident report, including the guest's name, identification information, if their temperature was above 100°F, additional COVID-19 symptoms observed, date/time of attempted entry, names of team members that were in close proximity to the guest, and if the guest was transported for medical care. Incident reports will be confidential and filed at the fairgrounds office for 60 days.

## **DAILY OPERATIONS**

### Guest, Exhibitor, and Team Member Health Protocols

Guests, exhibitors, and team members will be advised to practice social distancing by staying at least six feet away from other groups of people whom they are not travelling with or are not immediate family while standing in lines or while moving about the facility. Picnic tables and seating areas will be arranged to ensure appropriate distancing. Marshall's Cruise at the Fountain Health & Safety Guidelines will comply with, or exceed, local or state mandated occupancy limits.

Hand sanitizer dispensers will be placed at key locations throughout the facility. **MAP OF LOCATIONS & QUANTITIES** TBD

Health and hygiene signage will be placed throughout the facility. **MAP OF LOCATIONS & SAMPLES** TBD

Team members will receive extensive training prior to Marshall's Cruise at the Fountain, including clear instructions on how to respond swiftly and report all presumed cases of COVID-19 at the facility. Team members will be instructed to stay home if not feeling well. Team members will contact the CCAIS General Manager if they notice a guest, exhibitor, or coworker with a cough, shortness of breath, or other known symptom of COVID-19.

If we are alerted to a presumptive case of COVID-19 at the CCF, the CCAIS General Manager will work with the Calhoun County Health Department to follow the appropriate actions recommended.

### Locations for Distribution of PPE

Disposable face masks and disposable nitrile gloves will be available free of charge to all guests, exhibitors, and team members.

**LIST LOCATIONS** TBD

### Team Members' Responsibilities

Marshall's Cruise at the Fountain's team members are vital for the effective implementation of this Health & Safety Plan.

Proper hygiene and frequent handwashing with soap is vital to mitigate the spread of COVID-19. All team members will be instructed to wash their hands (or use hand sanitizer when a sink is not available) on a regular basis and after any of the following activities: using the restroom, sneezing, touching their face, blowing their nose, cleaning, sweeping, mopping, smoking, eating, drinking, taking a break, and before and after starting a shift.

All team members will receive extensive training on COVID-19 safety and sanitation protocols before the car show.

Appropriate PPE will be worn by all team members based upon their role and responsibilities and in adherence to state or local regulations and guidance. Training on how to properly use and dispose of all PPE will be mandatory. Every team member entering the facility will have access to a mask. Gloves will be provided to team members whose responsibilities include cash handling and/or those in direct contact with guests.

Team member pre-shift meetings will take place in areas that allow for appropriate social distancing. Hand sanitizer will be available at team member check-in areas. Our management team will ensure constant communication and proper PPE and sanitation procedures are followed and updated in accordance with the latest governmental guidance.

### Cleaning Products, Protocols, and Venue Specific Sanitization Policies

Throughout the facility we will meet or exceed state and local health authority guidelines on proper physical distancing.

Marshall's Cruise at the Fountain team members and the CCAIS General Manager will work to minimize or eliminate guest queuing wherever and whenever possible. Any area where guests or team members queue will be clearly marked for appropriate social distancing. Serpentine lines will not be permitted.

Social distancing protocols will be enforced in Team Member Communal Areas.

### **MARSHALL'S CRUISE AT THE FOUNTAIN – VENUE SPECIFIC PROTOCOLS**

In addition to the aforementioned Sanitization Policies and below-mentioned Event Specific Protocols, the following venue specific protocols will be enforced.

- I. Indoor Public Communal Areas (IPCA)
  - a. Merchants Building – commercial vendors
    - i. Aisles will be one way traffic only
      1. South aisle will be one way west-to-east
      2. North aisle will be one way east-to-west
    - ii. Team members will be at each entrance/exit counting guests
      1. Signage will be posted at each entrance stating building capacity
    - iii. Vendors must stay in their booth area (not in the aisle talking to guests)
      1. Two staff members per vendor booth at any one time
      2. All vendor staff must sign Marshall's Cruise at the Fountain waiver
    - iv. Face masks required (vendors and guests)
    - v. Vendors must provide hand sanitizer for their booth
    - vi. Floors will be marked with six-foot social distancing placards throughout the venue
    - vii. Fredonia Grange kitchen
      1. Guest seating will not be available inside the Merchants Building
      2. Single-serve condiments only
  - b. Comfort Center – public restrooms and showers
    - i. Team members will be at each entrance/exit counting guests
      1. Signage will be posted at each entrance stating building capacity
    - ii. Face masks required
    - iii. Hand sanitizer stations will be placed throughout the venue
    - iv. Floors will be marked with six-foot social distancing placards throughout the venue
  - c. Front Office
    - i. The front office will be closed for the duration of Marshall's Cruise at the Fountain
    - ii. All business involving the public, exhibitors, team members, and vendors will be conducted through the walk-up window on the south side of the office building
- II. Outdoor Public Communal Areas (OPCA)
  - a. Covered Arena
    - i. Bleacher seating will be limited to every other row
    - ii. Spectator capacity will be limited and monitored by team members at the east and west ends of the venue
    - iii. Signage will be in place to remind of social distancing
    - iv. Hand sanitizer stations will be placed throughout the spectator area of the venue
  - b. Outdoor Vendors
    - i. Food vendors
      1. All concessionaires will have plexiglass barriers at the service window with a passthrough opening at the bottom
      2. Ground will be marked for social distancing in areas where lines would form
      3. All vendor staff will be required to wear face masks and nitrile gloves while cooking, serving customers, and/or taking orders and payments
      4. All vendors will provide hand sanitizer at their service window
      5. Vendor provided seating (picnic tables) must be spaced at least ten feet apart and sanitized after each use



5. Wristbands will be put on by the guests in front of the team members to reduce contact
  6. Team member will be designated to count people entering and exiting for an accurate count of facility occupancy utilizing TRAF-SYS software
  7. Signage will be in place (see appendix for samples and placement TBD)
- b. Gate Control Procedure
- i. Real-time capacity of overall facility will be monitored by back office staff via TRAF-SYS software
  - ii. If stated facility capacity is reached:
    1. Back office staff will radio the count team members at the gates to notify them that capacity has been reached
    2. The count team member(s) at the gates will close the gates at each entrance (team members will remain in place to let guests exit the venue)
    3. Back office staff will radio the CCAIS General Manager to notify of reached capacity
    4. Gates team members will radio the CCAIS General Manager immediately if any guest issues arise with being denied access due to facility capacity being reached
    5. CCAIS General Manager will respond to any guest issues immediately, enlisting the assistance of City of Marshall police personnel if deemed necessary



### MARSHALL'S CRUISE AT THE FOUNTAIN – EVENT SPECIFIC PROTOCOLS

In addition to the aforementioned Sanitization Policies and Venue Specific Protocols, the following event specific protocols will be enforced. Events in **bold & underlined** will be live streamed on social media platforms.

- VI. Cruise at the Fountain (downtown Marshall) – 7/3/21 @ 7:00pm
- a. Event overview:
    - i. Registered participants will begin lining up at the fairgrounds at 6:30pm
    - ii. Police escort will lead the cruise to downtown Marshall at 6:58pm
    - iii. Participants will cruise Michigan Avenue (which will be temporarily closed) from Marshall Avenue to the Michigan turnaround (eastbound to westbound) near McDonalds (including Fountain Circle) for twenty minutes
      1. Vehicles must remain in motion for the full twenty minutes, parking downtown will not be allowed until the conclusion of the event
    - iv. Michigan Avenue will reopen to regular traffic at 7:20pm (end of event)
- VII. **Awards Ceremony** (Covered Arena) – 7/4/21 @ 4:30pm
- b. Seating will be arranged to allow for physical distancing
  - c. Microphones will be used by the same individual for the duration of the event, and will be sanitized before and after use
  - d. Individuals handing out trophies to participants will wear face masks and disposable nitrile gloves

### BUILDING PUBLIC CONFIDENCE IN MARSHALL'S CRUISE AT THE FOUNTAIN AND GUEST COMMUNICATIONS

Communication protocols will be developed by the steering committee to communicate the need to address:

1. COVID-19 specific emergency medical service calls
2. Social distancing violations
3. Any need for immediate cleaning or sanitation service

The steering committee will develop important lines of communication to be conveyed through Marshall's Cruise at the Fountain's website ([www.CruiseMarshall.com](http://www.CruiseMarshall.com)), social media, PA announcements throughout the event, and facility signage warning exhibitors, team members, and guests about the risk of contracting COVID-19 in any public space. Messaging shall take the following form:

*"Marshall's Cruise at the Fountain is committed to keeping you healthy and safe, but we cannot guarantee you won't be exposed to COVID-19. We rely on you to protect yourself. Please:*

- A. *Wash your hands often and avoid touching your face*
- B. *Maintain your distance from others*
- C. *Cover your mouth and nose when coughing or sneezing*
- D. *Avoid unnecessarily touching any surfaces, objects, or things while at the fairgrounds*

Event Name: \_\_\_\_\_

Event Date(s): \_\_\_\_\_ Event Organizer: \_\_\_\_\_

Topic	Key consideration (EO = Event Organizer)	Score: Yes/Completed (2) Maybe/In Progress (1) No/Not Considered (0)	
Understanding of the overview of the current COVID-19 situation by MG event organizers	Have the relevant EOs and responsible staff been informed on the most up-to-date COVID-19 outbreak <b>guidance</b> available (official web-resources available from WHO, CDC, and local public health authorities)? And are the relevant organizers and responsible staff committed to following the available guidance?		
	Is the EO aware of <b>global and local daily situation reports</b> as provided by WHO or local public health authorities?		
	Do the EO and responsible staff understand the COVID-19 <b>risks and transmission routes, the steps that event attendees can take to limit spread, the recognized best practices</b> (including respiratory etiquette, hand hygiene etc), and <b>the travel restrictions</b> set forth by executive orders that may affect the event?		
Event emergency preparedness and response plans	Is there a <b>Medical Response Plan for COVID-19</b> developed for this event?		
	Does the Medical Response Plan developed for the event include <b>information about how attendees should interface with the healthcare system</b> (e.g., hotline/helpline #, organizers medical teams, local healthcare system)?		
	Is there a <b>designated coordinator/team</b> in the event organizational structure with defined roles and responsibilities, coordinating the health preparedness and response planning for the outbreak?		
	Has the EO requested <b>support from the local public health authorities</b> ?		
	<b>Have the event organizers acquired the following supplies to help reduce transmission risk?</b>		
	PPE (Masks, gloves, gowns,) for on-site medical personnel		
	Hand sanitizer, tissues, frequently replaced soap canisters for washrooms		
	Hand sanitizers and rubs for all entrances and throughout the venue		
	<b>If a person is to fall ill/considered to be suspected case during the event:</b>		
	Is there a procedure for participants to clearly identify <b>who to contact</b> if unwell?		
	Is there a protocol on <b>whom event organizers should contact in Calhoun County</b> to report suspected cases and request epidemiological investigations?		
	Are <b>first aid services</b> in-place and equipped to support patients with respiratory symptoms?		
	Are there <b>isolation rooms</b> available on-site?		
	Are there any <b>designated medical facilities</b> to managing patients with COVID-19 infection near the event location?		
	Are there <b>transportation services with trained professionals</b> (MedEvac or ambulatory services) available to transport critically ill patients with severe acute respiratory infections to a hospital, if necessary?		
	Has a <b>cleaning schedule</b> been developed to ensure the venue is clean and hygienic – wiping surfaces with disinfectant is recommended (before, during, and after the event)?		
Are there established <b>screening measures</b> in place for participants at points of entry, venues, routes, and on-site medical facilities (first aid points)?			
Does the EO have a <b>public health emergency preparedness and response plan</b> that can address severe respiratory diseases including COVID-19?			
Is there <b>commitment by the EO to provide care/liability coverage</b> for any COVID-19 cases connected with the event?			
If the event is for a duration of 14 days or longer, does the Medical Response Plan include resources and protocols for managing all public health interventions that would be necessary and supporting the local public health authorities if participants are infected and become sick at the event? (if the event is less than 14 days, please score a 0)			

