



# CITY OF ROOSEVELT PARK CITY COUNCIL MEETING

## AGENDA

March 6, 2023

6:15 p.m.

1. Council Work Session
2. Call to Order and Roll Call
3. Pledge of Allegiance
4. Invocation by Councilmember Neiser
5. Public Comment on Agenda Items
  
6. Approval of Consent Agenda
  - a. Regular Agenda
  - b. Minutes of the February 20, 2023, Regular City Council Meeting
  - c. List of Bills
  
7. Unfinished Business
8. New Business
  - a. 2023 Municipal Senior Millage Allocation-Resolution of Approval
  - b. Personnel and Finance Committee-Set Meeting Time and Date
  - c. 2023 Glenside Reconstruction-MDOT Contract Authorization
  - d. Fiscal Year 2022 Audit-Council Acceptance
  
9. Public Comment

Please state your name and home address  
Please limit comments to 3 minutes per individual presentation  
(City Council Rules of Procedure: 10/7/2011)
  
10. Comments from the Mayor and City Council
11. Reports from City Manager, City Attorney & Department Heads
12. Adjournment

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# City of Roosevelt Park

*A Proud Community*

To: Honorable Mayor and City Council  
From: Jared Olson, City Manager  
Date: March 2, 2023  
Subject: **Monday, March 6, 2023**– CITY COUNCIL MEETING

The following is information pertaining to items on the agenda for your meeting:  
COUNCIL WORK SESSION:

1. **Fiscal Year 2022 Audit Presentation**-Eric VanDop from Brickley DeLong will be in attendance to present the results of the Fiscal Year 2022 audit along with additional reports and findings that came out of the Cities previous fiscal year.
2. **Active Agenda Items**

COUNCIL MEETING:

- a. **2023 Municipal Senior Millage Allocation-Resolution of Approval**- As has occurred annually since 2019, the formal 2023 Resolution of Approval is needed for the Roosevelt Park Senior Municipal Millage allocation. If approved, it will be forwarded to our Muskegon County Commission for the final signature of approval.
- b. **Personnel and Finance Committee-Set Meeting Time and Date**- As a follow up to the January Personnel and Finance Committee meeting, the next committee meeting time and date needs to be set.
- c. **2023 Glenside Reconstruction-MDOT Contract Authorization**- As the upcoming Glenside Road/Streetscape project is a Local Agency Project (LAP), a formal contract with the Michigan Department of Transportation is needed to allocate and implement the state and federal LAP program requirements. The project is currently out to bid by MDOT and results will be in on April 7<sup>th</sup>.
- d. **Fiscal Year 2022 Audit-Council Acceptance**- As Eric VanDop will be presenting the Fiscal Year 2022 audit and accompanying material during the work session, Council is asked to formally accept and file the audit by way of a board motion.

If you have questions, please contact me.



**CITY OF ROOSEVELT PARK  
CITY COUNCIL  
MEETING MINUTES  
February 20, 2023**

This meeting was called to order by Mayor Aaron Langlois at 6:15 p.m.

**PRESENT:**       **Council Members:** Mayor Aaron Langlois, Mayor Pro-Tem Sutton, Greg Neiser, Diane Goodman, Stacey Burmeister, Fawn Cruz, Noah Crossno

**STAFF:**         City Manager Jared Olson, City Clerk Ann Wisniewski, City Treasurer Kate Dibble, City Attorney Sawyer Rozgowski, DPW Superintendent Ben VanHoeven, Chief Shawn Bride

**ABSENT:**       None

**WORK SESSION**

**Council discussed Agenda Items:**

- Revised 2023 Board/Committee Schedule-Recreation and Parks Additions
- Public Safety Committee Meeting – Set Meeting Time and Date
- Roosevelt Park Day Committee – Set Meeting Time and Date
- Planning Commission Decision – Rezoning Request – 3145 Henry Street
- Planning Commission Decision – SLU – Drive through Request – 3145 Henry Street
- List of Bills

**Special Guests:**

- Norton Shores Fire Department Chief Bob Gagnon and Fire Marshall Derek Hall – Annual Fire Department summary

**Mayor Langlois called the Council meeting to order at 7:13 p.m.**

**2023-031**       **ROLL CALL**  
City Clerk Ann Wisniewski called roll call.

**2023-032**       **INVOCATION**  
Council Member Crossno provided the Invocation.

**2023-033**       **PUBLIC COMMENT ON AGENDA ITEMS**  
Peter Wynbelt, 3144 Coolidge Rd., shared comments  
John Sanocki, 926 Hampden Rd., shared comments  
Cindy Brown, 3166 Lindland Rd., gave her 3 min. to John Sanocki 926 Hampden Rd.  
Ms. Delashmit, 3171 Lindland Rd., shared comments  
Brad Brushman, 864 Hampden Rd., shared comments

**2023-034**

**CONSENT AGENDA**

Council Member Crossno moved to approve the consent agenda. This motion was supported by Council Member Neiser.

Roll Call: 7 Ayes, 0 Nays. Motion Passes

**2023-035**

**UNFINISHED BUSINESS**

None

**2023-036**

**NEW BUSINESS**

**8A. Approval of revised 2023 Board/Committee Schedule–Recreation & Parks Addition**

Council Member Goodman moved to approve the revised meeting schedule as Presented with the Recreation and Parks Committee meeting dates included. This motion was supported by Mayor Pro-Tem Sutton.

Roll Call: 7 Ayes, 0 Nays. Motion Passes

**8B. Public Safety Committee Meeting – Set Meeting Time and Date**

Council Member Burmeister moved to set the next meeting of the Public Safety Committee for Wednesday March 8, 2023, at 5:00 pm. This motion was supported by Council Member Goodman.

Roll Call: 7 Ayes, 0 Nays. Motion Passes

**8C. Roosevelt Park Day Committee – Set Meeting Time and Date**

Council member Cruz moved to set the next meeting of the Roosevelt Park Day Committee for Thursday March 9, 2023, at 5:00 pm. This motion was supported by Council Member Neiser.

Roll Call: 7 Ayes, 0 Nays. Motion Passes

**8D. First Read - Planning Commission Decision – Rezoning Request – 3145 Henry Street**

Council Member Neiser moved to approve the rezoning of the entire 3145 Henry Street To be fully commercially zoned in C-E Henry Street and end the split zoning as Recommended by the Planning Commission. This motion was supported by Mayor Pro-Tem Sutton.

Roll Call: 5 Ayes, 2 Nays (Cruz, Goodman). Motion Passes

**8E. Planning Commission Decision – SLU Drive Through Request – 3145 Henry Street**

Mayor Pro-Tem Sutton moved to approve the Special Land Use request, recommended by the Planning Commission for 3145 Henry Street with the following Conditions:

- Increase landscaping/trees/shrubs along the west and south property boundary lines.
- Fence around both parcels including the west boundary line and south boundary lines, between and next to residential property line.
- ground mounted lighting along west boundary line fencing.
- right-turn only out of lot on to Cranbrook Rd.

**2023-037**

**COUNCIL COMMENTS**

Mayor Langlois moved to have the Easter Scramble on March 25, 2023. This motion was Supported by Council Member Crossno. Ayes 5, Nays 2. Motion passed. Council Members shared comments.

**2023-038**

**DEPARTMENT HEAD REPORTS**

Department Heads shared comments.

**2023-039**

**PUBLIC COMMENTS**

None

**2023-040**

**ADJOURNMENT**

Mayor Langlois moved to adjourn the meeting at 8:41 p.m. This motion was supported by Mayor Pro-Tem Sutton and carried unanimously.

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Ann Wisniewski, City Clerk

**CITY OF ROOSEVELT PARK**

A Proud Community  
 900 OAK RIDGE ROAD  
 ROOSEVELT PARK, MI 49441  
 (231) 755-3721

**COUNCIL LIST**

CHECK NUMBER	VENDOR NAME	DESCRIPTION	Invoice #	INVOICE AMT
3580 (E)	BANK OF AMERICA BUSINESS CARD			
		DATE STAMP, PENS, NOTEPADS	112465863111	57.83
		MESSAGE PADS - PD	111640583839	13.99
		<b>Check Total</b>		<b>71.82</b>
3581 (E)	BANK OF AMERICA BUSINESS CARD			
		MML CONFERENCE - OLSON	62935	325.00
		CANCEL MML CONVENTION LANGLOIS	62541R	(225.00)
		<b>Check Total</b>		<b>100.00</b>
3582 (E)	BANK OF AMERICA BUSINESS CARD			
		ENGINE	02162023	999.99
		<b>Check Total</b>		<b>999.99</b>
3583 (E)	CITY OF MUSKEGON-WATER DEPT			
		WATER USE - ACCT # 199340001	02082023	24,475.83
		WATER USE - ACCT # 199340201	02062023	4,976.22
		SEWER ACCT # 199342801	02062023	48.43
		<b>Check Total</b>		<b>29,500.48</b>
3584 (E)	CONSUMERS ENERGY			
		1000 0017 0686 3106 ROOSEVELT RD	204923376851	15.26
		<b>Check Total</b>		<b>15.26</b>
3585 (E)	CONSUMERS ENERGY			
		1000 0015 1900 2848 ASHLAND	601013219710	298.77
		<b>Check Total</b>		<b>298.77</b>
3586 (E)	CONSUMERS ENERGY			
		1000 0015 2536 - 896 W BROADWAY	601013219706	131.89
		<b>Check Total</b>		<b>131.89</b>
3587 (E)	ETNA SUPPLY COMPANY			
		3/4 X 1 METER COUPLING	S104855950.0	66.00
		<b>Check Total</b>		<b>66.00</b>
3588 (E)	HUNTINGTON NATIONAL BANK			
		2021 PENSION BOND INTEREST PAYMENT	040123BOND	26,450.75
		<b>Check Total</b>		<b>26,450.75</b>
3589 (E)	LINDE GAS & EQUIPMENT			
		ACETYLENE	34315662	52.65
		<b>Check Total</b>		<b>52.65</b>
3590 (E)	PITNEY BOWES INC			
		POSTAGE MACHINE RENTAL	3317115460	420.33
		<b>Check Total</b>		<b>420.33</b>
3591 (A)	APPLIED INNOVATION			
		COPY MACHINE USAGE	2156839	300.79
		<b>Check Total</b>		<b>300.79</b>
3592 (A)	BRICKLEY DELONG CPA			
		AUDITING SERVICES	1234538	880.00
		<b>Check Total</b>		<b>880.00</b>
3593 (A)	DIBBLE, KATE			
		VISION REIMBURSEMENT	VISION0123	113.32
		<b>Check Total</b>		<b>113.32</b>
3594 (A)	MUSKEGON CHARTER TOWNSHIP			
		CROSS CONNECTION INSPECTIONS	23000014871	4,235.00
		CODE ENFORCEMENT FEB	2300014872	915.66
		<b>Check Total</b>		<b>5,150.66</b>
3595 (A)	MUSKEGON CNTY TREASURER			
		DOG LICENSES - JAN	0000195341	186.00
		<b>Check Total</b>		<b>186.00</b>

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**COUNCIL LIST**

CHECK NUMBER	VENDOR NAME	DESCRIPTION	Invoice #	INVOICE AMT
3596 (A)	PLANTENGA'S CLEANERS	PD UNIFORM CLEANING	03012023	21.68
			<b>Check Total</b>	<b>21.68</b>
3597 (A)	WEST MICHIGAN DOCUMENT SHREDDING	SHREDDING SERVICES	126907	42.00
			<b>Check Total</b>	<b>42.00</b>
3598 (A)	WEST MICHIGAN UNIFORM	DPW UNIFORM CLEANING	5708141	50.00
		DPW UNIFORM CLEANING	5710015	50.00
			<b>Check Total</b>	<b>100.00</b>
3599 (A)	WINDEMULLER	TRAFFIC SIGNAL MAINTENANCE	226289	300.00
			<b>Check Total</b>	<b>300.00</b>
38009	ADVANCE AUTO PARTS	DPW EQUIPMENT - BRAKE CLEANER, DIESEL KL	538230471008	76.15
			<b>Check Total</b>	<b>76.15</b>
38010	MCKENNA	3145 HENRY ZONING/SPECIAL LAND USE	20-005-14	1,220.00
			<b>Check Total</b>	<b>1,220.00</b>
38011	MET LIFE	LIFE INSURANCE - MARCH	03012023	344.81
			<b>Check Total</b>	<b>344.81</b>
38012	ON DUTY GEAR, LLC	PD UNIFORMS - GAISER	29571	1,803.94
			<b>Check Total</b>	<b>1,803.94</b>
38013	PORTER STEEL & WELDING CO.	PLOW BLADE	29362	156.00
			<b>Check Total</b>	<b>156.00</b>
			<b>Report Total</b>	<b>68,803.29</b>



**CITY OF ROOSEVELT PARK  
CITY COUNCIL MEETING  
March 6, 2023**

<b>2023 Municipal Senior Millage Funding Allocation</b>	<b>Date:</b> March 6, 2023
<b>Summary:</b> Following numerous presentations and discussions, the Ad Hoc Senior Millage Committee has created the attached resolution to direct and allocate the 2023 City of Roosevelt Park Senior Millage funding.  The Ad Hoc Senior Millage Committee has completed their review and has recommended the attached resolution be approved by the City Council and sent to the County with the hope that all the information can be included in the upcoming June newsletter and on the city website and Facebook page. The 2023 allocation remained the same as 2023 at \$15,489.	
<b>Financial Impact:</b> As presented, this is an equal revenue and expenditure within the General Fund.	
<b>Recommendation:</b> City Council move to approve resolution 23-02 as presented and authorize city staff to forward the finalized resolution to Muskegon County.	
<b>Signature:</b>	<b>Title:</b> City Manager





# City of Roosevelt Park

*A Proud  
Community*

## **CITY OF ROOSEVELT PARK**

### **RESOLUTION 23-02**

#### **Muskegon County Senior Millage Municipal Allocation**

Within the meeting and minutes of a meeting of the City Council of the City of Roosevelt Park, County of Muskegon, Michigan (the “City”), held on the 6<sup>th</sup> day of March, 2023 at 6:15 p.m., prevailing Eastern Time. The following was proclaimed;

WHEREAS, in 2017 the voters of Muskegon County approved a new millage dedicated to improving the lives of residents 60 years of age and older.

WHEREAS, the Muskegon County Board of Commissioners approved allocating 25% of the annual senior millage funds to local municipalities to coordinate and provide services, programs, and activities for seniors in their jurisdictions.

WHEREAS, the City Council of the City of Roosevelt Park hereby resolve the allocation and utilization of the 2023 Roosevelt Park Muskegon County Senior Millage in the following segments.

#### **Senior Financial Crimes Assistance (Information & Referral)**

Changing technologies have seemingly increased the ways in which scammers are able to take advantage of our senior population. It is the City’s intent to increase our enforcement activities related to addressing scams and other financial crimes committed against our seniors. We anticipate working with County Prosecutor’s Office to work collaboratively with other communities throughout the County. Our anticipated contribution to assist in this collaborative effort is \$3,640 annually.

#### **Senior Luncheon and Social Event (Senior Meal Services)**

Social interactions are vitally important, especially amongst the senior population. It is the City’s intent to host a once-per-year Senior Luncheon within the City of Roosevelt Park to connect seniors and provide and harbor social growth within the community. Meals will be prepared locally in Muskegon County and an educational speaker and program. The budget for this set of programming is \$1,500.

#### **Senior Power of Produce**

As access to fresh fruits, vegetables, and other produce is vital to the health of our senior population. The City will partner with the Muskegon Farmers Market to fund the Senior Power of Produce program which funds and matches the already in place power of produce program. Hundreds of Roosevelt Park seniors have utilized this program in the past to assist in obtaining healthy produce. The budget for this program is \$4,500.

#### **Senior Activities in the Park**

The City would like to continue the Senior Activities in the Park Program that was undertaken in 2021 and fund a weekly activities in the park which could include Zumba, Tai Chi, and or other physical activities.

The exercise in the park program will be one six-week class with times and dates to be scheduled in conjunction with Agewell Services. The budget for this program is \$1,000.

#### **Senior Emergency Sewer Backup Mitigation Fund**

Over the last several years, one pressing need identified by Roosevelt Park staff is the need to have an immediate funding system for residential homeowner sewer back up relief. In the time of an emergency, the days or weeks that other avenues make take, hinders the ability to call in a professional team to clear a sanitary drain and alleviate an ongoing back up. The budget for this funding is projected to be \$1,700.

**Senior Residential Lock Box System**

Over the last several years, another one of the more pressing needs identified by Roosevelt Park staff is the need to have an immediate funding system for residential homeowner lock box system for emergency access for first responders. The city would utilize funding to purchase between four and six residential lock boxes through the fire department as to be loaned out to residents during periods of need. This would increase the numbers of lockboxes in the system and would be identical to the current Norton Shores Fire Department’s current system but inhouse funded. The budget for this program would be \$1,100.

**Senior Newsletter and Event Notification**

The City anticipates incurring a small amount of advertisement costs associated with the publication and targeted notification to help advise senior of the upcoming Senior Meal Luncheon event and thus for targeted mailers and advertisements to inform seniors of their opportunities. The budget for this newsletter/event notifications is \$500.

**Administrative Costs**

The City anticipates in incurring a small amount of administrative costs fees associated with the allocation of the services described above in the amount of \$1,549.

<b>Budget for Fiscal Year 2023</b>	
<b>Senior Financial Crimes</b>	<b>\$3,640.00</b>
<b>Senior Luncheons/Distribution</b>	<b>\$1,500.00</b>
<b>Senior Power of Produce</b>	<b>\$4,500.00</b>
<b>Senior Activities in the Park</b>	<b>\$1,000.00</b>
<b>Emergency Sewer Backup Mitigation</b>	<b>\$1,700.00</b>
<b>Residential Lock Box System</b>	<b>\$1,100.00</b>
<b>Senior Newsletter/Calendar of Events</b>	<b>\$500.00</b>
<b>Administrative Costs</b>	<b>\$1,589.00</b>
<b>Total 2023 Allocation Cost</b>	<b>\$15,489.00</b>

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Roosevelt Park approves the resolution of 2022 Muskegon County Senior Millage funding obligation, and whereas the City Council is committed to fulfilling to the best of its abilities the above activities; and,

BE IT FURTHER RESOLVED THAT, the supervisor, city manager or mayor is authorized to send forward this resolution to the appropriate member of the Muskegon County Board of Commissioners.

RESOLUTION DECLARED ADOPTED.

YEAS: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

\_\_\_\_\_  
Ann Wisniewski, City Clerk



**City of Roosevelt Park  
Muskegon County Senior Millage Municipality Allocation  
FY2122 Metrics Report**

Between Oct 1, 2021 – Sep 30, 2022 (FY2122), AgeWell Services of West Michigan (AgeWell Services) received a total of \$7,028 from City of Roosevelt Park through their Muskegon County Senior Millage municipality allocation. The total allocation was split in a “Summer of Wellness” series including three Lunch & Learns, a seated yoga series at Tanglewood Park and two sessions of Zumba at the City of Roosevelt Park Community Center.

An additional \$865 was carried over from Oct 1, 2020 – Sep 30, 2021 (FY2021) and used in FY2122.

Please note that there was \$1,040 remaining from FY2122 allocation that will be used between Oct 1, 2022 – Sep 30, 2023 (FY2223).

Lunch & Learns

Lunch & Learns were hosted in May, July and September at the City of Roosevelt Park Community Center. Details of each Lunch & Learn are detailed below –

*May 2022*

The first Lunch & Learn was held on Thursday, May 19, 2022. 23 of 45 hot meals were served trayed and provided to attendees once attendees chose their seat. 88% of attendees were City of Roosevelt Park residents. The remaining 22 hot meals were provided as to-go meals for attendees once the Lunch & Learn was finished. Hot meals were trayed and served once participants chose their seat. The menu was old fashioned meatloaf and gravy, mashed potatoes, peas, Normandy vegetable blend, diced peaches, sweet bread and butter, a special dessert from Ryke’s Bakery and drinks (milk, water and coffee).

The learn portion was a presentation from Margaret Sass-Simon, who is an audiologist with the [Hearing Wellness Center](#) in Norton Shores, MI. Attendees were able to learn about the importance of ear and hearing health in ensuring older adults can hear as well as possible.

*July 2022*

The second Lunch & Learn was held on Thursday, July 28, 2022. 32 older adults attended, with 71% of attendees City of Roosevelt Park residents. 32 of 41 hot meals were served congregate style by City of Roosevelt Park City Council members. The remaining nine hot meals were trayed up as to-go meals for attendees. The menu was roast beef and gravy, mashed potatoes, cali vegetable blend, green beans, fruit yogurt, wheat roll / margarine, a special dessert and drinks (milk, water and coffee).

**City of Roosevelt Park  
Muskegon County Senior Millage Municipality Allocation  
FY2122 Metrics Report Continued**

*July 2022 con't.*

The learn portion was a [SafeSeniors](#) presentation titled “Not Everyone is A Friend”. Chris Burnaw, SafeSeniors Coordinator, presented information on the SafeSeniors program, how to spot scammers and how to protect themselves and others.

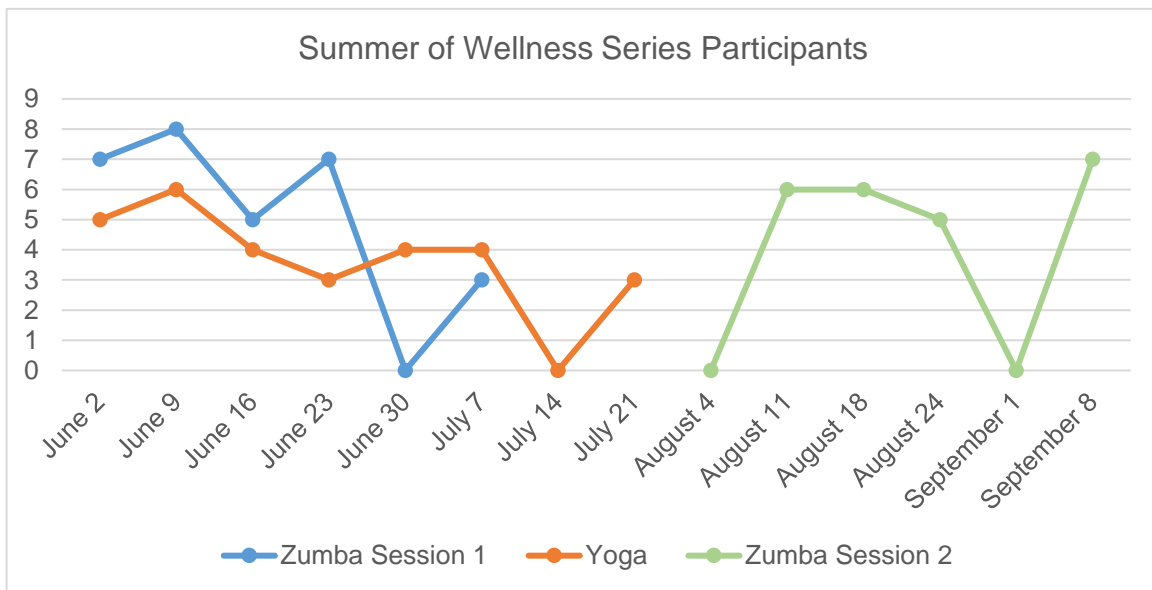
*September 2022*

The final Lunch & Learn was held on Tuesday, September 27, 2022. 27 older adults attended, with 100% of attendees City of Roosevelt Park residents. 27 of 45 hot meals were served congregate style by City of Roosevelt Park City Council members. The remaining 18 hot meals were trayed up as to-go meals for attendees. The menu was Salisbury steak and gravy with mashed potatoes, peas, fruit cocktail, wheat roll / margarine, a special dessert and drinks (milk, water and coffee).

The learn portion was a presentation from Lisa Sullivan, who is the Information & Referral Specialist with [Disability Network West Michigan](#). Attendees were able to learn about a variety of information including, but not limited to, Muskegon County Senior Millage transportation program, Smart 9-1-1 and emergency preparedness.

Wellness

City of Roosevelt Park residents were able to participate in three separate wellness opportunities. Two 6-week Zumba classes were held at the City of Roosevelt Park Community Center and one 8-week yoga class was held at AgeWell Services’ Wellness Center at Tanglewood Park. Please note that there could be potential duplicates between dates and attendees, as the same attendees attended classes.



Thank You

We are extremely grateful for our partnership with City of Roosevelt Park to extend services to older adults in Muskegon County through our collaborative efforts. We look forward to hopefully partnering again this new fiscal year.



**CITY OF ROOSEVELT PARK  
CITY COUNCIL MEETING  
March 6, 2023**

<b>Item:</b> Personnel and Finance Committee- Set Meeting	<b>Date:</b> March 6, 2023
The next meeting date and time for the Personnel and Finance Committee Meeting is needed. The goal of this meeting is to review the first quarter financials, discuss the fund balance growth from FY 2022, and other possible future financial matters.	
<b>Financial Impact:</b> None	
<b>Recommendation:</b> Set a time and date for the next Personnel and Finance Committee meeting.	
<b>Signature:</b>	<b>Title:</b> City Manager



**CITY OF ROOSEVELT PARK  
CITY COUNCIL MEETING  
March 6, 2023**

Approval of MDOT contract and resolution for Glenside project	<b>Date:</b> March 6, 2023
<p>MDOT has submitted contracts for the 2023 Glenside Boulevard Reconstruction Project to the City for approval. As we are receiving grants in the amount of <b>\$612,929</b> from the Transportation Improvement Program through the State of Michigan and other transportation funds. This does not include the separate \$124,000 railroad crossing grant that was awarded by MDOT to the Huron and Eastern Railway to cover 50% of their cost to rebuild the railway crossing. That is a separate MDOT contract and project number.</p> <p>As this is a state and federal program, a resolution of approval and designation of signatures is required to formally execute the agreement. The contract indicates an estimated cost of eligible activities for this project of \$859,900 with MDOT’s maximum participation being <b>\$612,929</b> and the City’s share (match) of the total project cost being at least \$246,971.</p> <p>These costs do not include all of the DDA streetscape or any project engineering costs which are not eligible. The DDA has allocated \$511,000 for their contribution to this project and will be reflected in the total project costs but not within the MDOT contract.</p>	
<p><b>Financial Impact:</b> \$246,971 being the projected City’s share of the total project with funding currently being budgeted within the 2018 Fiscal year.</p>	
<p><b>Recommendation:</b> Move to approve the resolution designating the City Manager and City Clerk as the officials authorized to sign MDOT Contract No. 23-5037 for the 2023 Glenside Reconstruction/Streetscape project.</p>	
<b>Signature:</b>	<b>Title:</b> City Manager



City of Roosevelt Park

*A Proud Community*

**CITY OF ROOSEVELT PARK  
R E S O L U T I O N  
Resolution Number: 23-03**

WHEREAS, the City of Roosevelt Park has prepared plans for the reconstruction of Glenside Boulevard from a point one hundred foot north of West Broadway to the West Sherman Boulevard Intersection; and

WHEREAS, the City wishes to enter into the proposed a contract with MDOT for the reconstruction of Glenside Boulevard;

NOW, THEREFORE, BE IT RESOLVED that the Roosevelt Park City Council hereby authorizes the signing of contract number 23-5037 with the Michigan Department of Transportation for the reconstruction of Glenside Boulevard; and

BE IT FURTHER RESOLVED that the Roosevelt Park City Council hereby designates City Manager Jared Olson and City Clerk Ann Wisniewski as officials approved to sign documents on behalf of the City of Roosevelt Park for this project.