**APPENDIX A – MARSHALL’S CRUISE AT THE FOUNTAIN TEAM MEMBER SELF-SCREENING PROTOCOL**



Team Member Name:	
Team Member Phone:	

**In the past 24 hours, have you experienced (Y = yes, N = no):**

	7/3/21	7/4/21
Fever (felt feverish or temperature above 100°F)	Y N	Y N
Cough	Y N	Y N
Shortness of breath	Y N	Y N
Sore throat	Y N	Y N
Diarrhea	Y N	Y N
Temperature 100°F +	Y N	Y N

If you answered “yes” to any of the above symptoms, please do not come in for your shift. Contact the CCAIS General Manager, self-isolate at home, and contact your healthcare provider for direction.

*If symptoms such as shortness of breath are due to a known, non-worsening chronic condition, mark “no”*

In the past 14 days, have you:

- Had close contact with an individual diagnosed with COVID-19?       YES       NO  
 Travelled via airplane internationally or domestically?       YES       NO

If you answered “yes” to either of these questions, please do not come in for your shift and contact the CCAIS General Manager.

Sign below and return this form to the fairgrounds office at the end of the weekend.

Employee Signature:
---------------------



This is a fluid document and will be diligently updated as new mandates are released from health officials. Please refer to the cover page date to ensure you are viewing the most recent rendition.

Questions, comments, and media inquiries should be directed to the Calhoun County Fairgrounds (CCAIS) General Manager, Jen Rice, at 269-290-8204 (cell) or via direct email [jen.rice.marshall@gmail.com](mailto:jen.rice.marshall@gmail.com).

**EVENT REPORT**  
**April 19, 2021 – CITY COUNCIL MEETING**

**REPORT TO:** Honorable Mayor and City Council Members

**FROM:** Scott E. McDonald, Public Safety Director  
Tom Tarkiewicz, City Manager

**EVENT:** Oaklawn Hospitality Classic Race

**EVENT LOCATION:** Michigan Avenue, Fountain Circle, Mansion Street,  
Kalamazoo Avenue and portion of several other City Streets.

**SPONSOR:** Oaklawn Hospital

**EVENT DATE:** Saturday, August 28, 2021

**EVENT TIMEFRAME:** 10:00 AM – 1:00 PM

**MDOT PERMIT REQUIRED:** YES

**MDOT PERMIT GRANTED:** Pending

**LANE CLOSURE TIMEFRAME:** 9:00 AM – 1:00 PM

**EVENT STREETS AFFECTED:**

ENTIRE EVENT: Westbound Michigan Avenue from Grand Street to Sycamore, Kalamazoo Ave from Michigan Avenue to Hobart Street, Brewer Street from Kalamazoo Avenue to North Drive. Mansion Street from Grand Street to Sycamore Street.

INTERMITTENT LANE CLOSURES: Westbound Michigan Avenue from Grand Street to Lincoln Street, Mansion Street from Grand to East Drive, Grand Street from Michigan Avenue to Prospect Street, Prospect Street from Sycamore to Eagle Street, Gordon Street from Michigan Avenue to Mansion Street.

**DETOUR DETAIL:** Eastbound Michigan Avenue lanes will not be detoured or closed. Westbound Michigan Avenue will have a signed detour as follows: South on Lincoln Street to Green Street, West on Green Street to Sycamore Street, North on Sycamore Street from to Michigan Avenue.

There will be numerous intermittent lane and road closures on several local roads over the course of the event.

**EVENT DETAIL:** Oaklawn led group will escort lead runners. 5K race route starts south on North Kalamazoo Avenue between Michigan Avenue and Prospect Street, then east on Michigan Avenue to Mansion Street, then west on Mansion Street to Linden Street, then north on Linden Street to Kalamazoo Avenue, then south on Kalamazoo Avenue to the finish line in front of the Honolulu House.

The one-mile race route starts south on North Kalamazoo Avenue between Michigan Avenue and Prospect Street, then east on Michigan Avenue to Gordon Street, then north on Gordon Street to Mansion Street, then west on Mansion Street to Grand Street, then north on Grand Street to Prospect, then west on Prospect Street to Kalamazoo Avenue, then south on Kalamazoo Avenue to the finish line in front of the Honolulu House.

**ADDITIONAL ACTIVITIES:** In addition to the running races, Oaklawn Hospital will be setting up a variety of family friendly activities within the Fountain Circle Park during the event. Oaklawn will be responsible for setup and clean up. They plan to be cleaned up and out of the area by 1 pm.

**NARRATIVE:** This event has been a part of the Community for 37 years, and has grown into a well-attended event. The event has always been well run, adequately staffed and professionally organized.

One issue that cannot be determined yet is if the Governor's Office will allow for such gatherings at the time of the event. Oaklawn, as a healthcare provider is well aware of this, and understands any approval of this activity will be contingent on the health mandates and orders in place at that time. As they did last year, they will not run the event if there are any prohibiting mandates still in place, or if there are risks to the public health.

**FISCAL EFFECTS:** The event will incur costs for several City Departments (Police and Fire \$2495.84- Planning, Traffic Control and Emergency Services), (City Administration- \$18 Filing) and (Streets \$1408.47- MDOT Permit, Scheduling, Barricade Placement, Detour Routes). This is cost estimated at \$3922.31. These costs can either be waived by Council, or can be assessed to the event sponsor by the City Clerk prior to the event.

**RECOMMENDATIONS:** It is recommended that City Council approve the Event and required street closures as presented, contingent on if the health mandates and orders in effect at the time of the event allow for it.

It is also recommended that as the event will be on City roads, and on City owned property, a certificate of proof of liability coverage insurance with coverage amounts/requirements to be determined by the City Attorney, and with City of Marshall named as co-insured, be obtained from the event sponsor.

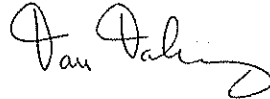
**ALTERNATIVES:**

As suggested by Council.

Respectfully submitted,



Scott E. McDonald  
Director of Public Safety



Tom Tarkiewicz  
City Manager

**COUNCIL NOTIFICATION DATE:**

April 19, 2021



March 22, 2021

Director Scott McDonald  
Director of Public Safety  
City of Marshall  
Marshall, MI 49068

Dear Director McDonald:

This year, the Oaklawn Hospital Hospitality Classic will mark its 37<sup>th</sup> year of bringing the health and enjoyment of running and walking to Marshall. As we have done every year for decades, we again seek your assistance in garnering the support of the Marshall City Council.

We would like to hold the race on Saturday, August 28<sup>th</sup>, 2021. We hope for another great turnout of runners and walkers as well as their families, all enjoying Marshall's beauty.

The Hospitality Classic unifies the community in an atmosphere of fun and fitness, with participation available at all ages and fitness levels. This year, our events include a 5K race, a one-mile fun run, and a non-competitive walk. The first race will start at 10:00 a.m. and the event should be over by 12:30 p.m. All litter will be cleared off all properties by 3 p.m.

Also, if you have any other questions or concerns, please feel free to contact me.

Many thanks for your consideration and assistance!

Sincerely,

Sara Jeffery  
Oaklawn Marketing Coordinator  
[sjeffery@oaklawnhospital.com](mailto:sjeffery@oaklawnhospital.com)  
269-789-8985

**CALL TO ORDER**

IN REGULAR SESSION, Monday, April 5, at 7:00 P.M., via Electronic Meeting format utilizing ZOOM. City Council was called to order by Mayor Caron.

**ROLL CALL**

Roll was called:

Present: Council Members: Mayor Caron (Marshall, MI), Rice (Marshall, MI), Schwartz (Marshall, MI), Traver (Marshall, MI), Underhill (Marshall, MI), and Wolfersberger (Marshall, MI).

Also Present: City Manager Tarkiewicz and Clerk Nelson.

Absent: Council Member Gates

**INVOCATION/PLEDGE OF ALLEGIANCE**

Nick Walker of Family Bible Church gave the invocation and Mayor Caron led the Pledge of Allegiance.

**APPROVAL OF THE AGENDA**

**Moved** Wolfersberger, supported Rice, to approve the agenda with the removal of items 10B. Adjustment of Power Supply Cost Adjustment and item 12A. Electric Deficit Elimination Plan and schedule a special meeting for April 12, 2021 at 7:00 p.m. for consideration of the two items. On a roll call vote – ayes: Rice, Schwartz, Traver, Underhill, Wolfersberger, and Mayor Caron; nays: none. **MOTION CARRIED.**

**PUBLIC COMMENT ON AGENDA ITEMS**

John Anthony LaPietra stated it has been 20 years since the Future Energy Needs Committee was formed and discussed reducing energy use.

Ron Goodwin commented he will address the electric rate issue on April 12<sup>th</sup>.

**CONSENT AGENDA**

**Moved** Underhill, supported Traver, to approve the Consent Agenda:

- A. Approve a resolution authorizing the application to the Local Bridge Program for the South Marshall Avenue Bridge over Rice Creek;
- B. Scheduled a public hearing for April 19, 2021 to hear public comment on the proposed ordinance amendment to City Ordinance Chapter 70, section 70.17;
- C. Minutes of the City Council Regular Session held on Monday, March 15, 2021 and Special Session on Monday, March 22, 2021;
- D. Approve city bills in the amount of \$715,793.44.

On a roll call vote – ayes: Schwartz, Traver, Underhill, Wolfersberger, Mayor Caron,



and Rice; nays: none. **MOTION CARRIED.**

**PRESENTATIONS AND RECOGNITION**

None.

**INFORMATIONAL ITEMS**

None.

**PUBLIC HEARINGS & SUBSEQUENT COUNCIL ACTION**

**A. CDBG Grant Application – Schuler’s Restaurant:**

**Moved** Traver, supported Underhill, to recuse Mayor Caron from voting on the CDBG Grant Application for Schuler’s Restaurant. On a roll call vote – ayes: Wolfersberger, Rice, Schwartz, Traver, and Underhill; nays: none. **MOTION CARRIED.**

Director of Special Projects Eric Zuzga explained the next step in this project is the submission of a Community Development Block Grant (CDBG) application for \$420,000 in assistance. This grant would be received by the City and passed through to Schuler’s to pay for the renovation, in addition to over \$509,000 from Schuler’s.

Mayor Pro-tem Traver opened the public hearing to hear comment on the CDBG Application for Schuler’s Restaurant.

Hearing no comment, the hearing was closed.

**Moved** Wolfersberger, supported Underhill, to approve the recommendation and resolution which authorizes the submission of a CDBG Grant Application to assist in the redevelopment of the Schuler’s Restaurant 2<sup>nd</sup> Floor Rehabilitation project. On a roll vote – ayes: Underhill, Wolfersberger, Rice, Schwartz, and Traver; nays: none. **MOTION CARRIED.**

**CITY OF MARSHALL, MICHIGAN  
RESOLUTION #2021-15**

**AUTHORIZING RESOLUTION for the Submission of a  
Community Development Block Grant (CDBG) Application  
To Support the Schuler’s 2<sup>nd</sup> Floor Rental Rehabilitation Project**

**WHEREAS**, the Michigan Strategic Fund has invited Units of General Local Government to apply for its Community Development Block Grant Program to support Schuler’s 2<sup>nd</sup> Floor Rental Rehabilitation; and

**WHEREAS**, the City of Marshall desires to request \$420,000 in CDBG funds to fund the creation of seven (7) apartments on the second floor of the Schuler’s

building; and

**WHEREAS**, the Sue and Shannon Damron are investing funds in the amount of \$509,294; and

**WHEREAS**, the proposed project is consistent with the City of Marshall's Master Plan as described in the Application; and

**WHEREAS**, the proposed project will benefit all residents of the project area and 36.96% of the residents of the (UGLG) are low- and moderate-income persons as determined by (census data provided by the U.S. Department of Housing and Urban Development; and

**WHEREAS**, local funds and any other funds to be invested in the project have not been obligated/incurred and will not be obligated/incurred prior to a formal grant award, completion of the environmental review procedures and a formal written authorization to obligate/incur costs from the Michigan Economic Development Corporation.

**NOW, THEREFORE, BE IT RESOLVED** that the City of Marshall hereby designates the City Manager as the Certifying Officer, the person authorized to certify the Michigan CDBG Application, the person authorized to sign the Grant Agreement and payment requests, and the person authorized to execute any additional documents required to carry out and complete the grant.

**Voting For:** Traver, Wolfersberger, Schwartz, Underhill, Rice

**Voting Against:** N/A

**Abstained:** Mayor Caron

**Absent:** Gates

**CERTIFICATION OF CITY CLERK**

I 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 5<sup>th</sup> day of April, 2021.

\_\_\_\_\_  
Trisha Nelson, City Clerk

\_\_\_\_\_  
Date

**OLD BUSINESS**

None.

**REPORTS AND RECOMMENDATIONS**

**A. 2021 Street Improvements Phase #2:**

**Moved** Traver, supported Wolfersberger, to approve the ROWE Professional

Services proposal in the amount of \$26,700. On a roll vote – ayes: Rice, Traver, Underhill, Wolfersberger, and Mayor Caron; nays: Schwartz. **MOTION CARRIED.**

**APPOINTMENTS/ELECTIONS**

None.

**PUBLIC COMMENT ON NON-AGENDA ITEMS**

Nick Metzger stated the rates in 2017 suggested a 3% increase and feels if done that today would only be a 9% increase if done annually. Are we not optimistic anymore?

**ADJOURNMENT**

The meeting was adjourned at 7:31 p.m.

\_\_\_\_\_  
Joe Caron, Mayor

\_\_\_\_\_  
Trisha Nelson, City Clerk

**CALL TO ORDER**

IN SPECIAL SESSION Monday, April 12, 2021 at 7:00 P.M. via Electronic Meeting Format, the Marshall City Council was called to order by Mayor Caron.

**ROLL CALL**

Roll was called:

Present: Council Members: Mayor Caron (Marshall, MI), Gates (Marshall, MI), Schwartz (Marshall, MI), Traver (Sandusky, OH), Underhill (Marshall, MI), and Wolfersberger (Marshall, MI).

Also Present: City Manager Tarkiewicz

Absent: None.

**PLEDGE OF ALLEGIANCE**

Mayor Caron led the Pledge of Allegiance.

**RESOLUTION**

**Moved** Gates, supported Wolfersberger, to approve the Resolution prepared by Attorney Revore to allow for the continuation of public meetings to be held by electronic format. On a roll call vote – ayes: Underhill, Wolfersberger, Mayor Caron, Gates, Schwartz, and Traver; nays: Rice. **MOTION CARRIED.**

**CITY OF MARSHALL, MICHIGAN  
CITY COUNCIL  
RESOLUTION NO. 2021-17**

**A RESOLUTION DECLARING A LOCAL STATE OF EMERGENCY FOR THE PURPOSE OF PERMITTING THE CITY COUNCIL AND OTHER PUBLIC BODIES OF THE CITY TO MEET BY ELECTRONIC AND TELEPHONIC MEANS**

City of Marshall, Calhoun County, Michigan, hereby Resolves:

At a special meeting of the City Council ("Council") held at 323 W. Michigan Avenue, Marshall, Michigan 49068, in the County of Calhoun, State of Michigan, on the 12th day of April, 2021, at 7:00 PM.

The meeting was called to order at 7:00 o'clock in the PM by Mayor

Caron.

Present: Mayor Caron, Gates, Rice, Schwartz, Traver, Underhill, and Wolfersberger.

Absent: None.

The following preamble and resolution were offered by Council Member Gates and supported by Council Member Wolfersberger:

WHEREAS, Public Act 228 of 2020 amended the Open Meetings Act, PA 267 of 1976, section 3 and added section 3a to allow for electronic/remote meetings under certain circumstances;

WHEREAS, the Director of the MDHHS has concluded that the COVID-19 pandemic continues to constitute an epidemic in Michigan and that control of the epidemic requires restrictions on public gatherings, and;

WHEREAS, the Calhoun County Board of Commissioners, for the County of Calhoun, wherein the City of Marshall is located, on October 15, 2020, voted to extend the countywide local state of emergency originally declared on March 18, 2020 in response to the COVID-19 pandemic; said declaration remains in effect;

WHEREAS, the City Council desires to conduct the public business of the Council in a manner so as not to place at risk members of the public, City staff, or members serving on public bodies of the City;

NOW, THEREFORE, IT IS RESOLVED, THAT pursuant to the authority contained at § 3 of the Home Rule Cities Act, MCL 117.3 (j) authorizing cities to provide for the public health and safety of persons; §3 of the Open Meetings Act, MCL 15.263 (2) permitting a public body to meet by electronic or telephonic means upon declaration of a local state of emergency or state of disaster if meeting in person would place at risk the personal health or safety of members of the public or members of the public body; and §10 (b) of the Emergency Management Act permitting the Mayor to declare a local state of emergency;

I, Joe Caron, Mayor, of the City of Marshall, within the County of Calhoun, State of Michigan, based on the findings made by the Michigan Department of Health and Human Services regarding the public health threat posed by the COVID-19 novel coronavirus and its variant strains declare a local state of emergency to permit the Marshall City Council and all other public bodies of City to continue to meet by electronic and telephonic means after March 30, 2021 and respectfully request the City Council affirm this action until such time as the Calhoun County Board of Commissioners act to cease to extend the state of

emergency.

This Resolution shall be effective immediately and shall remain in effect as permitted by law.

**ROLL CALL VOTE:**

**AYES:** Gates, Schwartz, Traver, Underhill, Wolfersberger, and Mayor Caron.

**NAYS:** Rice

Resolution declared adopted this 12<sup>th</sup> day of April, 2021.

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Trisha Nelson, Clerk

**CERTIFICATE**

The undersigned duly qualified and Clerk of the City Council, hereby certifies that the foregoing is a true and complete copy of a Resolution adopted by the Council at a special meeting held on the 12th of April, 2021, the original of which is a part of the Council's minutes and further certifies that notice of the meeting was given to the public pursuant to the provisions of the Open Meetings Act, 1976 PA 267, as amended.

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Trisha Nelson, Clerk

**PUBLIC COMMENT ON AGENDA ITEMS**

None.

**PUBLIC HEARING**

**A. Adjustment of Power Supply Cost Adjustment:**

Mayor Caron read a prepared statement regarding the Power Supply Cost Adjustment:

Regarding the proposed electric rate increase, City Council members have heard from many concerned citizens this past week. We do not want to increase electric rates by 18%; however, the City Council is tasked with making sure the City has a balanced budget and is in good financial standing. In order to do this,



unfortunately we have no other alternative than to increase rates based on a third-party analysis of our current situation.

The reason for this increase is because the city has not increased its rates since 2014, to keep up with inflationary costs. The city also invested in electrical infrastructure to supply additional load to new and expanding industry. The return on this electrical investment has not matched the projected timeline, leaving the electric fund in a position to submit a deficit elimination plan to the State of Michigan, which requires the deficit to be eliminated within a five-year time frame. City administrative officials are responsible for providing the City Council proposals and supporting information. For years one and two, City administrative officials proposed debt elimination plans. Based on information provided, the City Council, as well as the state, approved these proposed debt elimination plans. Going into year three of this five-year plan, electrical load has not increased as anticipated, requiring the city to increase rates in order to fulfill the deficit by the end of the five-year plan.

At the City Council meeting on 03/15/21, City administrative officials proposed year three's debt elimination plan, but this proposal included a 21% rate increase for electric service, based on the current deficit of over 2 million dollars. City Council tabled for more community input and additional information from city administrative officials.

A special City Council meeting was called by City administrative officials on 03/23/21. City Council was informed that

- The City would not be able to obtain bonds to complete council approved projects until the deficit elimination plan for year three has been submitted and accepted. After further analysis, the rate increase was lowered to 18% from 21%.

Due to updated information completed by the third-party analysis, we carefully consider this rate increase as necessary. City council will review information that led up to this situation, and take appropriate measures to ensure accountability and that this situation not reoccur. It is a goal of the City Council that its policy and operations are efficient, to ensure the City of Marshall remains viable, responsible, and fiscally sound.

City Manager Tarkiewicz stated the Michigan Department of Treasury is requiring to adopt a deficit elimination plan.

Mayor Caron opened the public hearing to hear public comment regarding the Adjustment of the Power Supply Cost Adjustment.

Sue Damron of 115 S. Eagle commented on the hurt that this increase is going to cause businesses and may even put them out of business. Regardless of how many years our businesses have gone without a rate increase or how our rates

Marshall City Council, Special Session  
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Unofficial

compare to Consumer's, or the City's financial position, this is going to hurt and possible close down more businesses during the middle of a pandemic when we are already suffering from loss of business and trying to operate after two closures and now only 50% capacity.

Kathy Miller of 540 Cosmopolitan agrees with Sue Damron and commented the Fairgrounds has suffered immensely and the rate could make or break us.