At a regular meeting of the City Council of the City of Roosevelt Park, held in the Council Chambers, City Hall, 900 Oak Ridge Road on the 6th day of March 2023 the foregoing resolution was moved for adoption by Council Member \_\_\_\_\_. The motion was supported by Council Member \_\_\_\_\_ and carried.

This resolution adopted:

AYES:

NAYES:

ABSENT:

**CITY OF ROOSEVELT PARK**

By \_\_\_\_\_  
Ann Wisniewski, City Clerk

STATE OF MICHIGAN  
COUNTY OF MUSKEGON

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a meeting of the city council members of the City of Roosevelt Park, Michigan, held on the 6<sup>th</sup> day of March, 2023, and that the minutes of the meeting are on file in the office of the City Clerk and are available to the public. Public notice of the meeting was given pursuant to and in compliance with Act 267, Public Acts of Michigan, 1976.

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Ann Wisniewski, City Clerk



STP, HIC

DA

Control Section	STUL 61000
Job Number	205401CON
Project	23A0264
CFDA No.	20.205 (Highway Research Planning & Construction)
Contract No.	23-5037

### PART I

THIS CONTRACT, consisting of PART I and PART II (Standard Agreement Provisions), is made by and between the MICHIGAN DEPARTMENT OF TRANSPORTATION, hereinafter referred to as the "DEPARTMENT"; and the CITY OF ROOSEVELT PARK, a Michigan municipal corporation, hereinafter referred to as the "REQUESTING PARTY"; for the purpose of fixing the rights and obligations of the parties in agreeing to the following improvements, in Roosevelt Park, Michigan, hereinafter referred to as the "PROJECT" and estimated in detail on EXHIBIT "I", dated February 13, 2023, attached hereto and made a part hereof:

#### PART A – FEDERAL PARTICIPATION

Hot mix asphalt reconstruction along Glenside Boulevard from approximately 100 feet north of Broadway Avenue to Sherman Boulevard, including grading, aggregate base, dewatering for contaminated groundwater, storm sewer, concrete curb and gutter and curb ramps, permanent signing and pavement markings; and all together with necessary related work.

#### PART B – NO FEDERAL PARTICIPATION

Hot mix asphalt shared use path, grading, aggregate base and concrete sidewalk, permanent signing and pavement markings along the limits as described in PART A; and all together with necessary related work.

WITNESSETH:

WHEREAS, pursuant to Federal law, monies have been provided for the performance of certain improvements on public roads; and

WHEREAS, the reference "FHWA" in PART I and PART II refers to the United States Department of Transportation, Federal Highway Administration; and

WHEREAS, the PROJECT, or portions of the PROJECT, at the request of the REQUESTING PARTY, are being programmed with the FHWA, for implementation with the use of Federal Funds under the following Federal program(s) or funding:

HIGHWAY INFRASTRUCTURE PROGRAM COVID  
SURFACE TRANSPORTATION PROGRAM

WHEREAS, the parties hereto have reached an understanding with each other regarding the performance of the PROJECT work and desire to set forth this understanding in the form of a written contract.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, it is agreed:

1. The parties hereto shall undertake and complete the PROJECT in accordance with the terms of this contract.

2. The term "PROJECT COST", as herein used, is hereby defined as the cost of the physical construction necessary for the completion of the PROJECT, including any other costs incurred by the DEPARTMENT as a result of this contract, except construction engineering and inspection.

No charges will be made by the DEPARTMENT to the PROJECT for any inspection work or construction engineering.

The costs incurred by the REQUESTING PARTY for preliminary engineering, construction engineering, construction materials testing, inspection, and right-of-way are excluded from the PROJECT COST as defined by this contract.

The Michigan Department of Environment, Great Lakes, and Energy has informed the DEPARTMENT that it adopted new administrative rules (R 325.10101, et. seq.) which prohibit any governmental agency from connecting and/or reconnecting lead and/or galvanized service lines to existing and/or new water main. Questions regarding these administrative rules should be directed to the Michigan Department of Environment, Great Lakes, and Energy. The cost associated with replacement of any lead and/or galvanized service lines, including but not limited to contractor claims, will be the sole responsibility of the REQUESTING PARTY.

3. The DEPARTMENT is authorized by the REQUESTING PARTY to administer on behalf of the REQUESTING PARTY all phases of the PROJECT, including advertising and awarding the construction contract for the PROJECT or portions of the PROJECT. Such administration shall be in accordance with PART II, Section II of this contract.

Any items of the PROJECT COST incurred by the DEPARTMENT may be charged to the PROJECT.

4. The REQUESTING PARTY, at no cost to the PROJECT or to the DEPARTMENT, shall:

A. Design or cause to be designed the plans for the PROJECT.

B. Appoint a project engineer who shall be in responsible charge of the PROJECT and ensure that the plans and specifications are followed.

- C. Perform or cause to be performed the construction engineering, construction materials testing, and inspection services necessary for the completion of the PROJECT.

The REQUESTING PARTY will furnish the DEPARTMENT proposed timing sequences for trunkline signals that, if any, are being made part of the improvement. No timing adjustments shall be made by the REQUESTING PARTY at any trunkline intersection, without prior issuances by the DEPARTMENT of Standard Traffic Signal Timing Permits.

5. The PROJECT COST shall be met in accordance with the following:

PART A

Federal Surface Transportation Funds in combination with Federal Highway Infrastructure Program COVID Funds shall be applied to the eligible items of the PART A portion of the PROJECT COST. Federal Highway Infrastructure Program COVID Funds shall be applied to the eligible items of the PART A portion of the PROJECT COST up to the lesser of: (1) \$88,593, or (2) an amount such that 100 percent, the normal Federal participation ratio for such funds, for the PART A portion of the PROJECT is not exceeded at the time of the award of the construction contract. Federal Surface Transportation Funds shall then be applied to the eligible items of the PART A portion of the PROJECT COST up to the lesser of: (1) \$567,395, or (2) an amount such that 81.85 percent, the normal Federal participation ratio for such funds, for the PART A portion of the PROJECT is not exceeded at the time of the award of the construction contract. The balance of the PART A portion of the PROJECT COST, after deduction of Federal Funds, shall be charged to and paid by the REQUESTING PARTY in the manner and at the times hereinafter set forth.

PART B

The PART B portion of the PROJECT COST is not eligible for Federal participation and shall be charged to and paid 100 percent by the REQUESTING PARTY in the manner and at the times hereinafter set forth.

Any items of PROJECT COST not reimbursed by Federal Funds will be the sole responsibility of the REQUESTING PARTY.

6. No working capital deposit will be required for this PROJECT.

In order to fulfill the obligations assumed by the REQUESTING PARTY under the provisions of this contract, the REQUESTING PARTY shall make prompt payments of its share of the PROJECT COST upon receipt of progress billings from the DEPARTMENT as herein provided. All payments will be made within 30 days of receipt of billings from the DEPARTMENT. Billings to the REQUESTING PARTY will be based upon the REQUESTING PARTY'S share of the actual costs incurred less Federal Funds earned as the PROJECT progresses.

7. Upon completion of construction of the PROJECT, the REQUESTING PARTY will promptly cause to be enacted and enforced such ordinances or regulations as may be necessary to prohibit parking in the roadway right-of-way throughout the limits of the PROJECT.

8. The performance of the entire PROJECT under this contract, whether Federally funded or not, will be subject to the provisions and requirements of PART II that are applicable to a Federally funded project.

In the event of any discrepancies between PART I and PART II of this contract, the provisions of PART I shall prevail.

Buy America Requirements (23 CFR 635.410) shall apply to the PROJECT and will be adhered to, as applicable, by the parties hereto.

9. The REQUESTING PARTY certifies that it is not aware if and has no reason to believe that the property on which the work is to be performed under this agreement is a facility, as defined by the Michigan Natural Resources and Environmental Protection Act [(NREPA), PA 451, 1994, as amended 2012]; MCL 324.20101(1)(s). The REQUESTING PARTY also certifies that it is not a liable party pursuant to either Part 201 or Part 213 of NREPA, MCL 324.20126 et seq. and MCL 324.21323a et seq. The REQUESTING PARTY is a local unit of government that has acquired or will acquire property for the use of either a transportation corridor or public right-of-way and was not responsible for any activities causing a release or threat of release of any hazardous materials at or on the property. The REQUESTING PARTY is not a person who is liable for response activity costs, pursuant to MCL 324.20101 (vv) and (ww).

10. If, subsequent to execution of this contract, previously unknown hazardous substances are discovered within the PROJECT limits, which require environmental remediation pursuant to either state or federal law, the REQUESTING PARTY, in addition to reporting that fact to the Michigan Department of Environment, Great Lakes, and Energy, shall immediately notify the DEPARTMENT, both orally and in writing of such discovery. The DEPARTMENT shall consult with the REQUESTING PARTY to determine if it is willing to pay for the cost of remediation and, with the FHWA, to determine the eligibility, for reimbursement, of the remediation costs. The REQUESTING PARTY shall be charged for and shall pay all costs associated with such remediation, including all delay costs of the contractor for the PROJECT, in the event that remediation and delay costs are not deemed eligible by the FHWA. If the REQUESTING PARTY refuses to participate in the cost of remediation, the DEPARTMENT shall terminate the PROJECT. The parties agree that any costs or damages that the DEPARTMENT incurs as a result of such termination shall be considered a PROJECT COST.

11. If federal and/or state funds administered by the DEPARTMENT are used to pay the cost of remediating any hazardous substances discovered after the execution of this contract and if there is a reasonable likelihood of recovery, the REQUESTING PARTY, in cooperation

with the Michigan Department of Environment, Great Lakes, and Energy and the DEPARTMENT, shall make a diligent effort to recover such costs from all other possible entities. If recovery is made, the DEPARTMENT shall be reimbursed from such recovery for the proportionate share of the amount paid by the FHWA and/or the DEPARTMENT and the DEPARTMENT shall credit such sums to the appropriate funding source.

12. The DEPARTMENT'S sole reason for entering into this contract is to enable the REQUESTING PARTY to obtain and use funds provided by the Federal Highway Administration pursuant to Title 23 of the United States Code.

Any and all approvals of, reviews of, and recommendations regarding contracts, agreements, permits, plans, specifications, or documents, of any nature, or any inspections of work by the DEPARTMENT or its agents pursuant to the terms of this contract are done to assist the REQUESTING PARTY in meeting program guidelines in order to qualify for available funds. Such approvals, reviews, inspections and recommendations by the DEPARTMENT or its agents shall not relieve the REQUESTING PARTY and the local agencies, as applicable, of their ultimate control and shall not be construed as a warranty of their propriety or that the DEPARTMENT or its agents is assuming any liability, control or jurisdiction.

The providing of recommendations or advice by the DEPARTMENT or its agents does not relieve the REQUESTING PARTY and the local agencies, as applicable of their exclusive jurisdiction of the highway and responsibility under MCL 691.1402 et seq., as amended.

When providing approvals, reviews and recommendations under this contract, the DEPARTMENT or its agents is performing a governmental function, as that term is defined in MCL 691.1401 et seq., as amended, which is incidental to the completion of the PROJECT.

Upon completion of the PROJECT, the REQUESTING PARTY shall accept the facilities constructed as built to specifications within the contract documents. It is understood that the REQUESTING PARTY shall own the facilities and shall operate and maintain the facilities in accordance with all applicable Federal and State laws and regulations, including, but not limited to, Title II of the Americans with Disabilities Act (ADA), 42 USC 12131 et seq., and its associated regulations and standards, and DEPARTMENT Road and Bridge Standard Plans and the Standard Specifications for Construction.

13. The DEPARTMENT, by executing this contract, and rendering services pursuant to this contract, has not and does not assume jurisdiction of the highway, described as the PROJECT for purposes of MCL 691.1402 et seq., as amended. Exclusive jurisdiction of such highway for the purposes of MCL 691.1402 et seq., as amended, rests with the REQUESTING PARTY and other local agencies having respective jurisdiction.

14. The REQUESTING PARTY shall approve all of the plans and specifications to be used on the PROJECT and shall be deemed to have approved all changes to the plans and specifications when put into effect. It is agreed that ultimate responsibility and control over the PROJECT rests with the REQUESTING PARTY and local agencies, as applicable.

15. The REQUESTING PARTY agrees that the costs reported to the DEPARTMENT for this contract will represent only those items that are properly chargeable in accordance with this contract. The REQUESTING PARTY also certifies that it has read the contract terms and has made itself aware of the applicable laws, regulations, and terms of this contract that apply to the reporting of costs incurred under the terms of this contract.

16. Each party to this contract will remain responsible for any and all claims arising out of its own acts and/or omissions during the performance of the contract, as provided by this contract or by law. In addition, this is not intended to increase or decrease either party's liability for or immunity from tort claims. This contract is also not intended to nor will it be interpreted as giving either party a right of indemnification, either by contract or by law, for claims arising out of the performance of this contract.

17. The parties shall promptly provide comprehensive assistance and cooperation in defending and resolving any claims brought against the DEPARTMENT by the contractor, vendors or suppliers as a result of the DEPARTMENT'S award of the construction contract for the PROJECT. Costs incurred by the DEPARTMENT in defending or resolving such claims shall be considered PROJECT COSTS.

18. The DEPARTMENT shall require the contractor who is awarded the contract for the construction of the PROJECT to provide insurance in the amounts specified and in accordance with the DEPARTMENT'S current Standard Specifications for Construction and to:

- A. Maintain bodily injury and property damage insurance for the duration of the PROJECT.
- B. Provide owner's protective liability insurance naming as insureds the State of Michigan, the Michigan State Transportation Commission, the DEPARTMENT and its officials, agents and employees, the REQUESTING PARTY and any other county, county road commission, or municipality in whose jurisdiction the PROJECT is located, and their employees, for the duration of the PROJECT and to provide, upon request, copies of certificates of insurance to the insureds. It is understood that the DEPARTMENT does not assume jurisdiction of the highway described as the PROJECT as a result of being named as an insured on the owner's protective liability insurance policy.
- C. Comply with the requirements of notice of cancellation and reduction of insurance set forth in the current standard specifications for construction and to provide, upon request, copies of notices and reports prepared to those insured.

19. This contract shall become binding on the parties hereto and of full force and effect upon the signing thereof by the duly authorized officials for the parties hereto and upon the adoption of the necessary resolutions approving said contract and authorizing the signatures thereto of the respective officials of the REQUESTING PARTY, a certified copy of which resolution shall be attached to this contract.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed as written below.

CITY OF ROOSEVELT PARK

MICHIGAN DEPARTMENT  
OF TRANSPORTATION

By \_\_\_\_\_  
Title:

By \_\_\_\_\_  
Department Director MDOT

By \_\_\_\_\_  
Title:



February 13, 2023

EXHIBIT I

CONTROL SECTION      STUL 61000  
JOB NUMBER            205401CON  
PROJECT                23A0264

ESTIMATED COST

CONTRACTED WORK

	<u>PART A</u>	<u>PART B</u>	<u>TOTAL</u>
Estimated Cost	\$729,200	\$130,700	\$859,900

COST PARTICIPATION

GRAND TOTAL ESTIMATED COST	\$729,200	\$130,700	\$859,900
Less Federal Funds*	<u>\$612,929</u>	<u>\$ 0</u>	<u>\$612,929</u>
BALANCE (REQUESTING PARTY'S SHARE)	\$116,271	\$130,700	\$246,971

\*Federal Funds for the PROJECT are limited to an amount as described in Section 5.

NO DEPOSIT



DOT

TYPE B  
BUREAU OF HIGHWAYS  
03-15-93

PART II

STANDARD AGREEMENT PROVISIONS

SECTION I COMPLIANCE WITH REGULATIONS AND DIRECTIVES

SECTION II PROJECT ADMINISTRATION AND SUPERVISION

SECTION III ACCOUNTING AND BILLING

SECTION IV MAINTENANCE AND OPERATION

SECTION V SPECIAL PROGRAM AND PROJECT CONDITIONS

## SECTION I

### COMPLIANCE WITH REGULATIONS AND DIRECTIVES

- A. To qualify for eligible cost, all work shall be documented in accordance with the requirements and procedures of the DEPARTMENT.
- B. All work on projects for which reimbursement with Federal funds is requested shall be performed in accordance with the requirements and guidelines set forth in the following Directives of the Federal-Aid Policy Guide (FAPG) of the FHWA, as applicable, and as referenced in pertinent sections of Title 23 and Title 49 of the Code of Federal Regulations (CFR), and all supplements and amendments thereto.
  - 1. Engineering
    - a. FAPG (6012.1): Preliminary Engineering
    - b. FAPG (23 CFR 172): Administration of Engineering and Design Related Service Contracts
    - c. FAPG (23 CFR 635A): Contract Procedures
    - d. FAPG (49 CFR 18.22): Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments—Allowable Costs
  - 2. Construction
    - a. FAPG (23 CFR 140E): Administrative Settlement Costs-Contract Claims
    - b. FAPG (23 CFR 140B): Construction Engineering Costs
    - c. FAPG (23 CFR 17): Recordkeeping and Retention Requirements for Federal-Aid Highway Records of State Highway Agencies
    - d. FAPG (23 CFR 635A): Contract Procedures
    - e. FAPG (23 CFR 635B): Force Account Construction
    - f. FAPG (23 CFR 645A): Utility Relocations, Adjustments and Reimbursement

- g. FAPG (23 CFR 645B): Accommodation of Utilities (PPM 30-4.1)
  - h. FAPG (23 CFR 655F): Traffic Control Devices on Federal-Aid and other Streets and Highways
  - i. FAPG (49 CFR 18.22): Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments--Allowable Costs
3. Modification Or Construction Of Railroad Facilities
- a. FAPG (23 CFR 140I): Reimbursement for Railroad Work
  - b. FAPG (23 CFR 646B): Railroad Highway Projects
- C. In conformance with FAPG (23 CFR 630C) Project Agreements, the political subdivisions party to this contract, on those Federally funded projects which exceed a total cost of \$100,000.00 stipulate the following with respect to their specific jurisdictions:
- 1. That any facility to be utilized in performance under or to benefit from this contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities issued pursuant to the requirements of the Federal Clean Air Act, as amended, and the Federal Water Pollution Control Act, as amended.
  - 2. That they each agree to comply with all of the requirements of Section 114 of the Federal Clean Air Act and Section 308 of the Federal Water Pollution Control Act, and all regulations and guidelines issued thereunder.
  - 3. That as a condition of Federal aid pursuant to this contract they shall notify the DEPARTMENT of the receipt of any advice indicating that a facility to be utilized in performance under or to benefit from this contract is under consideration to be listed on the EPA List of Violating Facilities.
- D. Ensure that the PROJECT is constructed in accordance with and incorporates all committed environmental impact mitigation measures listed in approved environmental documents unless modified or deleted by approval of the FHWA.
- E. All the requirements, guidelines, conditions and restrictions noted in all other pertinent Directives and Instructional Memoranda of the FHWA will apply to this contract and will be adhered to, as applicable, by the parties hereto.

## SECTION II

### PROJECT ADMINISTRATION AND SUPERVISION

- A. The DEPARTMENT shall provide such administrative guidance as it determines is required by the PROJECT in order to facilitate the obtaining of available federal and/or state funds.
- B. The DEPARTMENT will advertise and award all contracted portions of the PROJECT work. Prior to advertising of the PROJECT for receipt of bids, the REQUESTING PARTY may delete any portion or all of the PROJECT work. After receipt of bids for the PROJECT, the REQUESTING PARTY shall have the right to reject the amount bid for the PROJECT prior to the award of the contract for the PROJECT only if such amount exceeds by ten percent (10%) the final engineer's estimate therefor. If such rejection of the bids is not received in writing within two (2) weeks after letting, the DEPARTMENT will assume concurrence. The DEPARTMENT may, upon request, readvertise the PROJECT. Should the REQUESTING PARTY so request in writing within the aforesaid two (2) week period after letting, the PROJECT will be cancelled and the DEPARTMENT will refund the unused balance of the deposit less all costs incurred by the DEPARTMENT.
- C. The DEPARTMENT will perform such inspection services on PROJECT work performed by the REQUESTING PARTY with its own forces as is required to ensure compliance with the approved plans & specifications.
- D. On those projects funded with Federal monies, the DEPARTMENT shall as may be required secure from the FHWA approval of plans and specifications, and such cost estimates for FHWA participation in the PROJECT COST.
- E. All work in connection with the PROJECT shall be performed in conformance with the Michigan Department of Transportation Standard Specifications for Construction, and the supplemental specifications, Special Provisions and plans pertaining to the PROJECT and all materials furnished and used in the construction of the PROJECT shall conform to the aforesaid specifications. No extra work shall be performed nor changes in plans and specifications made until said work or changes are approved by the project engineer and authorized by the DEPARTMENT.

- F. Should it be necessary or desirable that portions of the work covered by this contract be accomplished by a consulting firm, a railway company, or governmental agency, firm, person, or corporation, under a subcontract with the REQUESTING PARTY at PROJECT expense, such subcontracted arrangements will be covered by formal written agreement between the REQUESTING PARTY and that party.

This formal written agreement shall: include a reference to the specific prime contract to which it pertains; include provisions which clearly set forth the maximum reimbursable and the basis of payment; provide for the maintenance of accounting records in accordance with generally accepted accounting principles, which clearly document the actual cost of the services provided; provide that costs eligible for reimbursement shall be in accordance with clearly defined cost criteria such as 49 CFR Part 18, 48 CFR Part 31, 23 CFR Part 140, OMB Circular A-87, etc. as applicable; provide for access to the department or its representatives to inspect and audit all data and records related to the agreement for a minimum of three years after the department's final payment to the local unit.

All such agreements will be submitted for approval by the DEPARTMENT and, if applicable, by the FHWA prior to execution thereof, except for agreements for amounts less than \$100,000 for preliminary engineering and testing services executed under and in accordance with the provisions of the "Small Purchase Procedures" FAPG (23 CFR 172), which do not require prior approval of the DEPARTMENT or the FHWA.

Any such approval by the DEPARTMENT shall in no way be construed as a warranty of the subcontractor's qualifications, financial integrity, or ability to perform the work being subcontracted.

- G. The REQUESTING PARTY, at no cost to the PROJECT or the DEPARTMENT, shall make such arrangements with railway companies, utilities, etc., as may be necessary for the performance of work required for the PROJECT but for which Federal or other reimbursement will not be requested.
- H. The REQUESTING PARTY, at no cost to the PROJECT, or the DEPARTMENT, shall secure, as necessary, all agreements and approvals of the PROJECT with railway companies, the Railroad Safety & Tariffs Division of the DEPARTMENT and other concerned governmental agencies other than the FHWA, and will forward same to the DEPARTMENT for such reviews and approvals as may be required.
- I. No PROJECT work for which reimbursement will be requested by the REQUESTING PARTY is to be subcontracted or performed until the DEPARTMENT gives written notification that such work may commence.

- J. The REQUESTING PARTY shall be responsible for the payment of all costs and expenses incurred in the performance of the work it agrees to undertake and perform.
- K. The REQUESTING PARTY shall pay directly to the party performing the work all billings for the services performed on the PROJECT which are authorized by or through the REQUESTING PARTY.
- L. The REQUESTING PARTY shall submit to the DEPARTMENT all paid billings for which reimbursement is desired in accordance with DEPARTMENT procedures.
- M. All work by a consulting firm will be performed in compliance with the applicable provisions of 1980 PA 299, Subsection 2001, MCL 339.2001; MSA 18.425(2001), as well as in accordance with the provisions of all previously cited Directives of the FHWA.
- N. The project engineer shall be subject to such administrative guidance as may be deemed necessary to ensure compliance with program requirement and, in those instances where a consultant firm is retained to provide engineering and inspection services, the personnel performing those services shall be subject to the same conditions.
- O. The DEPARTMENT, in administering the PROJECT in accordance with applicable Federal and State requirements and regulations, neither assumes nor becomes liable for any obligations undertaken or arising between the REQUESTING PARTY and any other party with respect to the PROJECT.
- P. In the event it is determined by the DEPARTMENT that there will be either insufficient Federal funds or insufficient time to properly administer such funds for the entire PROJECT or portions thereof, the DEPARTMENT, prior to advertising or issuing authorization for work performance, may cancel the PROJECT, or any portion thereof, and upon written notice to the parties this contract shall be void and of no effect with respect to that cancelled portion of the PROJECT. Any PROJECT deposits previously made by the parties on the cancelled portions of the PROJECT will be promptly refunded.
- Q. Those projects funded with Federal monies will be subject to inspection at all times by the DEPARTMENT and the FHWA.

### SECTION III

#### ACCOUNTING AND BILLING

A. Procedures for billing for work undertaken by the REQUESTING PARTY:

1. The REQUESTING PARTY shall establish and maintain accurate records, in accordance with generally accepted accounting principles, of all expenses incurred for which payment is sought or made under this contract, said records to be hereinafter referred to as the "RECORDS". Separate accounts shall be established and maintained for all costs incurred under this contract.

The REQUESTING PARTY shall maintain the RECORDS for at least three (3) years from the date of final payment of Federal Aid made by the DEPARTMENT under this contract. In the event of a dispute with regard to the allowable expenses or any other issue under this contract, the REQUESTING PARTY shall thereafter continue to maintain the RECORDS at least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.

The DEPARTMENT, or its representative, may inspect, copy, or audit the RECORDS at any reasonable time after giving reasonable notice.

If any part of the work is subcontracted, the REQUESTING PARTY shall assure compliance with the above for all subcontracted work.

In the event that an audit performed by or on behalf of the DEPARTMENT indicates an adjustment to the costs reported under this contract, or questions the allowability of an item of expense, the DEPARTMENT shall promptly submit to the REQUESTING PARTY, a Notice of Audit Results and a copy of the audit report which may supplement or modify any tentative findings verbally communicated to the REQUESTING PARTY at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the REQUESTING PARTY shall: (a) respond in writing to the responsible Bureau or the DEPARTMENT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense and, (c) submit to the DEPARTMENT a written explanation as to any questioned or no opinion expressed item of expense, hereinafter referred to as the "RESPONSE". The RESPONSE shall be clearly stated and provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the REQUESTING PARTY may supply appropriate excerpts and make alternate

arrangements to conveniently and reasonably make that documentation available for review by the DEPARTMENT. The RESPONSE shall refer to and apply the language of the contract. The REQUESTING PARTY agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes the DEPARTMENT to finally disallow any items of questioned or no opinion expressed cost.

The DEPARTMENT shall make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of Audit Results. If the DEPARTMENT determines that an overpayment has been made to the REQUESTING PARTY, the REQUESTING PARTY shall repay that amount to the DEPARTMENT or reach agreement with the DEPARTMENT on a repayment schedule within thirty (30) days after the date of an invoice from the DEPARTMENT. If the REQUESTING PARTY fails to repay the overpayment or reach agreement with the DEPARTMENT on a repayment schedule within the thirty (30) day period, the REQUESTING PARTY agrees that the DEPARTMENT shall deduct all or a portion of the overpayment from any funds then or thereafter payable by the DEPARTMENT to the REQUESTING PARTY under this contract or any other agreement, or payable to the REQUESTING PARTY under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The assessment of interest will begin thirty (30) days from the date of the invoice. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by the DEPARTMENT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The REQUESTING PARTY expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest the DEPARTMENT'S decision only as to any item of expense the disallowance of which was disputed by the REQUESTING PARTY in a timely filed RESPONSE.

The REQUESTING PARTY shall comply with the Single Audit Act of 1984, as amended, including, but not limited to, the Single Audit Amendments of 1996 (31 USC 7501-7507).