James Hackworth of 306 High Street owns a small business and is hanging on. Business can't take an 18% hit right now. He suggests approving a smaller percentage and budget more for next year.

Wayne Campau of 351 N. Kalamazoo inquired if the debt is paid down will the rates go down.

Barry Wayne Adams stated this is an example of Government not following through and the average Joe take the liability.

Bill Collins of 558 N. Madison also inquired if the deficit is paid off will the rate for the citizens go down. He also expressed displeasure that adjustments were not made before now and it is hard for people on a fixed income.

Dan Livingston of 581 Lyon Lake Rd inquired how the City rates compare with Consumers Energy and if the City is analyzing expenses. He would rather see a small annual increase than to be hit all at once.

Craig Kempf of 723 US 27 Hwy N inquired if the deficit was caused by infrastructure and if the City has ever considered selling to Consumers Energy. Also, Mr. Kempf stated the infrastructure that was needed was for the Marihuana Facilities. He feels Council needs to address accountability for mismanagement.

Mark Machalka of 327 N. Sycamore stated he agrees with others and this problem did not happen overnight. The City expended money that they did not have and it is evident the predictions the City had failed.

Dan Livingston inquired how the City rates compare with the other 40 municipal electric companies.

Renee Shaum of 131 W. Hanover inquired if the Dam being fixed is part of the rate adjustment and what the rate has to do with the repair.

Bill Collins inquired on how the City planned to repay the bonds.

Hearing no further comment, the hearing was closed.

Council discussion took place regarding options and feel splitting the increase over two years is the best option. Staff requested taking a 20 minutes recess to prepare documents for consideration.

**Moved** Wolfersberger, supported Traver, to enter a 20-minute recess for staff and consultants to prepare documents for consideration. On a roll call vote – ayes: Gates, Rice, Schwartz, Traver, Underhill, Wolfersberger, and Mayor Caron; nays: none. **MOTION CARRIED.**

Begin 20-minute recess at 8:27 p.m.

**Moved** Schwartz, supported Underhill, to return to open session from the recess. On a roll call vote – ayes: Rice, Schwartz, Traver, Underhill, Wolfersberger, Mayor Caron, and Gates; nays: none. **MOTION CARRIED.**

**Moved** Wolfersberger, supported Gates, to approve the amended Power Supply Cost Adjustment of 12% effective July 1, 2021 and 11% effective July 1, 2022. On a roll call vote – ayes: Underhill, Wolfersberger, Mayor Caron, Gates, Schwartz, and Traver; nays: Rice. **MOTION CARRIED.**

## **REPORTS AND RECOMMENDATIONS**

### **A. Electric Deficit Elimination Plan:**

**Moved** Gates, supported Wolfersberger, to approve the deficit elimination plan for the Electric Fund and to direct the Finance Department to file the plan with the Michigan Department of Treasury. On a roll call vote – ayes: Wolfersberger, Mayor Caron, Gates, Schwartz, Traver, and Underhill; nays: Rice. **MOTION CARRIED.**

### **CITY OF MARSHALL, MICHIGAN RESOLUTION # 2021-18**

**WHEREAS**, the City of Marshall's **Electric Fund** has an unrestricted net position deficit of \$2,973,470 on June 30, 2020; and

**WHEREAS**, Public Act 140, of 1971, as amended, requires that a Deficit Elimination Plan be formulated and approved by the City of Marshall, and filed with the Michigan Department of Treasury; and

**WHEREAS**, this is the second year of a five-year deficit elimination plan with the Michigan Department of Treasury; and

**WHEREAS**, the deficit elimination plan reflects the revenues and expenditures from the cost-of-service study by Courtney & Associates including a rate increase;

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**NOW THEREFORE BE IT RESOLVED**, that the plan includes a 12% rate increase effective July 1, 2021 and an additional rate 11% increase effective July 1, 2022 as well as expenditure reductions to improve its financial position;

**BE IT FURTHER RESOLVED** that a plan for repayment of Fibernet Fund Advance of \$1,700,000 from the Electric Fund be executed as soon as possible;

**BE IT FURTHER RESOLVED** that the City of Marshall Council adopts the following as the City of Marshall **Electric Fund** Deficit Elimination Plan:

<b>ELECTRIC</b>			
	3rd year of Deficit Elimination Plan	4th year of Deficit Elimination Plan	5th year of Deficit Elimination Plan
	FY2021	FY2022	FY2023
<b>Unrestricted Net Position (Deficit) July 1</b>	<b>(2,973,470)</b>	<b>(3,138,473)</b>	<b>(1,427,293)</b>
<b>Revenue</b>			
Charges for Services	60,000	60,000	60,000
Residential Sales	3,562,863	3,813,886	4,115,678
Commercial Sales	3,997,447	4,321,033	4,710,063
Commercial Sales Marihuana	1,281,546	2,947,523	3,139,930
Industrial Sales	4,105,292	4,468,625	4,905,442
Street & Highway Lighting	56,852	57,141	57,487
Security & Resort Lighting	54,000	54,000	54,000
Penalties Income	64,105	64,105	64,105
Interest	58,337	20,000	20,000
Rents	6,401	6,401	6,401
Miscellaneous Revenue	104,381	104,381	104,381
<b>Total Revenue</b>	<b>13,351,224</b>	<b>15,917,095</b>	<b>17,237,487</b>
<b>Expenditures</b>			
Salaries and Fringes	2,987,694	2,792,239	2,900,720
Material and Supplies	348,531	343,401	353,703
Purchased Power	8,321,072	9,179,159	9,130,738
Contracted Services	439,120	419,852	432,448
Insurance	42,973	56,000	57,680
Other Services and Charges	437,637	402,733	414,815
Bond Interest	114,650	189,200	189,628
Depreciation	396,536	396,536	408,432
Transfers Out	824,550	823,331	823,331
<b>Total Expenditures</b>	<b>13,912,763</b>	<b>14,602,451</b>	<b>14,711,495</b>
<b>Add Back Depreciation</b>	396,536	396,536	408,432
<b>Unrestricted Net Position (Deficit) June 30</b>	<b>(\$3,138,473)</b>	<b>(\$1,427,293)</b>	<b>\$1,507,131</b>
	3rd year of Deficit Elimination Plan	4th year of Deficit Elimination Plan	5th year of Deficit Elimination Plan
	FY2021	FY2022	FY2023
<b>Current Assets - Current Liab. (Deficit)-not including accrued interest-July 1</b>	<b>(\$2,571,693)</b>	<b>(\$2,736,696)</b>	<b>(\$1,025,516)</b>
Revenues	13,351,224	15,917,095	17,237,487
Expenditures	(13,912,763)	(14,602,451)	(14,711,495)
Add Back Depreciation	396,536	396,536	408,432
<b>Current Assets - Current Liab. (Deficit)-not including accrued interest-June 30</b>	<b>(\$2,736,696)</b>	<b>(\$1,025,516)</b>	<b>\$1,908,908</b>

Marshall City Council, Special Session  
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Unofficial

**BE IT FURTHER RESOLVED** that the City of Marshall's Interim Finance Director is directed to submit the Deficit Elimination Plan to the Michigan Department of Treasury for certification.

**CERTIFICATION OF CITY CLERK**

I 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 12th day of April, 2021.