The REQUESTING PARTY shall adhere to the following requirements associated with audits of accounts and records:

- a. Agencies expending a total of \$500,000 or more in federal funds, from one or more funding sources in its fiscal year, shall comply with the requirements of the federal Office of Management and Budget (OMB) Circular A-133, as revised or amended.



The agency shall submit two copies of:

- The Reporting Package
- The Data Collection Form
- The management letter to the agency, if one issued by the audit firm

The OMB Circular A-133 audit must be submitted to the address below in accordance with the time frame established in the circular, as revised or amended.

b. Agencies expending less than \$500,000 in federal funds must submit a letter to the Department advising that a circular audit was not required. The letter shall indicate the applicable fiscal year, the amount of federal funds spent, the name(s) of the Department federal programs, and the CFDA grant number(s). This information must also be submitted to the address below.

c. Address: Michigan Department of Education  
Accounting Service Center  
Hannah Building  
608 Allegan Street  
Lansing, MI 48909

d. Agencies must also comply with applicable State laws and regulations relative to audit requirements.

e. Agencies shall not charge audit costs to Department's federal programs which are not in accordance with the OMB Circular A-133 requirements.

f. All agencies are subject to the federally required monitoring activities, which may include limited scope reviews and other on-site monitoring.

2. Agreed Unit Prices Work - All billings for work undertaken by the REQUESTING PARTY on an agreed unit price basis will be submitted in accordance with the Michigan Department of Transportation Standard Specifications for Construction and pertinent FAPG Directives and Guidelines of the FHWA.
3. Force Account Work and Subcontracted Work - All billings submitted to the DEPARTMENT for Federal reimbursement for items of work performed on a force account basis or by any subcontract with a consulting firm, railway company, governmental agency or other party, under the terms of this contract, shall be prepared in accordance with the provisions of the pertinent FHPM Directives and the procedures of the DEPARTMENT. Progress billings may be submitted monthly during the time work is being performed provided, however, that no bill of a lesser amount than \$1,000.00 shall be submitted unless it is a final

or end of fiscal year billing. All billings shall be labeled either "Progress Bill Number \_\_\_\_\_", or "Final Billing".

4. Final billing under this contract shall be submitted in a timely manner but not later than six months after completion of the work. Billings for work submitted later than six months after completion of the work will not be paid.
5. Upon receipt of billings for reimbursement for work undertaken by the REQUESTING PARTY on projects funded with Federal monies, the DEPARTMENT will act as billing agent for the REQUESTING PARTY, consolidating said billings with those for its own force account work and presenting these consolidated billings to the FHWA for payment. Upon receipt of reimbursement from the FHWA, the DEPARTMENT will promptly forward to the REQUESTING PARTY its share of said reimbursement.
6. Upon receipt of billings for reimbursement for work undertaken by the REQUESTING PARTY on projects funded with non-Federal monies, the DEPARTMENT will promptly forward to the REQUESTING PARTY reimbursement of eligible costs.

B. Payment of Contracted and DEPARTMENT Costs:

1. As work on the PROJECT commences, the initial payments for contracted work and/or costs incurred by the DEPARTMENT will be made from the working capital deposit. Receipt of progress payments of Federal funds, and where applicable, State Critical Bridge funds, will be used to replenish the working capital deposit. The REQUESTING PARTY shall make prompt payments of its share of the contracted and/or DEPARTMENT incurred portion of the PROJECT COST upon receipt of progress billings from the DEPARTMENT. Progress billings will be based upon the REQUESTING PARTY'S share of the actual costs incurred as work on the PROJECT progresses and will be submitted, as required, until it is determined by the DEPARTMENT that there is sufficient available working capital to meet the remaining anticipated PROJECT COSTS. All progress payments will be made within thirty (30) days of receipt of billings. No monthly billing of a lesser amount than \$1,000.00 will be made unless it is a final or end of fiscal year billing. Should the DEPARTMENT determine that the available working capital exceeds the remaining anticipated PROJECT COSTS, the DEPARTMENT may reimburse the REQUESTING PARTY such excess. Upon completion of the PROJECT, payment of all PROJECT COSTS, receipt of all applicable monies from the FHWA, and completion of necessary audits, the REQUESTING PARTY will be reimbursed the balance of its deposit.

2. In the event that the bid, plus contingencies, for the contracted, and/or the DEPARTMENT incurred portion of the PROJECT work exceeds the estimated cost therefor as established by this contract, the REQUESTING PARTY may be advised and billed for the additional amount of its share.

C. General Conditions:

1. The DEPARTMENT, in accordance with its procedures in existence and covering the time period involved, shall make payment for interest earned on the balance of working capital deposits for all projects on account with the DEPARTMENT. The REQUESTING PARTY in accordance with DEPARTMENT procedures in existence and covering the time period involved, shall make payment for interest owed on any deficit balance of working capital deposits for all projects on account with the DEPARTMENT. This payment or billing is processed on an annual basis corresponding to the State of Michigan fiscal year. Upon receipt of billing for interest incurred, the REQUESTING PARTY promises and shall promptly pay the DEPARTMENT said amount.
2. Pursuant to the authority granted by law, the REQUESTING PARTY hereby irrevocably pledges a sufficient amount of funds received by it from the Michigan Transportation Fund to meet its obligations as specified in PART I and PART II. If the REQUESTING PARTY shall fail to make any of its required payments when due, as specified herein, the DEPARTMENT shall immediately notify the REQUESTING PARTY and the State Treasurer of the State of Michigan or such other state officer or agency having charge and control over disbursement of the Michigan Transportation Fund, pursuant to law, of the fact of such default and the amount thereof, and, if such default is not cured by payment within ten (10) days, said State Treasurer or other state officer or agency is then authorized and directed to withhold from the first of such monies thereafter allocated by law to the REQUESTING PARTY from the Michigan Transportation Fund sufficient monies to remove the default, and to credit the REQUESTING PARTY with payment thereof, and to notify the REQUESTING PARTY in writing of such fact.
3. Upon completion of all work under this contract and final audit by the DEPARTMENT or the FHWA, the REQUESTING PARTY promises to promptly repay the DEPARTMENT for any disallowed items of costs previously disbursed by the DEPARTMENT. The REQUESTING PARTY pledges its future receipts from the Michigan Transportation Fund for repayment of all disallowed items and, upon failure to make repayment for any disallowed items within ninety (90) days of demand made by the DEPARTMENT, the DEPARTMENT is hereby authorized to withhold an equal amount from the REQUESTING PARTY'S share of any future distribution of Michigan Transportation Funds in settlement of said claim.

4. The DEPARTMENT shall maintain and keep accurate records and accounts relative to the cost of the PROJECT and upon completion of the PROJECT, payment of all items of PROJECT COST, receipt of all Federal Aid, if any, and completion of final audit by the DEPARTMENT and if applicable, by the FHWA, shall make final accounting to the REQUESTING PARTY. The final PROJECT accounting will not include interest earned or charged on working capital deposited for the PROJECT which will be accounted for separately at the close of the State of Michigan fiscal year and as set forth in Section C(1).
5. The costs of engineering and other services performed on those projects involving specific program funds and one hundred percent (100%) local funds will be apportioned to the respective portions of that project in the same ratio as the actual direct construction costs unless otherwise specified in PART I.

## SECTION IV

### MAINTENANCE AND OPERATION

A. Upon completion of construction of each part of the PROJECT, at no cost to the DEPARTMENT or the PROJECT, each of the parties hereto, within their respective jurisdictions, will make the following provisions for the maintenance and operation of the completed PROJECT:

1. All Projects:

Properly maintain and operate each part of the project, making ample provisions each year for the performance of such maintenance work as may be required, except as qualified in paragraph 2b of this section.

2. Projects Financed in Part with Federal Monies:

a. Sign and mark each part of the PROJECT, in accordance with the current Michigan Manual of Uniform Traffic control Devices, and will not install, or permit to be installed, any signs, signals or markings not in conformance with the standards approved by the FHWA, pursuant to 23 USC 109(d).

b. Remove, prior to completion of the PROJECT, all encroachments from the roadway right-of-way within the limits of each part of the PROJECT.

With respect to new or existing utility installations within the right-of-way of Federal Aid projects and pursuant to FAPG (23 CFR 645B): Occupancy of non-limited access right-of-way may be allowed based on consideration for traffic safety and necessary preservation of roadside space and aesthetic quality. Longitudinal occupancy of non-limited access right-of-way by private lines will require a finding of significant economic hardship, the unavailability of practicable alternatives or other extenuating circumstances.

c. Cause to be enacted, maintained and enforced, ordinances and regulations for proper traffic operations in accordance with the plans of the PROJECT.

d. Make no changes to ordinances or regulations enacted, or traffic controls installed in conjunction with the PROJECT work without prior review by the DEPARTMENT and approval of the FHWA, if required.

- B. On projects for the removal of roadside obstacles, the parties, upon completion of construction of each part of the PROJECT, at no cost to the PROJECT or the DEPARTMENT, will, within their respective jurisdictions, take such action as is necessary to assure that the roadway right-of-way, cleared as the PROJECT, will be maintained free of such obstacles.
- C. On projects for the construction of bikeways, the parties will enact no ordinances or regulations prohibiting the use of bicycles on the facility hereinbefore described as the PROJECT, and will amend any existing restrictive ordinances in this regard so as to allow use of this facility by bicycles. No motorized vehicles shall be permitted on such bikeways or walkways constructed as the PROJECT except those for maintenance purposes.
- D. Failure of the parties hereto to fulfill their respective responsibilities as outlined herein may disqualify that party from future Federal-aid participation in projects on roads or streets for which it has maintenance responsibility. Federal Aid may be withheld until such time as deficiencies in regulations have been corrected, and the improvements constructed as the PROJECT are brought to a satisfactory condition of maintenance.

## SECTION V

### SPECIAL PROGRAM AND PROJECT CONDITIONS

- A. Those projects for which the REQUESTING PARTY has been reimbursed with Federal monies for the acquisition of right-of-way must be under construction by the close of the twentieth (20th) fiscal year following the fiscal year in which the FHWA and the DEPARTMENT projects agreement covering that work is executed, or the REQUESTING PARTY may be required to repay to the DEPARTMENT, for forwarding to the FHWA, all monies distributed as the FHWA'S contribution to that right-of-way.
- B. Those projects for which the REQUESTING PARTY has been reimbursed with Federal monies for the performance of preliminary engineering must be under construction by the close of the tenth (10th) fiscal year following the fiscal year in which the FHWA and the DEPARTMENT projects agreement covering that work is executed, or the REQUESTING PARTY may be required to repay to the DEPARTMENT, for forwarding to the FHWA, all monies distributed as the FHWA'S contribution to that preliminary engineering.
- C. On those projects funded with Federal monies, the REQUESTING PARTY, at no cost to the PROJECT or the DEPARTMENT, will provide such accident information as is available and such other information as may be required under the program in order to make the proper assessment of the safety benefits derived from the work performed as the PROJECT. The REQUESTING PARTY will cooperate with the DEPARTMENT in the development of reports and such analysis as may be required and will, when requested by the DEPARTMENT, forward to the DEPARTMENT, in such form as is necessary, the required information.
- D. In connection with the performance of PROJECT work under this contract the parties hereto (hereinafter in Appendix "A" referred to as the "contractor") agree to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts", as set forth in Appendix A, attached hereto and made a part hereof. The parties further covenant that they will comply with the Civil Rights Acts of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 U.S.C. Sections 1971, 1975a-1975d, and 2000a-2000h-6 and the Regulations of the United States Department of Transportation (49 C.F.R. Part 21) issued pursuant to said Act, including Appendix "B", attached hereto and made a part hereof, and will require similar covenants on the part of any contractor or subcontractor employed in the performance of this contract.
- E. The parties will carry out the applicable requirements of the DEPARTMENT'S Disadvantaged Business Enterprise (DBE) program and 49 CFR, Part 26, including, but not limited to, those requirements set forth in Appendix C.

**APPENDIX A**  
**PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS**

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.
5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.
6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.



7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.
8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.
9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

Revised June 2011

**APPENDIX B**  
**TITLE VI ASSURANCE**

During the performance of this contract, the contractor, for itself, its assignees, and its successors in interest (hereinafter referred to as the "contractor"), agrees as follows:

1. **Compliance with Regulations:** For all federally assisted programs, the contractor shall comply with the nondiscrimination regulations set forth in 49 CFR Part 21, as may be amended from time to time (hereinafter referred to as the Regulations). Such Regulations are incorporated herein by reference and made a part of this contract.
2. **Nondiscrimination:** The contractor, with regard to the work performed under the contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection, retention, and treatment of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices, when the contractor covers a program set forth in Appendix B of the Regulations.
3. **Solicitation for Subcontracts, Including Procurements of Materials and Equipment:** All solicitations made by the contractor, either by competitive bidding or by negotiation for subcontract work, including procurement of materials or leases of equipment, must include a notification to each potential subcontractor or supplier of the contractor's obligations under the contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and facilities as may be determined to be pertinent by the Department or the United States Department of Transportation (USDOT) in order to ascertain compliance with such Regulations or directives. If required information concerning the contractor is in the exclusive possession of another who fails or refuses to furnish the required information, the contractor shall certify to the Department or the USDOT, as appropriate, and shall set forth the efforts that it made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Department shall impose such contract sanctions as it or the USDOT may determine to be appropriate, including, but not limited to, the following:
  - a. Withholding payments to the contractor until the contractor complies; and/or
  - b. Canceling, terminating, or suspending the contract, in whole or in part.

6. **Incorporation of Provisions:** The contractor shall include the provisions of Sections (1) through (6) in every subcontract, including procurement of material and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Department or the USDOT may direct as a means of enforcing such provisions, including sanctions for non-compliance, provided, however, that in the event a contractor becomes involved in or is threatened with litigation from a subcontractor or supplier as a result of such direction, the contractor may request the Department to enter into such litigation to protect the interests of the state. In addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Revised June 2011

## APPENDIX C

### TO BE INCLUDED IN ALL FINANCIAL ASSISTANCE AGREEMENTS WITH LOCAL AGENCIES

#### Assurance that Recipients and Contractors Must Make (Excerpts from US DOT Regulation 49 CFR 26.13)

- A. Each financial assistance agreement signed with a DOT operating administration (or a primary recipient) must include the following assurance:

The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any US DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26 and as approved by US DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

- B. Each contract MDOT signs with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:

The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of US DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.



**CITY OF ROOSEVELT PARK  
CITY COUNCIL MEETING  
March 6, 2023**

<b>Item:</b> Fiscal Year 2022 Audit Report and Presentation	<b>Date:</b> March 6, 2023
<b>Summary:</b> Eric VanDop from Brickley DeLong accounting firm will present the 2022 financial audit at the work session.  Following the presentation of the audit from Mr. VanDop, the council will be asked to accept and put on file the completed FY2022 audit.	
<b>Financial Impact:</b> None.	
<b>Recommendation:</b> To take action to receive and place on file the 2022 Financial Audit for the City of Roosevelt Park.	
<b>Signature:</b>	<b>Title:</b> City Manager

City of Roosevelt Park  
Muskegon County, Michigan

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

November 30, 2022



City of Roosevelt Park

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**INDEPENDENT AUDITOR'S REPORT**

City Council  
City of Roosevelt Park  
Roosevelt Park, Michigan

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Roosevelt Park, Michigan, as of and for the year ended November 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Roosevelt Park, Michigan as of November 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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

**Responsibilities of Management for the Financial Statements**

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

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



**Auditor’s Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Roosevelt Park, Michigan’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Roosevelt Park, Michigan’s ability to continue as a going concern for a reasonable period of time.

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

City Council  
City of Roosevelt Park  
Page 3

**Required Supplementary Information**

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



Muskegon, Michigan  
February 20, 2023

As management of the City of Roosevelt Park, we present to the readers of the City's financial statements this overview and analysis of the financial activities of the City for the fiscal year ended November 30, 2022. We encourage you to consider the information presented in these financial statements along with the additional information that has been furnished in this letter.

### FINANCIAL HIGHLIGHTS

- At the close of the fiscal year, the City had total assets/deferred outflows of resources of \$15,636,625 and total liabilities/deferred inflows of resources of \$9,893,925, leaving net position of \$5,742,700.
- Of the total \$5,742,700 in net position, the City has a deficit in unrestricted net position of \$2,222,043. The deficit in unrestricted net position is caused by the City's long-term net pension and other post-employment benefits liabilities.
- Total revenues, including all program and general revenues, were \$5,125,486. Of that total, the governmental activities revenues were \$3,614,982 and business-type revenues were \$1,510,504.
- Total expenses for all of the City's programs were \$5,400,641. Of that total, the governmental activities expenses were \$3,955,502 and the business-type expenses were \$1,445,139.
- The City's General Fund reported a total fund balance of \$1,460,109 at year-end, an increase of \$273,803 over the prior year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances. These statements are similar to those of a private sector business.

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

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods.

Both of the government-wide financial statements mentioned above distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are designed to recover all or a significant part of their costs through user fees and charges for services (business type activities). The governmental activities of the City include general government, public safety, public works, health and welfare, community and economic development, and culture and recreation activities. The business-type activities of the City include water distribution and sewer services.

The government-wide financial statements include not only the City (the primary government) but also the legally separate discretely presented component unit (Downtown Development Authority). The board of this organization is appointed by the City and given the interrelation of the two; there is some potential liability for the City due to the City's pledge of its full faith and credit for debt obligations. The financial information of this component unit is reported in a separate column from the financial information of the primary government itself.

### **Fund Financial Statements**

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

### **Governmental Funds**

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

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

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

### Proprietary Funds

The City has two enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water distribution and sewer operations.

Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise funds financial statements provided separate information for Water and Sewer funds both of which are major funds.

### Fiduciary Funds

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

### Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The reader is encouraged to include the reading of this section in any attempt to analyze and understand these statements.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary information as it relates to the actual expenditures for the General Fund, Major Streets Fund, and Local Streets Fund.

### Government-wide Financial Analysis

The first table presented on the next page is a summary of the government-wide statement of net position for the City. As stated earlier, the net position may be used as an indicator of a government's financial health. As of November 30, 2022, the City's net position from governmental activities totaled \$310,592 (5%) and \$5,432,108 (95%) from business-type activities, creating a total government-wide net position total of \$5,742,700.

In examining the composition of net position, the reader should note that governmental activities include net position that is invested in capital assets (i.e., streets, buildings, land, vehicles, equipment, etc.) These assets are used to provide services to the City's residents, and they are not available to pay salaries, operational expenses or fund capital projects. Certain other governmental net position is shown as restricted, meaning that it is subject to external restrictions on how it may be used. The unrestricted net position for government-type activities actually depicts a deficit of (\$3,612,315). This represents the amount of discretionary cash or investments that can be used for general governmental operations. The deficit in unrestricted net position is caused by the City's long-term net pension and other post-employment benefits liabilities (OPEB).

The business-type activities show a total of \$5,432,108 in net position and \$1,390,272 in unrestricted net position. The Sewer Fund and Water Fund unrestricted net position are \$838,816 and \$527,370, respectively.

# City of Roosevelt Park

## Management's Discussion and Analysis

Governmental activities current assets decreased due to only a few capital purchases. Capital assets decreased because depreciation exceeded current year capital asset additions. Noncurrent liabilities decreased due to a reduction in the net pension liability from the issuance of pension bonds in the prior fiscal year.

Business-type current assets decreased due to no significant capital purchases. Capital assets decreased because depreciation exceeded current year capital asset additions. Noncurrent liabilities decreased due to a reduction in the net pension liability from the issuance of pension bonds in the prior fiscal year.

Fluctuation in deferred inflows and outflows of resources are due to differences in experience, assumptions, and investment return related to the pension and other post-employment benefits plans, which are being amortized over the average expected remaining service lives of all employees.

### Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current assets and other assets	\$ 2,871,451	\$ 2,451,879	\$ 1,773,880	\$ 1,468,366	\$ 4,645,331	\$ 3,920,245
Capital assets	6,227,492	6,599,664	4,041,836	4,151,564	10,269,328	10,751,228
Total assets	9,098,943	9,051,543	5,815,716	5,619,930	14,914,659	14,671,473
Deferred outflows of resources	649,769	3,725,041	72,197	413,893	721,966	4,138,934
Total assets and deferred outflows of resources	9,748,712	12,776,584	5,887,913	6,033,823	15,636,625	18,810,407
Current liabilities	821,392	756,770	125,660	49,541	947,052	806,311
Noncurrent liabilities	7,000,662	10,457,361	150,583	489,043	7,151,245	10,946,404
Total liabilities	7,822,054	11,214,131	276,243	538,584	8,098,297	11,752,715
Deferred inflows of resources	1,616,066	935,853	179,562	103,984	1,795,628	1,039,837
Total liabilities and deferred inflows of resources	9,438,120	12,149,984	455,805	642,568	9,893,925	12,792,552
Net position						
Net investment in capital assets	3,209,958	3,414,510	4,041,836	4,151,564	7,251,794	7,566,074
Restricted	712,949	614,401	-	-	712,949	614,401
Unrestricted	(3,612,315)	(3,402,311)	1,390,272	1,239,691	(2,222,043)	(2,162,620)
Total net position	<b>\$ 310,592</b>	<b>\$ 626,600</b>	<b>\$ 5,432,108</b>	<b>\$ 5,391,255</b>	<b>\$ 5,742,700</b>	<b>\$ 6,017,855</b>

The results of this year's operations for the City as a whole are reported in the statement of activities, which shows changes in net position.

### Change in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues						
Charges for services	\$ 541,291	\$ 742,236	\$ 1,504,545	\$ 1,596,006	\$ 2,045,836	\$ 2,338,242
Operating grants	515,878	474,990	-	-	515,878	474,990
General revenues						
Property taxes	1,736,531	1,681,586	-	-	1,736,531	1,681,586
Franchise fees	56,251	58,772	-	-	56,251	58,772
Grants and contributions not restricted	722,805	429,206	-	-	722,805	429,206
Unrestricted investment earnings	9,963	243	5,959	145	15,922	388
Miscellaneous	32,263	14,672	-	-	32,263	14,672
Gain on disposal of capital assets	-	13,322	-	-	-	13,322
Total revenues	3,614,982	3,415,027	1,510,504	1,596,151	5,125,486	5,011,178
Expenses:						
General government	835,293	816,330	-	-	835,293	816,330
Public safety	1,577,029	1,531,910	-	-	1,577,029	1,531,910
Public works	1,191,993	1,439,316	-	-	1,191,993	1,439,316
Health and welfare	12,907	-	-	-	12,907	-
Community and economic developm	14,091	1,896	-	-	14,091	1,896
Culture and recreation	191,029	93,063	-	-	191,029	93,063
Interest on long term debt	133,160	201,725	-	-	133,160	201,725
Sewer	-	-	691,174	494,268	691,174	494,268
Water	-	-	753,965	665,895	753,965	665,895
Total expenses	3,955,502	4,084,240	1,445,139	1,160,163	5,400,641	5,244,403
Change in net assets						
before transfers	(340,520)	(669,213)	65,365	435,988	(275,155)	(233,225)
Transfers	24,512	-	(24,512)	-	-	-
Change in net position	(316,008)	(669,213)	40,853	435,988	(275,155)	(233,225)
Net position - Beginning	626,600	1,295,813	5,391,255	4,955,267	6,017,855	6,251,080
Net position - Ending	\$ 310,592	\$ 626,600	\$ 5,432,108	\$ 5,391,255	\$ 5,742,700	\$ 6,017,855

For the year ended November 30, 2022, net position decreased by \$316,008 in governmental activities and increased by \$40,853 in business-type activities, respectively. This resulted in an overall net decrease of \$275,155 in government-wide net position.

### **Governmental Activities**

Governmental activities charges for services revenues decreased as the City contracted inspections services out to a third party and is now only recognizing the 10 percent of fees that it receives as revenue. Grants and contributions not restricted increased due to American Rescue Plan Act revenues being recognized.

Expenses for all governmental functions decreased by a total of \$128,738. Public works expenses decreased due to a change in the allocation of salaries and wages for public works employees. Similarly, culture and recreation increased due to a change in allocation of salaries and wages for public works employees. Interest on long-term debt decreased due to regularly scheduled amortization.

### **Business-type activities**

Business-type activities revenues were similar to the prior year.

Expenses for all business-type functions increased by a total of \$284,976. Most of the change was due to changes in pension costs and a change in allocation of salaries and wages for public works employees.

### **Financial Analysis of the Government's Funds**

As stated earlier in this discussion and analysis, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

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

At the end of the 2022 fiscal year, the City governmental funds reported a combined unassigned fund balance of \$1,314,935, all of which is in the General Fund. The remainder of the fund balance is nonspendable as it has been spent on prepaid items for the following year or is restricted for streets and highways or Roosevelt Park Day or assigned for the subsequent year's budget.

The General Fund is the chief operating fund of the City. The General Fund ended the year with a fund balance of \$1,460,109, an increase of \$273,803 from fiscal year 2021. The health of the General Fund may be measured by the ratio of unassigned fund balance to annual expenditures and transfers. The unassigned fund balance represents 46% of the General Fund's expenditures and transfers (19% in the prior year).

### **Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the Sewer Fund and Water Fund increased by \$79,488 and decreased by \$46,697, respectively. The result was an overall net increase in the proprietary funds of \$32,791.



### General Fund Budget

During the current fiscal year, the City made several amendments to its original General Fund budget. The most significant of those is listed below:

- Licenses and permits revenues were originally budgeted for \$126,400, amended down to \$72,509 due to changes resulting from contracting out inspection services. Correspondingly, inspections expenditures were originally budgeted for \$51,679, amended down to \$13,790.
- Intergovernmental revenues—State were originally budgeted for \$390,762, amended up to \$528,960 due to higher than expected revenue sharing.
- Personnel expenditures were originally budgeted for \$302,364, amended down to \$63,003 due to a decrease in defined benefit pension plan contributions as a result of the 2021 pension bond issuance.
- Police department expenditures were originally budgeted for \$975,431, amended down to \$908,364 to reflect actual overtime and adjustments to retirement and insurance costs.
- Debt service—principal expenditures were originally budgeted for \$170,000, amended up to \$370,000 to cover required debt service payments for the 2021 pension bonds.

### Budget Variations

There were no significant variations between the final budget and actual revenues and expenditures.

### Capital Assets

The City investment in capital assets for its governmental and business-type activities as of November 30, 2022 totaled \$10,269,328 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, improvements, equipment, plants and vehicles.

Major capital asset events during the current fiscal year included the following:

- Public works equipment for \$47,108
- Land for \$53,080

**CAPITAL ASSETS**  
(Net of Accumulated Depreciation)

	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Land	\$ 344,627	\$ 291,547	\$ 600	\$ 600	\$ 345,227	\$ 292,147
Construction in progress	62,330	-	-	-	62,330	-
Land improvements	23,930	28,076	-	-	23,930	28,076
Buildings and improvements	773,425	807,364	-	-	773,425	807,364
Vehicles and equipment	327,740	342,370	-	-	327,740	342,370
Infrastructure	4,695,440	5,130,307	-	-	4,695,440	5,130,307
Sewer system	-	-	1,573,611	1,619,401	1,573,611	1,619,401
Water system	-	-	2,467,625	2,531,563	2,467,625	2,531,563
<b>Total</b>	<b>\$ 6,227,492</b>	<b>\$ 6,599,664</b>	<b>\$ 4,041,836</b>	<b>\$ 4,151,564</b>	<b>\$ 10,269,328</b>	<b>\$ 10,751,228</b>

Additional information on the City’s capital assets can be found in Note E of the “Notes to Financial Statements” of this report.