\_\_\_\_\_  
Trisha Nelson, City Clerk

\_\_\_\_\_  
Date

\_\_\_\_\_  
Joe Caron, Mayor

\_\_\_\_\_  
Trisha Nelson, Clerk



INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
1MLM-XXJ9-4GFM	AMAZON CAPITAL SERVICE:ACCT	ALP4GM99HG1E02 - ASH/TRASH CAN		65.44
1LK4-37HG-FNWX	AMAZON CAPITAL SERVICE:ACCT	ALP4GM99HG1E02 - WAX RING - TOILET		34.95
1KPT-MHHW-K67K	AMAZON CAPITAL SERVICE:ACCT	ALP4GM99HG1E02 - LIGHTED WORKBENCH		285.00
1VDG-69QN-DN4D	AMAZON CAPITAL SERVICE:ACCT	ALP4GM99HG1E02 - LONG SLEEVE TSHIRT		32.99
11YN-QXDV-YNJ6	AMAZON CAPITAL SERVICE:ACCT	ALP4GM99HG1E02 - WEBCAM/CABINET STO		332.98
1NCL-DDCG-4G7Q	AMAZON CAPITAL SERVICE:ACCT	ALP4GM99HG1E02 - RAISED TOILET SEAT		26.77
1X4Y-4MTG-39YY	AMAZON CAPITAL SERVICE:ACCT	ALP4GM99HG1E02 - FLAMMABLE LIQUIDS		772.43
02250474822	AUTO VALUE MARSHALL	WIRE ACCESSORIES/PRIMER		10.68
02250474687	AUTO VALUE MARSHALL	BLECHE WHITE/MIST N SHINE		27.16
02250474676	AUTO VALUE MARSHALL	OIL RECOVER		16.99
02250474641	AUTO VALUE MARSHALL	RECIP BLADE/2 1 2X6 FLEX W		76.97
02250474943	AUTO VALUE MARSHALL	OIL/FILTER		59.03
02250474948	AUTO VALUE MARSHALL	PARTS/FRONT DISC PADS		562.34
02250474870	AUTO VALUE MARSHALL	F DISC BRAKE/PADS/ R DISC BRAKE		320.74
02250474991	AUTO VALUE MARSHALL	CREDIT MEMO		(320.74)
02250475068	AUTO VALUE MARSHALL	WHITE PRIMER		15.38
02250475464	AUTO VALUE MARSHALL	REFLEX SHOCK/FRONT PADS		405.35
02250475460	AUTO VALUE MARSHALL	WIPER BLADE		67.16
0326393-IN	BEAVER RESEARCH CO	NITRATE TEST KIT		23.75
3619782	BESCO WATER TREATMENT	DURA CUBE -SKID		484.75
7759	BUD'S TOWING & AUTOMOT	DART 5 - TIRE ROTATION/ALIGNMENT		120.00
7653	BUD'S TOWING & AUTOMOT	DART 5 - INSPECTION/ OIL CHANGE		93.54
6203	CREEK PLASTICS	3" SDR-13.5 CONDUIT	2021.304	6,955.56
163036	D & D MAINTENANCE SUPP	CARPET CLEANING - MRLEC		835.00
3301500	DAIKIN APPLIED	HVAC - AIR HANDLER MAINTENANCE AGREEMENT	2021.026	2,978.75
K81263	DARLING ACE HARDWARE	ANGLE STEEL/HEX NUTS/NIPPLES		22.17
580984	DARLING ACE HARDWARE	COUPLER		7.99
580477	DARLING ACE HARDWARE	WIRE WHEEL/NUTS & BOLTS		24.63
580419	DARLING ACE HARDWARE	BATTERIES		9.59
580623	DARLING ACE HARDWARE	TIDE PODS		15.18
581190	DARLING ACE HARDWARE	BATTERY TRIMMER/TRIMMER LINE		144.90
581300	DARLING ACE HARDWARE	CHAINSAW CHAIN		95.97
581153	DARLING ACE HARDWARE	DISINFECTANT/SPONGE		18.56
580893	DARLING ACE HARDWARE	HELMET SYSTEM		95.98
581816	DARLING ACE HARDWARE	BULB		5.99
581331	DARLING ACE HARDWARE	NUTS & BOLTS		5.38
5184-1	DUCKWORTH BROTHERS INC	REMOVE & REPLACE CAULKING AND GROUT AT M	2021.313	9,372.00
S103960437.001	ETNA SUPPLY	PVC PIPE/FLEX COUPLING/COUPLING		310.30
MIBAT302671	FASTENAL COMPANY	BOLTS		259.78
0122093	FERGUSON WATERWORKS #3	INVENTORY FOR WATER DEPARTMENT		1,138.35
17125	FUG	LANYARDS		205.00
21-02090	GARAGE DOORS UNLIMITED	DOOR REPAIR - PSB		1,131.08
21-02348	GARAGE DOORS UNLIMITED	SERVICE CALL - WATER DEPT DOOR LOCK		274.80
GT214-152	GAWNE TRUCKING INC	BLANKET PO FOR SLUDGE HAULING	2021.015	18,515.00
635	GLGC PLUMBING LLC	SERVICE CALL - PRESSURE WASHER WATER TAN		115.00
117489926	GLOBAL EQUIPMENT COMP	WORKGLOVES		344.69
9843559999	GRAINGER	AUTOCLAVE PARTS		24.32
9320671039	GRAYBAR ELECTRIC	COMMSCOPE DROP CABLES QUOTE# 0237125322	2021.256	609.52
3591	HE CLEANS TOO, LLC	JANITORIAL		162.50
3585	HE CLEANS TOO, LLC	HAND TOWELS		220.15
2857	HERITAGE FIRE EQUIPMEN	FIRE NOZZLES- 2021 CIP PER QUOTE #2036	2021.236	3,134.24
87968	HERMANS MARSHALL HARDW	CUT OFF WHEELS/GLUE		10.77
87971	HERMANS MARSHALL HARDW	MURIATIC ACID/LYSOL		45.94
87963	HERMANS MARSHALL HARDW	CLIPS/SAWZAL BLADES		37.86
87911	HERMANS MARSHALL HARDW	WASH BRUSH/OFFICE SUPPLIES/PAINT/BRUSHES		186.53
87950	HERMANS MARSHALL HARDW	CLAMPS/LIGHT/SOAP/BLEACH/RAGS		82.94
87901	HERMANS MARSHALL HARDW	DRILL/IMPACT WRENCH/HOSE FITTING/DUCT TA		832.94
0000098-IN	HYDROCOP	FLOW IQ		835.20
0061435-IN	HYDROCOP	CROSS CONNECTION CONTROL PROGRAM - MARCH		865.00
3081143797	IDEXX DISTRIBUTION COR	LAB SUPPLIES		1,260.24
C164339	IMPACT SOLUTIONS	MRLEC SIGNAGE		346.96
C164407	IMPACT SOLUTIONS	ENVELOPES/UTILITY BILLS/RETURN ENVELOPES		15.00
20734	J AND K PLUMBING SUPPL	SEWER REPAIR PARTS		25.55
1872124	J.C. EHRlich	PEST CONTROL		235.92
0001730	JUSTICE FENCE	SERVICE CALL - BACK GATE		330.00
69362	KEBS INC	SKETCHES & PLAN REVISIONS		1,200.00
000012614	KELLOGGS REPAIR	CARB ASSEMBLY/SPARK PLUG		138.20
S4831454.001	MEDLER ELECTRIC COMPAN	HIGH/LOW BAY BULBS		454.65
291510	MICHIGAN INDUSTRIAL GA	WELDING GASES/CYLINDER RENTAL		105.95
21-29083-1	MILLENNIUM	CONDUIT, HANDHOLDS QUOTE# COM-210311	2021.295	6,308.00
21-29083A-1	MILLENNIUM	CONDUIT, HANDHOLDS QUOTE# COM-210311	2021.295	3,875.00
75732723	MSC INDUSTRIAL SUPPLY	BREAKAWAY VESTS		440.50
69658973	MSC INDUSTRIAL SUPPLY	BREAKAWAY VESTS		63.11
76441483	MSC INDUSTRIAL SUPPLY	SAFETY VESTS		27.00
75845453	MSC INDUSTRIAL SUPPLY	BREAKAWAY VEST		54.00
766484	NYE UNIFORM COMPANY	UNIFORMS MC		254.50
762928	NYE UNIFORM COMPANY	KURAS - BVR - CIP		1,217.50
105223	O'LEARY WATER CONDITIO	COOLER RENTAL/BOTTLED WATER - MARCH/APRI		40.00
1910496	Office 360	PAPER		32.99

APPROVAL LIST FOR CITY OF MARSHALL  
 EXP CHECK RUN DATES 04/22/2021 - 04/22/2021  
 UNJOURNALIZED  
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INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
1910847	OFFICE 360	PAPER/RUBBERBANDS		58.10
60202	PEERLESS MIDWEST INC	ANNUAL WELL & PUMP PERFORMANCE TESTING		915.00
7159380-02	POWER & TELEPHONE SUPP	ADAPTER PLATE		137.05
7185420-00	POWER & TELEPHONE SUPP	LARGE NID BOX		357.85
7159380-00	POWER & TELEPHONE SUPP	ADAPTER PLATE		137.05
56554579	POWER LINE SUPPLY	FIBERGLASS CROSSARMS 4" X 6" 96"	2021.321	3,802.68
56554526	POWER LINE SUPPLY	TESTING GLOVES/TESTING SLEEVES		403.50
56554517	POWER LINE SUPPLY	SAFETY GLASSES		135.38
56551202	POWER LINE SUPPLY	WORK GLOVES		111.20
56549509	POWER LINE SUPPLY	MATERIALS FOR ALWYN DOWNS/ MARVIEW #2 SU	2021.312	2,705.84
56549510	POWER LINE SUPPLY	MATERIALS FOR ALWYN DOWNS/ MARVIEW #2 SU	2021.312	3,417.51
56552956	POWER LINE SUPPLY	ELECTRIC LINE MATERIALS -	2021.060	1,306.20
56552959	POWER LINE SUPPLY	GLOVES		468.72
56552957	POWER LINE SUPPLY	10 AMP FUSE LINK		91.25
56552960	POWER LINE SUPPLY	MATERIALS FOR ALWYN DOWNS/ MARVIEW #2 SU	2021.312	1,730.01
56552958	POWER LINE SUPPLY	GLOVES		55.60
56552845	POWER LINE SUPPLY	FR SWEATSHIRT - METERING/FR SWEATSHIRT -		184.63
56553380	POWER LINE SUPPLY	#2 SERVICE SPLICE		101.43
00751308	PROFESSIONAL SERVICE	IDIELECTRIC TESTING - TESTING PERFORMED 2	2021.314	2,934.00
21-1071	QUALITY EXCAVATORS, IN	EMERGENCY REPAIR OF WEST MANSION SEWER	2021.311	7,497.00
21-1076	QUALITY EXCAVATORS, IN	TOP SOIL, SAND		103.00
16021	R-S TRUCK & DIESEL, IN	TRUCK #306 - DIPSTICK/IGNITION SWITCH/EX		1,078.88
1327	RIGHT WAY CONTROL LLC	WEED VEGETATION CONTROL		680.00
1328	RIGHT WAY CONTROL LLC	WEED VEGETATION MANAGEMENT		1,450.00
85478781	SAFETY-KLEEN	PARTS WASHER SOLVENT		175.00
8181686067	SHRED-IT USA LLC	SHREDDER		483.00
1770138	STANTEC CONSULTING MIC	IIPP - MAHL REVISION ASSISTANCE	2021.238	522.00
1770147	STANTEC CONSULTING MIC	ENGINEERING FOR HANOVER ST SEWER LINING	2021.224	4,686.25
1770140	STANTEC CONSULTING MIC	CONCEPTUAL DESIGN STUDY WATER TREATMENT	2021.202	261.00
1770141	STANTEC CONSULTING MIC	GENERAL ENGINEERING SERVICES		656.25
1770142	STANTEC CONSULTING MIC	GENERAL ENGINEERING SERVICES		625.50
1770143	STANTEC CONSULTING MIC	WATER AMI CONSTRUCTION ENGINEERING	2021.097	4,337.75
1770144	STANTEC CONSULTING MIC	CITYWORKS IMPLEMENTATION	2021.263	13,248.75
1770145	STANTEC CONSULTING MIC	AWIA RISK AND RESILIENCE ASSESSMENT	2021.183	2,041.00
1770146	STANTEC CONSULTING MIC	IIPP WATER MAIN LINING DESIGN COSMOPOLIT	2021.203	1,284.55
141000768	SUMMIT FIRE PROTECTION	FIRE EXTINGUISHER INSPECTION - CITY HALL		401.50
141000815	SUMMIT FIRE PROTECTION	FIRE EXTINGUISHER INSPECTION - DPW		359.30
141000724	SUMMIT FIRE PROTECTION	NEW FIRE EXTINGUISHERS - MRLEC		465.50
141000823	SUMMIT FIRE PROTECTION	FIRE EXTINGUISHER SERVICE - DART		97.50
141000824	SUMMIT FIRE PROTECTION	FIRE EXTINGUISHER SERVICES - PSB		392.00
141000822	SUMMIT FIRE PROTECTION	FIRE EXTINGUISHER SERVICES - PSB ELEC. D		145.00
141000737	SUMMIT FIRE PROTECTION	PATROL FIRE EXTINGUISHERS		317.00
135443150	TRUGREEN	ICE MELT		492.94
154 0116567	UNIFIRST CORPORATION	WATER UNIFORMS		29.18
154 0116005	UNIFIRST CORPORATION	WATER UNIFORMS		29.18
154 0116006	UNIFIRST CORPORATION	MARSHALL HOUSE UNIFORMS		39.87
154 0116004	UNIFIRST CORPORATION	POWER HOUSE UNIFORMS		52.87
154 0116001	UNIFIRST CORPORATION	WASTE WATER UNIFORMS		31.43
154 0116568	UNIFIRST CORPORATION	MARSHALL HOUSE		39.87
154 0116566	UNIFIRST CORPORATION	POWER HOUSE UNIFORMS		52.87
154 0116563	UNIFIRST CORPORATION	WASTE WATER UNIFORMS		31.43
154 0116564	UNIFIRST CORPORATION	DPW GARAGE UNIFORMS		59.71
154 0116565	UNIFIRST CORPORATION	ELECTRIC UNIFORMS		187.99
154 0116002	UNIFIRST CORPORATION	DPW GARAGE		59.71
154 0116003	UNIFIRST CORPORATION	ELECTRIC UNIFORMS		182.99
GRAND TOTAL:				131,519.06