**Debt Administration**

At the end of the 2022 fiscal year, the City had total outstanding debt of \$6,105,421 consisting of general obligation bonds and compensated absences.

**OUTSTANDING DEBT**

	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 6,027,534	\$ 6,395,154	\$ -	\$ -	\$ 6,027,534	\$ 6,395,154
Compensated absences	77,887	66,826	-	-	77,887	66,826
<b>Total</b>	<b>\$ 6,105,421</b>	<b>\$ 6,461,980</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,105,421</b>	<b>\$ 6,461,980</b>

The City’s total debt decreased by \$356,559 during the fiscal year. This decrease is a result of the normal scheduled debt service payments.

Additional information on the City’s long-term debt can be found in Note G of the “Notes to Financial Statements” of this report.

### General Economic Overview

The City continues to see fiscal accountability and financial stability as its top priority. The operating margin between revenues and typical expenses for all services is small and will continue to be an on-going challenge.

<u>YEAR</u>	<u>TOTAL PROPERTY TAXES</u> <u>(percentage change)</u>	<u>STATE SHARED REVENUE</u> <u>(percentage change)</u>
2022	\$ 1,736,531 (+3.3%)	\$ 523,349 (+26.7%)
2021	1,681,586 (+ 2.3%)	413,008 (+ 12.8%)
2020	1,642,320 (+ 2.7%)	366,285 (- 0.1%)
2019	1,598,468 (+ 3.8%)	366,612 (+ 3.9%)
2018	1,540,370 (+ .9%)	352,849 (+ 2.4%)
2017	1,527,169 (+ 3.5%)	344,500 (+ 7.8%)
2016	1,476,048 (- .1%)	319,509 (+ 1.0%)
2015	1,477,660 (+ 40.7%)	316,465 (- 0.3%)
2014	1,050,439 (+ .1%)	317,374 (+ 2.1%)
2013	1,049,071	310,593

For fiscal year 2023, the City will maintain its millage rate at 16.6 mills. The additional 5 mills that were levied beginning in 2015 will continue to be used primarily to fund the debt service of the Roosevelt Road construction project. The City has also budgeted an increase state revenue sharing based on projections from the State. For the fourth year in a row, the taxable value of real property has risen and an increased tax capture within the General Fund is expected.

One major change to the General Fund operations will be the transition from fully funding all Parks and Recreation expenditures through the General Fund and move capital outlay, large projects, and major investments into the newly created Parks and Recreation Millage fund system. In November of 2022 the residents of Roosevelt Park approved a .9 millage for seven years to help fund major capital investments and renovations of the City's nine parks and open spaces.

As in the 2022 year, we continue to budget conservatively as lasting impacts of COVID continue to be felt throughout nearly all operations. While the pandemic appears to be easing, we will still see long-lasting residual effects such as historical levels of inflation. Major state and federal grants were awarded utilizing stimulus funds; however it must be recognized that these were one time funding sources and cannot be counted on for long term revenue. This funding is earmarked and will be spent through 2026.

The City continues to budget capital and maintenance funds for parks and playground improvements throughout the nine City parks and the open spaces that are currently unutilized. The City will be investing in safer equipment, more accessible recreation options, and other quality of life focused maintenance and upkeep items throughout the City's parks. Along with continued investments in current facilities, the City Council and Planning Commission continue to utilize the newly formed Roosevelt Parks Recreation and Parks Commission as a guide to new parks and community features along with following the very in-depth Roosevelt Park "Parks Re-envisioned" plan that was completed throughout 2022.

The City has budgeted over \$200,000 for local street and drainage improvements and will begin the mill and overlay projects throughout the community in 2023. As in the past, there are several grant sources that the City staff will continue to pursue in order to leverage additional street improvement funding within the upcoming year. There is also a very strong possibility that the ACT 51 funding will increase above the budgeted levels due to the continued rise in fuel prices, state sales tax collection, and the phasing in of the current state gas tax system.

Projects planned in the Water and Sewer funds include basic maintenance and system upkeep as the multiyear installation of watermain and new service lines will kick off in the beginning of the City's twenty-five-year lead and copper service line replacement schedule. With the major cost of service line and watermain replacement looming for the next several decades, a long-term investigation and planning project will be undertaken in 2023 to determine appropriate water and sewer rates in both a short term and long-term projections.

Health insurance is a focus area of the City as it works to limit cost increases. Retiree cost sharing consisting of a ten percent contribution has been implemented since 2011 and the City has adopted the hard cap provision for all full-time employees to further alleviate the costs and to comply with the State's Economic Vitality Incentive Program (EVIP). With the rate of inflation in 2022 being nearly nine percent, city staff expects to see a similar large increase in both the hard cap limit and the overall health care renewal costs in the 2023 year.

2023 will be the first year of the City's collective bargaining agreement with the Department of Public Works who finalized a new three-year contract that began in December of 2022. The current agreement with the Police Officers Labor Council and the Police Department employees runs through the end of the 2023 fiscal year. While the current CBA is in its final year, the staffing levels within the Roosevelt Park Police Department have reversed their downward trend and now holds a roster of five full-time police officers, including a full-time road sergeant, and a full-time police chief. There is a single full-time officer opening remaining.

As of December 31, 2018, the collective bargaining units closed the defined benefit and retiree health insurance offerings for new hires. Along with the significant long-term savings of closing these programs within the collective bargaining units, the general employee unit of City has eliminated any retiree health care benefits for future hires. As the City of Roosevelt Park continues to explore ways to operate with increased efficiency, the City Council approved and issued a pension bond to help fund the current defined benefit system. With historically low interest rates, the City should see significant long-term savings with the debt issuance.

The City has adopted a defined contribution plan for both the Teamsters and POLC unions, as well as non-union new hires, in an effort to lower the long-term legacy costs for future retirees. Along with the adoption of defined contribution plans for all new hires, the City Council continues to review the pension and OPEB liabilities to ensure the long-term fiscal health of the City with focus beginning to move towards funding the outstanding OPEB obligation.

Both the OPEB and Retiree Pension funding levels have grown significantly over the last three years with strong funding and rates of returns, positive actions within the employee sector that reduced the overall liability, and the reduction of current and future retirees that will be drawing off the plans.

Overall, during this upcoming year the City Council and staff continue their goals to build strong infrastructure, update community assets, and provide the most effective and efficient services as possible.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Roosevelt Park's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Roosevelt Park, 900 Oak Ridge Road, Roosevelt Park, MI, 49441, or telephone (231) 755-3721.

City of Roosevelt Park  
**STATEMENT OF NET POSITION**  
November 30, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Unit</u>
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 2,659,129	\$ 1,379,435	\$ 4,038,564	\$ 1,436,036
Receivables	9,322	344,781	354,103	-
Due from other governmental units	158,327	-	158,327	-
Internal balances	(24,086)	24,086	-	-
Inventories	-	24,958	24,958	-
Prepaid items	68,759	620	69,379	-
Total current assets	2,871,451	1,773,880	4,645,331	1,436,036
Noncurrent assets				
Capital assets, net				
Nondepreciable	406,957	600	407,557	133,071
Depreciable	5,820,535	4,041,236	9,861,771	-
Total noncurrent assets	6,227,492	4,041,836	10,269,328	133,071
Total assets	9,098,943	5,815,716	14,914,659	1,569,107
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to pension	73,903	8,212	82,115	-
Related to other postemployment benefits	575,866	63,985	639,851	-
Total deferred outflows of resources	649,769	72,197	721,966	-
Total assets and deferred outflows of resources	9,748,712	5,887,913	15,636,625	1,569,107
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and accrued liabilities	124,252	3,518	127,770	6,622
Due to other governmental units	37,679	122,142	159,821	-
Unearned revenues—expenditure-driven grants	199,461	-	199,461	-
Bonds and other obligations, due within one year	460,000	-	460,000	-
Total current liabilities	821,392	125,660	947,052	6,622
Noncurrent liabilities				
Bonds and other obligations, less amounts due within one year	5,645,421	-	5,645,421	-
Net pension liability	495,844	55,094	550,938	-
Net other postemployment benefits liability	859,397	95,489	954,886	-
Total noncurrent liabilities	7,000,662	150,583	7,151,245	-
Total liabilities	7,822,054	276,243	8,098,297	6,622
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to pension	232,404	25,822	258,226	-
Related to other postemployment benefits	1,383,662	153,740	1,537,402	-
Total deferred inflows of resources	1,616,066	179,562	1,795,628	-
Total liabilities and deferred inflows of resources	9,438,120	455,805	9,893,925	6,622
<b>NET POSITION</b>				
Net investment in capital assets	3,209,958	4,041,836	7,251,794	133,071
Restricted				
Streets and highways	692,009	-	692,009	-
Roosevelt Park Day	20,940	-	20,940	-
Unrestricted	(3,612,315)	1,390,272	(2,222,043)	1,429,414
Total net position	<u>\$ 310,592</u>	<u>\$ 5,432,108</u>	<u>\$ 5,742,700</u>	<u>\$ 1,562,485</u>

The accompanying notes are an integral part of this statement.

City of Roosevelt Park  
**STATEMENT OF ACTIVITIES**  
For the year ended November 30, 2022

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total	
				Governmental Activities	Business-type Activities		
<b>Primary government</b>							
Governmental activities							
General government	\$ 835,293	\$ 8,852	\$ -	\$ (826,441)	\$ -	\$ (826,441)	\$ -
Public safety	1,577,029	18,583	661	(1,557,785)	-	(1,557,785)	-
Public works	1,191,993	507,448	490,398	(194,147)	-	(194,147)	-
Health and welfare	12,907	-	15,489	2,582	-	2,582	-
Community and economic development	14,091	-	-	(14,091)	-	(14,091)	-
Culture and recreation	191,029	6,408	9,330	(175,291)	-	(175,291)	-
Interest on long-term debt	133,160	-	-	(133,160)	-	(133,160)	-
Total governmental activities	3,955,502	541,291	515,878	(2,898,333)	-	(2,898,333)	-
Business-type activities							
Sewer	691,174	781,873	-	-	90,699	90,699	-
Water	753,965	722,672	-	-	(31,293)	(31,293)	-
Total business-type activities	1,445,139	1,504,545	-	-	59,406	59,406	-
Total primary government	<b>\$ 5,400,641</b>	<b>\$ 2,045,836</b>	<b>\$ 515,878</b>	(2,898,333)	59,406	(2,838,927)	-
<b>Component unit</b>							
Downtown Development Authority							
General government	\$ 60,458	\$ -	\$ -	-	-	-	(60,458)
Public safety	118,912	-	-	-	-	-	(118,912)
Public works	99,060	-	-	-	-	-	(99,060)
Culture and recreation	1,464	-	-	-	-	-	(1,464)
Total component unit	<b>\$ 279,894</b>	<b>\$ -</b>	<b>\$ -</b>	-	-	-	(279,894)
<b>General revenues</b>							
Property taxes				1,736,531	-	1,736,531	249,489
Franchise fees				56,251	-	56,251	-
Grants and contributions not restricted to specific programs				722,805	-	722,805	228,741
Unrestricted investment earnings				9,963	5,959	15,922	2,953
Miscellaneous				32,263	-	32,263	-
Transfers				24,512	(24,512)	-	-
Total general revenues and transfers				2,582,325	(18,553)	2,563,772	481,183
Change in net position				(316,008)	40,853	(275,155)	201,289
Net position at beginning of year				626,600	5,391,255	6,017,855	1,361,196
Net position at end of year				<b>\$ 310,592</b>	<b>\$ 5,432,108</b>	<b>\$ 5,742,700</b>	<b>\$ 1,562,485</b>

The accompanying notes are an integral part of this statement.

City of Roosevelt Park  
**BALANCE SHEET**  
 Governmental Funds  
 November 30, 2022

	<b>General Fund</b>	<b>Major Streets Fund</b>	<b>Local Streets Fund</b>	<b>Other Governmental Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and investments	\$ 1,622,346	\$ 393,182	\$ 256,565	\$ 17,940	\$ 2,290,033
Accounts receivable	3,322	-	3,000	3,000	9,322
Due from other governmental units	86,678	50,975	20,674	-	158,327
Prepaid items	59,759	9,000	-	-	68,759
Total assets	<b>\$ 1,772,105</b>	<b>\$ 453,157</b>	<b>\$ 280,239</b>	<b>\$ 20,940</b>	<b>\$ 2,526,441</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 29,478	\$ 5,680	\$ 22,427	\$ -	\$ 57,585
Accrued liabilities	45,238	2,187	2,093	-	49,518
Due to other governmental units	37,819	-	-	-	37,819
Unearned revenues—expenditure-driven grants	199,461	-	-	-	199,461
Total liabilities	311,996	7,867	24,520	-	344,383
<b>FUND BALANCES</b>					
Nonspendable - prepaid items	59,759	9,000	-	-	68,759
Restricted					
Streets and highways	-	436,290	255,719	-	692,009
Roosevelt Park Day	-	-	-	20,940	20,940
Assigned to subsequent year's budget appropriation of fund balance	85,415	-	-	-	85,415
Unassigned	1,314,935	-	-	-	1,314,935
Total fund balances	1,460,109	445,290	255,719	20,940	2,182,058
Total liabilities and fund balances	<b>\$ 1,772,105</b>	<b>\$ 453,157</b>	<b>\$ 280,239</b>	<b>\$ 20,940</b>	<b>\$ 2,526,441</b>

The accompanying notes are an integral part of this statement.

City of Roosevelt Park  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION**  
 November 30, 2022

Total fund balance—governmental funds \$ 2,182,058

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Cost of capital assets	\$ 11,083,432	
Accumulated depreciation	<u>(5,038,077)</u>	6,045,355

Long-term liabilities in governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Accrued interest payable	(15,500)	
Bonds and notes payable	(6,027,534)	
Compensated absences	(77,887)	
Net pension liability and related deferred outflows/inflows of resources	(654,345)	
Other postemployment benefits and related deferred outflows/inflows of resources	<u>(1,667,193)</u>	(8,442,459)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the Statement of Net Position.