**MICHIGAN SOUTH CENTRAL POWER AGENCY**

168 DIVISION STREET  
COLDWATER, MICHIGAN 49036  
PHONE (517) 279-6961  
FAX (517) 279-6969

INVOICE MONTH: March, 2021  
INVOICE DATE: 4/14/2021  
DUE DATE: 4/29/2021  
TOTAL AMOUNT DUE: \$735,994.21

**MARSHALL CITY ELECTRIC DEPARTMENT**  
323 WEST MICHIGAN AVENUE  
MARSHALL, MICHIGAN 49068  
ATTN TOM TARKIEWICZ

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**MSCPA Member Power Billing - March, 2021**

Total Power Charges:	\$547,207.58
Transmission / Capacity / Ancillary Services:	\$160,677.32
Total Other Charges:	\$7,292.65
Total Miscellaneous Charges:	\$20,816.66

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**TOTAL CHARGES** **\$735,994.21**

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**NOTE: PLEASE SEE ENCLOSED BACKUP FOR ADDITIONAL DETAIL**

\* Any amounts due and not paid by the due date shall bear interest at the rate of 1% per month until paid

**Notes:**

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APPROVAL LIST FOR CITY OF MARSHALL  
 EXP CHECK RUN DATES 04/01/2021 - 04/01/2021  
 UNJOURNALIZED  
 OPEN

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
03/31/2021	AMBLER, LORI & ROBERT	UB refund for account: 601000009		130.90
3172021	AT&T MOBILITY	ACCT 145970911		107.35
252-2369359	BANK OF NEW YORK MELLO	BONDS FEE - APRIL 2021-MARCH 2022		750.00
252-2369360	BANK OF NEW YORK MELLO	TRANSPORTATION BONDS FEE - APRIL2021-MAR		250.00
03292021	CASE, KYLER	MEAL ALLOWANCE		10.00
3242021	CB HALL ELECTRIC COMPAN	INSPECTIONS 2/1-3/24		1,150.00
03272021	FULLER, MIKE	MEAL ALLOWANCE		10.00
016638	LEWEY'S SHOE REPAIR	BOOT ALLOWANCE - LEVI CARR		195.00
016656	LEWEY'S SHOE REPAIR	BOOT ALLOWANCE - ERIC DUDA		195.00
03242021	LUIB, EARL	WORKWEAR REIMBURSEMENT - FR SWEATSHIRT		175.65
03102021JM	MARSHALL COMMUNITY CU	CITY CREDIT CARD - 9156 - JUSTIN MILLER		6.79
03272021	MEYER, STEVE	MEAL ALLOWANCE		10.00
3212021	PEHRSON, KORY	CDL REIMBURSEMENT		150.00
03/31/2021	ROLLO, DONALD	UB refund for account: 3101180026		61.99
11411045	S & P GLOBAL	ANALYTICAL SERVICES - GENERAL OBLIGATION		13,750.00
03292021	SIEGEL, ROBERT	BOOT ALLOWANCE REIMBURSEMENT		347.20
03/31/2021	SMITH, AARON	UB refund for account: 3005760045		54.16
03/31/2021	TAYLOR GILMORE	UB refund for account: 276		50.00
3312021	TCF BANK	HSA ACCT# 2551335959 - JOE DELAPAS		1,800.00
57	TOP TO BOTTOM TREE SER	ELECTRIC LINE CLEARANCE (3-PERSON \$106/2021.058		4,240.00
03/31/2021	V & V ASSESSING LLC	ASSESSING SERVICES		4,500.00
03/31/2021	WOLFERSBERGER, PAM	FARMERS MARKET MANAGER		850.00
03242021	WOW! BUSINESS	ACCT 013934621		46.67
44	XCEL STAFFING	WORK WEEK 03/28/21 - COCHRAN, M.		1,131.90
GRAND TOTAL:				29,972.61

APPROVAL LIST FOR CITY OF MARSHALL  
 EXP CHECK RUN DATES 04/09/2021 - 04/09/2021  
 UNJOURNALIZED  
 OPEN

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
5757	ASPEN WIRELESS	TECH SUPPORT FOR FIBERNET. \$8.75/CUSTOM	2021.018	13,667.50
04/08/2021	CLIFTON, JERRY	UB refund for account: 900100009		31.59
10017	COURTNEY & ASSOCIATES	MONTHLY RETAINER - MARCH		250.00
04082021	CRADO, GARY	REIMBURSEMENT FOR SANITARY LATERAL CAMER		270.00
103335	CRT, INC	SERVER BATTERY		1,975.00
103309	CRT, INC	CLOUD STORAGE - MONTHLY BILLING		1,311.24
04/08/2021	DEUMAN, ARIZONA	UB refund for account: 2900320036		49.39
34096	HELPNET	PUBLIC SAFETY HELPNET		262.71
3781789	IIX INSURANCE INFORMAT	ACCT# 888907 - MOTOR VEHICLE REPORTS/ AC		36.20
1720997-20210331	LEXISNEXIS RISK DATA	FOR INVOICES 1720997-20210228 & 1720997-		200.00
04/08/2021	LIBBRECHT, JEROME	UB refund for account: 3000960001		20.29
20210412757	METRO WIRELESS	BUSINESS DATA SERVICES - 10 GBPS INTERNE	2021.019	4,890.22
04082021	MICHIGAN ASSOCIATION	2021 MEMBERSHIP DUES - JOE CARON		85.00
04062021	MICHIGAN DEPT OF TREAS	ACCT# 38-6004708 RETURN PERIOD 12-2020		137.96
2021-SEWER	MORRIS STULBERG TRUST	ANNUAL STORM SEWER EASEMENT PAYMENT		24.00
2021-WATER	MORRIS STULBERG TRUST	ANNUAL WATER MAIN EASEMENT PAYMENT		10.00
2021- POWER	MORRIS STULBERG TRUST	ANNUAL POWER LINE EASEMENT PAYMENT		5.00
NNS24700	NEONOVA NETWORK SERVIC	IPS TECH SUPPORT		1,000.00
USINV2103159992	NTT CLOUD COMMUNICATIO	AUDIO DIAL IN - MARCH 2021		45.94
04062021	PHILPOTT, ANTHONY	REIMBURSEMENT FOR KEYBORD PURCHASED FOR		63.59
10246	REVORE LAW FIRM, P.L.C	LEGAL SERVICES - MARCH 2021		5,862.50
04/08/2021	ROSE, SUMMER	UB refund for account: 502670024		65.40
16771	SONAR	SONAR SOFTWARE MONTHLY SERVICE. \$1.25/C	2021.007	1,952.50
58	TOP TO BOTTOM TREE SER	ELECTRIC LINE CLEARANCE (3-PERSON \$106/	2021.058	2,438.00
04/08/2021	TRI-MEDIA ENVIRONMENTA	UB refund for account: 501000006		46.29
71136346	WEX BANK	ACCT 0470-00-462076-1		7,986.66
03292021	WOW! BUSINESS	ACCT 014226414		126.85
49	XCEL SPECIALIZED, LLC	WORK WEEK 04/04/2021 - COCHRAN, MONZEL		882.00
GRAND TOTAL:				43,695.83



**ADMINISTRATIVE REPORT**  
**April 19, 2021 – CITY COUNCIL MEETING**

**TO:** Honorable Mayor and City Council

**FROM:** Tom Tarkiewicz, City Manager  
Scott E. McDonald, Director of Public Safety

**SUBJECT:** Amendment of Ordinance 70.17- Animal Drawn Vehicles

**BACKGROUND:** In the approved code, there is a requirement on the shoeing of horses- Section E,2: The animal shall be shod with nonmetallic shoes from April 1 to November 1 of each year. Animals may be shod with metallic shoes and borium from November 1 to April 1 of each year. The restrictions in the adopted ordinance have since raised some concerns in the horse and carriage community.

After the approved code 70.17 was passed and published, local business owner Dennis McKeen (Marshall Carriage Company) became aware of it. He contacted the Police Department with his concerns. One in particular, McKeen educated the Police Department on the subject of shoeing horses. McKeen explained several concerns reference the horse shoeing to include:

It was learned that many horse owners do no shoe their horses at all. This is due to their preference for the horse to rely on its natural hoof, particularly if the horse is not used on pavement much, and if the horse is healthy and well cared for. He indicated that he is able to provide professionals to support this.

Of more concern to McKeen was the topic of non-metallic shoes, and the severe financial impact of them, as well as some wellness concerns for the animal. McKeen explained that non-metallic shoes are not as simple as a onetime shoeing until they need to be replaced. He explained these shoes must be replaced/removed weekly. He explained that the non-metallic shoes are glued onto the horse's hoof, not nailed. He stated that once attached, the horse can work with this shoe for about a week. The shoe then has to be scraped off, and the horse must be rested after the scraping for a week, so its hoof can heal. He indicated that so not only does the horse have to recover, but he cannot use the horse for a week.

McKeen stated that horseshoeing is a technical skill, so most horse owners have to pay someone to provide the service. He stated that if the City continues to require the shoes (in particular the non-metallic), he (and most other small operations like his) could not afford to operate in Marshall. He went on to say that the municipalities that require this are generally larger tourist towns who have the volume of service to covers the costs and down time.

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

f 269.781.3835

cityofmarshall.com



**RECOMMENDATION:** After hearing comments at the public hearing, it is recommended that the Council adopt the amendment(s) to the City Ordinance Chapter 70, 70.17.

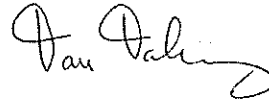
**FISCAL EFFECTS:** There are no known significant fiscal effects.

**ALTERNATIVES:** As suggested by City Council.

Respectfully Submitted,



Scott McDonald  
Director of Public Safety



Tom Tarkiewicz  
City Manager

**City of Marshall, Michigan  
Ordinance # 2021-**

AN ORDINANCE AMENDING §70.17 ANIMAL-DRAWN VEHICLES OF THE CITY OF MARSHALL CODE OF ORDINANCES,

**THE CITY OF MARSHALL ORDAINS:**

**Section 1.** That **Section E. Animal Requirements** is hereby amended to **strike the following requirement:**

- (2) The animal shall be shod with nonmetallic shoes from April 1 to November 1 of each year. Animals may be shod to with metallic shoes and borium from November 1 to April 1 of each year.

**Section 2.** This Ordinance [or a summary thereof as permitted by MCL 125.3401] shall be published in the *Marshall Chronicle*, a newspaper of general circulation in the City of Marshall qualified under state law to publish legal notices. This Ordinance shall be recorded in the Ordinance Book and such recording shall be authenticated by the signatures of the Mayor and the City Clerk.

**Section 3.** This Ordinance is declared to be effective immediately upon publication.

Adopted and signed this \_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Joe Caron, MAYOR

\_\_\_\_\_  
Trisha Nelson, CITY CLERK

I, Trisha Nelson, being duly sworn as the City Clerk for the City of Marshall, hereby certify that the foregoing is a true and complete copy of an ordinance approved by the City Council, City of Marshall, County of Calhoun, State of Michigan, at a regular meeting held on April 19, 2021, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available by said Act.

\_\_\_\_\_  
Trisha Nelson, CITY CLERK



**ADMINISTRATIVE REPORT**  
**April 19, 2021 - CITY COUNCIL MEETING**

**REPORT TO:** Honorable Mayor and City Council

**FROM:** Alec Egnatuk, Wastewater Superintendent  
Marguerite Davenport, Director of Public Services  
Tom Tarkiewicz, City Manager

**SUBJECT:** Sanitary Sewer Lining Construction Bids

**BACKGROUND:** The City of Marshall retained Stantec Consulting Inc. to prepare an RFP for the lining of sanitary sewer in West Hanover Street between South Linden and South Mulberry Streets. This area, as Council may recall, was the adjacent to a sanitary sewer collapse in the fall of 2019. The pipe is a 15-inch diameter reinforced concrete pipe directly downstream from the discharge of the Fountain Street lift station. Fountain Street lift station (located on North Fountain Street between West Michigan Avenue and Arms Street) collects and pumps over 15% of the City's wastewater.

Bidder	City	Bid
<b>Corby Energy Services Inc</b>	Belleville	\$52,695
<b>Granite Inliner</b>	Romulus	\$56,403
<b>Insituform Technologies USA</b>	Tampa, FL	\$62,374
<b>Plummer's Environmental Services Inc</b>	Byron Center	\$67,847.78

Stantec has reviewed the bids and found the low bid from Corby Energy Services to be accurate and meet the requirements of the construction documents. Based on the review of references, and the bids received, Stantec believes that Corby Energy Services, Inc. has the ability to satisfactorily perform the work on this project.

Sanitary lining projects are a specialized type of rehabilitation. Typically, the projects will last at most 2 weeks. For this reason, the City will not enter a formal contract for construction engineering services, but rather utilize Stantec's services under the Master Services Agreement. City staff plan to review the construction documents with Stantec providing oversight and training of City staff for this first year of lining. Construction engineering for future projects is expected to be completed by City staff. A not to exceed amount of \$5,000 is expected for Stantec's construction engineering oversight for the 2021 project.

The FY2021 Capital Improvement Plan (CIP) included \$60,000 annually for lining of sanitary sewer from 2021 to 2026. The price from Corby

323 W. Michigan Ave.  
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cityofmarshall.com

Energy Services falls within the budgeted amount for fiscal year 2021. The bid documents required unit pricing for various pipe diameters so that City staff can plan future projects, through June 30, 2023, as needed. Specific areas for future lining are yet to be determined, but when they are staff will return to council for approval of said work within the correct fiscal year.

**RECOMMENDATION:** It is recommended that the Council approve the bid for the Hanover sanitary sewer lining contract with Corby Energy Services, Inc in the amount of \$52,695 with an additional contingency amount of \$5,305. Also, approve the use of Stantec's construction engineering oversight in the amount not to exceed \$5,000. Upon approval the total funded amount is \$63,000.

**FISCAL EFFECTS:** The amount approved, \$63,000, will be expensed from the Wastewater Department Capital Outlay budget line 590-900-970.00.

**ALTERNATIVES:** As suggested by the Council.

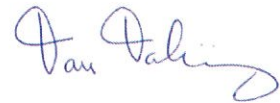
Respectfully submitted,



Alec Egnatuk  
Wastewater Superintendent



Marguerite Davenport  
Director of Public Services



Tom Tarkiewicz  
City Manager



**Stantec Consulting Michigan Inc.**  
3754 Ranchero Drive, Ann Arbor MI 48108-2771

April 5, 2021  
File: 2075155300

**Attention: Ms. Marguerite Davenport, Director of Public Services**

City of Marshall  
City Hall, 2nd Floor  
323 W. Michigan Avenue  
Marshall, Michigan 49068

Dear Ms. Davenport,

**Reference: City of Marshall – Hanover Sewer Main Lining Bid Review**

Pursuant to your direction, bids for the above-referenced project were received at the City Hall on Thursday, April 1, 2021, where they were opened and read aloud at 1:00 PM. A total of four (4) bids were received, ranging from a low bid in the amount of \$52,695.00, submitted by Corby Energy Services Inc. of Belleville, Michigan, to a high bid in the amount of \$67,847.78 submitted by Plummer's Environmental Services of Byron Center, Michigan. A bid tabulation has been enclosed summarizing all bids that were received for the project.

Stantec has reviewed the bid from the low bidder, Corby Energy Services Inc., and found no irregularities except for a minor math error in the total bid amount. Based on the review of references, Stantec's previous experience, and the bids received, we believe that Corby Energy Services Inc. has the ability to perform the work satisfactorily on this project. In addition, we have reviewed the additional As-Needed Sewer Main Lining pricing provided by Corby Energy Services Inc. and find the pricing to be in-line with industry unit prices for this type of work.

We therefore recommend that the Hanover Sewer Main Lining project be awarded to Corby Energy Services Inc. in the amount of Fifty-Two Thousand, Six Hundred Ninety-Five and 00/100 Dollars (\$52,695.00). Additional funding should be allocated in the total contract for lining improvements in future fiscal years through June 30, 2023. The contract does not obligate the City of Marshall to perform any additional scope of work; however, it is recommended that the City develop the final contract amount based on current anticipating lining expenditures.

If you concur with our recommendation, and Marshall City Council awards a contract to Corby Energy Services Inc., we would be pleased to prepare the contracts, obtain the required bonds and insurance, and schedule a preconstruction meeting to initiate this project.

Design with community in mind

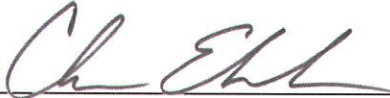
April 5, 2021  
Ms. Marguerite Davenport, Director of Public Services  
Page 2 of 2

Reference: City of Marshall – Hanover Sewer Main Lining Bid Review

We would like to thank you for this opportunity to provide engineering services for the City of Marshall and we look forward to assisting you with the construction phase of this project.

Regards,

**Stantec Consulting Michigan Inc.**



**Chris Elenbaas** PE  
Project Manager  
Phone: 734-358-2029  
Fax: 734-761-1200  
Christopher.Elenbaas@stantec.com



**Ken Jewison** PE  
Project Manager  
Phone: 734-892-9041  
Fax: 734-761-1200  
Ken.Jewison@stantec.com

Attachment: Hanover Sewer Main Lining Bid Tabulation

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Design with community in mind





Bid Tabulation  
for the  
Hanover Sewer Main Lining  
City of Marshall

Bid Date: Thursday, April 1, 2021  
1:00 PM, local time

2075155300

CONTRACTOR:				Corby Energy Services Inc. 6001 Schooner Drive Belleville, MI 48112 (734) 547-9237		Granite Inliner LLC 28529 Goddard Road, Suite 106 Romulus, MI 48174 (734) 955-2508		Insituform Technologies USA Inc. 17988 Edison Avenue Chesterfield, MO 63005 (636) 530-8000	
No.	Item	Qty.	Units	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
1	General Conditions and Mobilization (5% Max)	1	LS	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 7,637.20	\$ 7,637.20
2	Pre-Lining Sewer Cleaning and CCTV, 8-inch to 15-inch	566	LF	\$ 4.00	\$ 2,264.00	\$ 13.00	\$ 7,358.00	\$ 7.90	\$ 4,471.40
3	15-inch CIPP Sewer Lining	566	LF	\$ 60.00	\$ 33,960.00	\$ 50.00	\$ 28,300.00	\$ 64.30	\$ 36,393.80
4	Service Reconnection	13	EA	\$ 65.00	\$ 845.00	\$ 115.00	\$ 1,495.00	\$ 78.20	\$ 1,016.60
5	Manhole Lining	54	VF	\$ 235.00	\$ 12,690.00	\$ 300.00	\$ 16,200.00	\$ 230.30	\$ 12,436.20
6	Manhole Spot Leak Seal	2	EA	\$ 218.00	\$ 436.00	\$ 275.00	\$ 550.00	\$ 209.40	\$ 418.80
<b>TOTAL BASE BID PRICE (Item Nos. 1 through 6):</b>					<b>\$ 52,695.00</b>		<b>\$ 56,403.00</b>		<b>\$ 62,374.00</b>

*corrected amount*

Other Bidders

<b>Plummer's Environmental Services</b>
10075 Sedroc Industrial
Byron Center, MI 49315
(616) 877-3930
<b>Total Base Bid Price (Item Nos. 1 through 6): \$67,847.78</b>



As-Needed Sewer Main Lining  
for the  
City of Marshall

CONTRACTOR:			Corby Energy Services Inc. 6001 Schooner Drive Belleville, MI 48112 (734) 547-9237	Granite Inliner LLC 28529 Goddard Road, Suite 106 Romulus, MI 48174 (734) 955-2508	Insituform Technologies USA Inc. 17988 Edison Avenue Chesterfield, MO 63005 (636) 530-8000
Item No.	Item Description	Unit	Unit Price	Unit Price	Unit Price
1	Mobilization	LS	\$ 5,000.00	\$ 2,000.00	\$ 7,500.00
2	Pre-Lining Sewer Cleaning and CCTV, 8-inch to 15-inch	LF	\$ 3.00	\$ 10.00	\$ 8.00
3	8-inch CIPP Sewer Lining	LF	\$ 32.00	\$ 40.00	\$ 40.00
4	10-inch CIPP Sewer Lining	LF	\$ 36.00	\$ 43.00	\$ 45.00
5	12-inch CIPP Sewer Lining	LF	\$ 44.00	\$ 47.00	\$ 50.00
6	15-inch CIPP Sewer Lining	LF	\$ 53.00	\$ 68.00	\$ 70.00
7	Service Reconnection	EA	\$ 65.00	\$ 100.00	\$ 125.00
8	Manhole Lining	VF	\$ 235.00	\$ 375.00	\$ 250.00
9	Manhole Spot Leak Seal	EA	\$ 220.00	\$ 1,000.00	\$ 300.00

CONTRACTOR:			Plummer's Environmental Services 10075 Sedroc Industrial Byron Center, MI 49315 (616) 877-3930
Item No.	Item Description	Unit	Unit Price
1	Mobilization	LS	\$ 500.00
2	Pre-Lining Sewer Cleaning and CCTV, 8-inch to 15-inch	LF	\$ 2.50
3	8-inch CIPP Sewer Lining	LF	\$ 42.00
4	10-inch CIPP Sewer Lining	LF	\$ 46.00
5	12-inch CIPP Sewer Lining	LF	\$ 55.00
6	15-inch CIPP Sewer Lining	LF	\$ 67.00
7	Service Reconnection	EA	\$ 275.00
8	Manhole Lining	VF	\$ 420.00
9	Manhole Spot Leak Seal	EA	\$ 500.00



**ADMINISTRATIVE REPORT**  
**April 19, 2021 - CITY COUNCIL MEETING**

**REPORT TO:** Honorable Mayor and City Council

**FROM:** Alec Egnatuk, Wastewater Superintendent  
Marguerite Davenport, Director of Public Services  
Tom Tarkiewicz, City Manager

**SUBJECT:** WWTP Clarifier Rehabilitation Construction Bids

**BACKGROUND:** The City of Marshall retained Stantec Consulting Inc. to prepare an RFP for the rehabilitation of the two primary and two secondary clarifiers at the Wastewater Treatment Plant (WWTP) in fall of 2020. Early in the design process, City staff learned that lead time for the clarifier equipment is 16+ weeks. With this in mind, and Stantec's guidance, the City requested proposals from manufacturers for a direct purchase of the equipment. The equipment from five manufacturers was presented at the January 4, 2020 council meeting with WesTech being awarded the contract. With the equipment contract underway, Stantec moved their focus to creating contract documents for the installation of WesTech equipment and various other improvements in concrete and electrical assets at the WWTP. The construction bids were received on April 1, 2020 with the following results:

<b>Bidder</b>	<b>City</b>	<b>Bid</b>
<b>LD Docsa Associates Inc.</b>	Kalamazoo	\$407,000
<b>Allied Mechanical</b>	Hudsonville	\$534,000
<b>Reliance Building Company</b>	Novi	\$656,000

Stantec has reviewed the bids and found the low bid from LD Docsa to be accurate and meet the requirements of the construction documents. Based on the review of references, and the bids received, Stantec believes that LD Docsa Associates, Inc. has the ability to satisfactorily perform the work on this project. LD Docsa will likely self-perform a good portion of the work.

In conjunction with construction contract, the City will need to enter into contract with Stantec for construction engineering services. Stantec was awarded the design engineering services work at the September 9, 2020 council meeting, which included a provision for construction engineering as a percentage of the final construction contract. Stantec's rate, 5%, equals \$36,000 based on the low construction bid presented above.

The FY2021 and FY2022 Capital Improvement Plans (CIP) included funds to rehabilitate a clarifier in each fiscal year. The total amount from

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both years of the CIP was \$650,000. The clarifier equipment, \$313,171, was previously approved at the January 4, 2020 council meeting and under the FY2021 budget of \$325,000. The construction, construction engineering, and equipment costs total \$799,171, which is \$149,171 over the approved CIP amount of \$650,000. The original clarifier bids did not include site improvements for sidewalk and concrete stairs. Additionally, construction costs since the original estimates of the rehabilitation have increased. The Wastewater Department's unrestricted cash reserve can support the increase.

**RECOMMENDATION:** Approve the award of the clarifier rehabilitation construction contract to LD Docsa and Associates for the amount of \$407,000 with a contingency of \$43,000. In addition, approve award of a construction engineering services contract with Stantec in the amount of \$36,000. The total funded amount for construction and construction engineering is \$486,000 from Wastewater Department cash reserves.

**FISCAL EFFECTS:** The amount approved, \$486,000, will be expensed from the Wastewater Department Capital Outlay budget line 590-900-970.00.

**ALTERNATIVES:** As suggested by the Council.

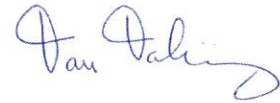
Respectfully submitted,



Alec Egnatuk  
Wastewater Superintendent



Marguerite Davenport  
Director of Public Services



Tom Tarkiewicz  
City Manager



**Stantec Consulting Michigan Inc.**  
3754 Rancho Drive, Ann Arbor MI 48108-2771

April 14, 2021  
File: 2075107908

**Attention: Ms. Marguerite Davenport, Director of Public Services  
Mr. Alec Egnatuk, Wastewater Superintendent**

City of Marshall  
323 W. Michigan Avenue  
Marshall, Michigan 49068

Dear Ms. Davenport and Mr. Egnatuk,

**Reference: Construction Engineering Services – Marshall WWTP Clarifier Rehabilitation Project**

As requested by the City of Marshall (City), Stantec Consulting Michigan Inc. (Stantec) is pleased to submit a proposal for construction engineering services to support contractor installation of owner-purchased clarifier equipment at the Marshall Wastewater Treatment Plant (WWTP). Our scope of work and fee structure is presented in this letter.

## **BACKGROUND**

The City awarded Stantec a design services contract for the WWTP Clarifier Rehabilitation project based on evaluation of our proposal submitted in response to the City's Request for Engineering Proposal (RFP) dated August 6, 2020. Stantec has completed the engineering design phase and supported the City to develop two separate contracts for this project, each with a formal bidding process: i) purchase of wastewater clarifier equipment, and ii) installation of this owner-purchased equipment and associated improvements including sidewalk and clarifier handrail replacement.

Through Stantec development of the owner-purchased clarifier equipment bid documents, the City received competing proposals from four (4) manufactures. The City selected WesTech Engineering Inc. (WesTech) to supply new primary and secondary clarifier equipment and Stantec has assisted the City with the execution of the first contract for owner-purchased clarifier equipment. Following completion of the engineering design documents, the City received four (4) bids for installation of the clarifier equipment and completing the site improvements. In a review of the bids received by the City, Stantec has recommended award of the second contract to LD Docsa Associates, Inc. (LD Docsa).

Our engineering design proposal contained an estimate of construction phase services that were based on a percentage of the total construction cost. General task details for construction services were not required in the City's RFP and not included in our proposal. Accordingly, task details for our proposed construction phase services whereby clarifier equipment is supplied by WesTech and installed by LD Docsa is presented below.

## **SCOPE OF WORK**

### **TASK 100 – PRE-CONSTRUCTION SERVICES AND SHOP DRAWING REVIEW**

- Review insurance and bonds submitted by LD Docsa for the construction contract.
- Assist the City to finalize a contract with LD Docsa.
- Coordinate a pre-construction meeting with LD Docsa, WesTech, and the City of Marshall.
- Review shop drawings for general conformance of materials with contract documents.



April 13, 2021

Ms. Marguerite Davenport, Director of Public Services

Mr. Alec Egnatuk, Wastewater Superintendent

Page 2 of 3

**Reference:** Construction Engineering Services – Marshall WWTP Clarifier Rehabilitation Project

#### **TASK 200 – CONSTRUCTION ADMINISTRATION**

- Respond to Requests for Information (RFI's) from LD Docsa.
- Coordinate with the Wastewater Superintendent throughout duration of project.
- Process pay applications and make recommendations to the City for payment to the Contractors.
- Provide correspondence including shop drawing letters, punch-list letters, field orders, bulletins, change orders, emails, and any other correspondence related to overall project administration.
- Attend monthly progress meetings with LD Docsa and the City.
- Schedule and attend project meetings as necessary based on installation progress and completion of the associated site improvements.

#### **TASK 300 – CONSTRUCTION OBSERVATION**

- Perform periodic construction inspection as necessary during the clarifier equipment delivery and equipment installation phases.
- Confirm clarifier equipment, contractor installation and completion of associated site improvements conform to the engineering drawings and project specifications.
- Provide coordination with the Contractor's field superintendent during construction.
- Assist the City with Contractor provided Operations and Maintenance information and training.

#### **TASK 400 – PUNCH-LIST AND PROJECT CLOSE-OUT**

- Perform project walkthroughs, prepare a punch list, and provide follow-up site inspections with the Contractors until all items are complete in accordance with the Contract.
- Prepare and submit to the City all reports completed from Stantec project inspections.
- Assemble record information provided by the Contractors in accordance with the contract documents in hard copy and electronic format consistent with the City's standards.

### **PROJECT ASSUMPTIONS**

The following significant project assumptions are associated with our proposed scope of work:

- Services described herein are based on an approximate 6-month construction phase schedule.
- Stantec will provide routine construction observation and inspection at the Marshall WWTP based on site activities. Considering the focused project scope, full-time resident project engineer services will not be required. We assume approximately 70 hours of on-site construction observation.
- No third-party inspection/testing is included in our scope of work and fee structure.
- A Part 41 permit issued by EGLE is not required. All permits will be obtained by the Contractor.

### **PROJECT SCHEDULE & FEE BUDGET**

Our work schedule and execution of the above project tasks will be governed by equipment supplier and installation contractor activities. We expect to complete our proposed scope of work over an approximate 6-month total project duration and will generally run concurrent with the construction contract. We propose to complete the services generally identified above on a time and material basis for a not-to-exceed fee of

Design with community in mind



April 13, 2021

Ms. Marguerite Davenport, Director of Public Services  
Mr. Alec Egnatuk, Wastewater Superintendent

Page 3 of 3

Reference: **Construction Engineering Services – Marshall WWTP Clarifier Rehabilitation Project**

\$36,000.00 as detailed below and consistent with 5% maximum of the total project construction bid from the Proposal Price Form submitted with our engineering services proposal.

Task 100	Pre-Construction Services	\$5,500.00
Task 200	Construction Administration	\$11,000.00
Task 300	Construction Observation	\$15,000.00
Task 400	Project Closeout	\$4,500.00
<b>TOTAL NOT-TO-EXCEED FEE</b>		<b>\$36,000.00</b>

The total not-to-exceed budget amount stated above includes fees for the work described in this proposal, including reimbursable charges. Stantec reserves the right to transfer budget between tasks outlined in the scope of work due to the possible occurrence of overlapping tasks but will not exceed the total amount stated above without prior written authorization by the City. Please note that this work would be conducted under the Master Services Agreement previously executed between the City and Stantec effective March 12, 2018.

If the above proposal is acceptable, please sign on the line below indicating your approval for us to begin the work. We look forward to helping the City during the construction phase of this important project. Please feel free to contact us if you have any questions regarding our proposed scope of work or fee structure.

Regards,

**Stantec Consulting Michigan Inc.**



**Ken Jewison** PE  
Project Manager  
Phone: 734 892 9041  
Fax: 734 761 1200  
ken.jewison@stantec.com

**Stantec Consulting Michigan Inc.**



**Greg Schofer** LEED AP  
Associate, BCDL  
Phone: 734 214 1852  
Fax: 734 761 1200  
greg.schofer@stantec.com

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**ACKNOWLEDGED AND ACCEPTED:**

**CITY OF MARSHALL**

\_\_\_\_\_  
Name and Title of Signer:

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

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**ADMINISTRATIVE REPORT**  
**April 19, 2021 – CITY COUNCIL MEETING**

**TO:** Honorable Mayor and City Council  
**FROM:** Tom Tarkiewicz, City Manager  
**SUBJECT:** FY 2022 Budget Process

**BACKGROUND:** Since the COVID 19 pandemic has changed our normal routine, the usual budget process needs some alterations. At tonight's meeting, the City Manager and Interim Finance Director, Karen Lancaster will discuss some of the major highlights of the proposed FY 2022 budget. An electronic copy or hardcopy will be available at the meeting.

We ask that Council review the budget and submit any questions on or before April 29<sup>th</sup> to the City Manager. We will compile all questions in a "question and answer format" for the May 3<sup>rd</sup> Council Meeting agenda packet. At the May 3<sup>rd</sup> meeting, we will discuss these questions and give a more in-depth presentation along with the City Manager's Budget Message. Council will then be asked to set a public hearing for May 17, 2021, in order to receive public comment and to adopt the Marshall City's Fiscal Year 2022 Budget.

**RECOMMENDATION:** No action is needed. This is an informational report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tom Tarkiewicz", written in a cursive style.

Tom Tarkiewicz  
City Manager

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Marshall, MI 49068

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