Net position of the internal service funds	549,724	
Internal balances representing the cumulative differences between actual costs and amounts charged to business-type activities	<u>(24,086)</u>	<u>525,638</u>

Net position of governmental activities		<u><u>\$ 310,592</u></u>
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The accompanying notes are an integral part of this statement.



City of Roosevelt Park  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
 Governmental Funds

For the year ended November 30, 2022

	General Fund	Major Streets Fund	Local Streets Fund	Other Governmental Fund	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 1,736,531	\$ -	\$ -	\$ -	\$ 1,736,531
Licenses and permits	72,808	-	-	-	72,808
Intergovernmental revenues					
Federal	199,456	-	-	-	199,456
State	527,707	340,250	125,731	-	993,688
Local	15,489	-	-	-	15,489
Charges for services	506,848	-	-	-	506,848
Fines and forfeitures	7,181	-	-	-	7,181
Investment earnings	7,908	3,336	289	131	11,664
Other	32,263	15,956	5,437	15,738	69,394
Total revenues	3,106,191	359,542	131,457	15,869	3,613,059
<b>EXPENDITURES</b>					
Current					
General government	670,823	-	-	-	670,823
Public safety	1,155,896	-	-	-	1,155,896
Public works	272,087	233,101	146,153	-	651,341
Health and welfare	12,907	-	-	-	12,907
Community and economic development	14,091	-	-	-	14,091
Culture and recreation	168,202	-	-	20,066	188,268
Debt service					
Principal	370,000	-	-	-	370,000
Interest	128,280	-	-	-	128,280
Capital outlay	64,614	-	-	-	64,614
Total expenditures	2,856,900	233,101	146,153	20,066	3,256,220
Excess of revenues over (under) expenditures	249,291	126,441	(14,696)	(4,197)	356,839
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	24,512	-	167,429	-	191,941
Transfers out	-	(167,429)	-	-	(167,429)
Total other financing sources (uses)	24,512	(167,429)	167,429	-	24,512
Net change in fund balances	273,803	(40,988)	152,733	(4,197)	381,351
Fund balances at beginning of year	1,186,306	486,278	102,986	25,137	1,800,707
Fund balances at end of year	<b>\$1,460,109</b>	<b>\$ 445,290</b>	<b>\$ 255,719</b>	<b>\$ 20,940</b>	<b>\$ 2,182,058</b>

The accompanying notes are an integral part of this statement.

City of Roosevelt Park  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
 For the year ended November 30, 2022

Net change in fund balances—total governmental funds \$ 381,351

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

Governmental funds report outlays for capital assets as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	\$ (512,897)	
Capital outlay	<u>126,944</u>	(385,953)

The issuance of long-term debt provides current financial resources to governmental funds, but increases liabilities in the Statement of Net Position. Repayment of debt is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position.

Repayment of principal on long-term debt		370,000
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Change in accrual of interest and amortization of premiums and discounts		
Change in accrued interest payable	(2,500)	
Amortization of premiums and discounts	<u>(2,380)</u>	(4,880)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in compensated absences	(11,061)	
Change in net pension liability and related deferred outflows/inflows of resources	(766,857)	
Change in other postemployment benefits and related deferred outflows/inflows of resources	<u>57,512</u>	(720,406)

The internal service fund is used by management to charge the costs of equipment used to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.

Change in net position of the internal service fund	51,942	
Change in internal balances representing the current year difference between actual costs and amounts charged to business-type activities	<u>(8,062)</u>	<u>43,880</u>

Change in net position of governmental activities		<u><b>\$ (316,008)</b></u>
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The accompanying notes are an integral part of this statement.

City of Roosevelt Park  
**STATEMENT OF NET POSITION**  
 Proprietary Funds  
 November 30, 2022

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Fund</b>
	<b>Sewer</b>	<b>Water</b>	<b>Total</b>	<b>Fund</b>
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 856,748	\$ 522,687	\$ 1,379,435	\$ 369,095
Accounts receivable	178,165	166,616	344,781	-
Inventories	-	24,958	24,958	-
Prepaid items	310	310	620	-
Total current assets	1,035,223	714,571	1,749,794	369,095
Noncurrent assets				
Capital assets				
Land	-	600	600	-
Utility systems	3,133,178	3,474,976	6,608,154	-
Vehicles and equipment	-	-	-	901,853
Less accumulated depreciation	(1,559,567)	(1,007,351)	(2,566,918)	(719,716)
Total noncurrent assets	1,573,611	2,468,225	4,041,836	182,137
Total assets	2,608,834	3,182,796	5,791,630	551,232
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to pension	4,106	4,106	8,212	-
Related to other postemployment benefits	31,993	31,992	63,985	-
Total deferred outflows of resources	36,099	36,098	72,197	-
Total assets and deferred outflows of resources	2,644,933	3,218,894	5,863,827	551,232
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	151	198	349	1,461
Accrued liabilities	1,383	1,786	3,169	47
Due to other governmental units	65,900	56,242	122,142	-
Total current liabilities	67,434	58,226	125,660	1,508
Noncurrent liabilities				
Net pension liability	27,547	27,547	55,094	-
Net other postemployment benefits liability	47,744	47,745	95,489	-
Total noncurrent liabilities	75,291	75,292	150,583	-
Total liabilities	142,725	133,518	276,243	1,508
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to pensions	12,911	12,911	25,822	-
Related to other postemployment benefits	76,870	76,870	153,740	-
Total deferred inflows of resources	89,781	89,781	179,562	-
Total liabilities and deferred inflows of resources	232,506	223,299	455,805	1,508
<b>NET POSITION</b>				
Net investment in capital assets	1,573,611	2,468,225	4,041,836	182,137
Unrestricted	838,816	527,370	1,366,186	367,587
Total net position	<b>\$ 2,412,427</b>	<b>\$ 2,995,595</b>	5,408,022	<b>\$ 549,724</b>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds over time			24,086	
Net position of business-type activities			<b>\$ 5,432,108</b>	

The accompanying notes are an integral part of this statement.

City of Roosevelt Park  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
 Proprietary Funds  
 For the year ended November 30, 2022

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Fund</b>
	<b>Sewer</b>	<b>Water</b>	<b>Total</b>	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 781,873	\$ 722,672	\$ 1,504,545	\$ 155,291
<b>OPERATING EXPENSES</b>				
Administration	116,045	71,193	187,238	23,294
Operations	531,516	624,719	1,156,235	54,887
Depreciation	45,790	63,938	109,728	27,091
Total operating expenses	<u>693,351</u>	<u>759,850</u>	<u>1,453,201</u>	<u>105,272</u>
Operating income (loss)	88,522	(37,178)	51,344	50,019
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	<u>3,222</u>	<u>2,737</u>	<u>5,959</u>	<u>1,923</u>
Income (loss) before transfers	91,744	(34,441)	57,303	51,942
<b>TRANSFERS OUT</b>	<u>(12,256)</u>	<u>(12,256)</u>	<u>(24,512)</u>	<u>-</u>
Change in net position	79,488	(46,697)	32,791	51,942
Net position at beginning of year	<u>2,332,939</u>	<u>3,042,292</u>		<u>497,782</u>
Net position at end of year	<u><b>\$ 2,412,427</b></u>	<u><b>\$ 2,995,595</b></u>		<u><b>\$ 549,724</b></u>
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise funds			<u>8,062</u>	
Change in net position of business-type activities			<u><b>\$ 40,853</b></u>	

The accompanying notes are an integral part of this statement.

City of Roosevelt Park  
**STATEMENT OF CASH FLOWS**  
Proprietary Funds  
For the year ended November 30, 2022

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Fund</b>
	<b>Sewer</b>	<b>Water</b>	<b>Total</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 816,501	\$ 771,460	\$ 1,587,961	\$ -
Receipts from interfund services provided	-	-	-	155,401
Payments to suppliers	(532,659)	(529,207)	(1,061,866)	(66,925)
Payments to employees	(34,069)	(70,328)	(104,397)	(11,263)
Payment for interfund services used	(6,759)	(18,269)	(25,028)	-
Net cash provided by (used for) operating activities	243,014	153,656	396,670	77,213
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers out	(12,256)	(12,256)	(24,512)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	-	-	-	(40,872)
Net cash provided by (used for) capital and related financing activities	-	-	-	(40,872)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Investment earnings	3,222	2,737	5,959	1,923
Net increase (decrease) in cash and investments	233,980	144,137	378,117	38,264
Cash and investments at beginning of year	622,768	378,550	1,001,318	330,831
Cash and investments at end of year	<b>\$ 856,748</b>	<b>\$ 522,687</b>	<b>\$ 1,379,435</b>	<b>\$ 369,095</b>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 88,522	\$ (37,178)	\$ 51,344	\$ 50,019
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation expense	45,790	63,938	109,728	27,091
Change in assets and liabilities				
Accounts receivable	34,628	48,788	83,416	110
Inventories	-	(2,131)	(2,131)	-
Prepaid items	(310)	(310)	(620)	-
Accounts payable	125	197	322	71
Due to other governmental units	33,850	39,881	73,731	-
Accrued liabilities	40,409	40,471	80,880	(78)
Net cash provided by (used for) operating activities	<b>\$ 243,014</b>	<b>\$ 153,656</b>	<b>\$ 396,670</b>	<b>\$ 77,213</b>

The accompanying notes are an integral part of this statement.

City of Roosevelt Park  
**STATEMENT OF NET POSITION**  
 Fiduciary Funds  
 November 30, 2022

	<b>Other Post- Employment Benefits Trust Fund</b>	<b><u>Custodial Fund</u> Escrow Tax <u>Trust</u></b>
<b>ASSETS</b>		
Cash and investments	\$ 441,791	\$ 11,589
<b>LIABILITIES</b>		
Due to other governmental units	-	11,589
<b>NET POSITION</b>		
Restricted for other post-employment benefits	<b><u>\$ 441,791</u></b>	<b><u>\$ -</u></b>

The accompanying notes are an integral part of this statement.

City of Roosevelt Park  
**STATEMENT OF CHANGES IN NET POSITION**  
 Fiduciary Funds  
 For the year ended November 30, 2022

	<b>Other Post- Employment Benefits Trust Fund</b>	<b>Custodial Fund Escrow Tax Trust</b>
<b>ADDITIONS</b>		
Property taxes collections for other governments	\$ -	\$ 3,906,952
Employer contributions	25,569	-
Investment earnings	(68,606)	-
Total additions	(43,037)	3,906,952
<b>DEDUCTIONS</b>		
Payments of property taxes to other governments	-	3,906,952
Benefit payments	25,569	-
Administrative expenses	893	-
Total deductions	26,462	3,906,952
Change in net position	(69,499)	-
Net position at beginning of year	511,290	-
Net position at end of year	<b>\$ 441,791</b>	<b>\$ -</b>

The accompanying notes are an integral part of this statement.

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Roosevelt Park (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**Reporting Entity**

The City is a municipal corporation governed by an elected seven member City Council with an appointed mayor and is administered by a city manager appointed by the City Council. The accompanying financial statements present the City and its component units, entities for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the City.

***Discretely Presented Component Unit***

*Downtown Development Authority (DDA)*. The DDA's purpose is the collection of tax increment revenues, the issuance and repayment of debt and the construction of public facilities to promote and facilitate economic growth in the City's downtown district. Board members of the DDA are appointed by the City and the Authority is fiscally dependent on the City since the council approves the DDA budget and must approve any debt issuance. The DDA is presented as a governmental fund type.

**Basis of Presentation—Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the City's discretely presented component unit is reported in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.



City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued**

**Basis of Presentation—Government-Wide and Fund Financial Statements—Continued**

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Major Streets Fund accounts for money distributed by the State of Michigan for construction and maintenance of the City's major streets.

The Local Streets Fund accounts for money distributed by the State of Michigan for construction and maintenance of the City's local streets.

The City has only one other governmental fund, the Roosevelt Park Day Fund.

The City reports the following major enterprise funds:

The Sewer Fund operates the City's sewage pumping station, collection systems and pays for access to the County's sewage treatment plant.

The Water Fund operates the City's water distribution system.

Additionally, the City reports the following fund types:

The Internal Service Fund accounts for equipment management services provided to other funds of the government on a cost reimbursement basis.

The Other Post-Employment Benefits Trust Fund is used to report resources that are administered through irrevocable trusts for the benefit of City employees and retirees.

The Custodial Fund is used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose funds.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued**

**Basis of Presentation—Government-Wide and Fund Financial Statements—Continued**

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. Only the portion of special assessments receivable due within 60 days of the end of the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued**

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

***Cash and Investments***

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the City are reported at fair value (generally based on quoted market prices).

The City has adopted an investment policy in compliance with State of Michigan statutes. Those statutes authorize the City to invest in obligations of the United States, certificates of deposit, prime commercial paper, securities guaranteed by United States agencies or instrumentalities, United States government or federal agency obligation repurchase agreements, bankers' acceptances, state-approved investment pools and certain mutual funds.

The Other Post-Employment Benefits Trust Fund is held in trust by the Municipal Employees' Retirement System (MERS) and is subject to the investment policies of MERS and State of Michigan statutes allowing diverse investments in stocks, corporate and government bonds, mortgages, real estate, and other investments.

The component unit's cash and investments are maintained within the City's investment pool.

***Inventories and Prepaid Items***

All inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of such inventories is recorded as expenses when consumed rather than when purchased in the business-type activities.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

***Capital Assets***

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
 November 30, 2022

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued**

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued**

***Capital Assets—Continued***

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Years</u>
Land improvements	10-20
Buildings and improvements	10-40
Vehicles and equipment	5-30
Infrastructure and water and sewer systems	10-50

***Defined Benefit Plan***

The City offers a defined benefit pension plan to its employees through Municipal Employees Retirement System (MERS). The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the Plan’s fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Other Postemployment Benefit Costs***

The City offers a defined benefit retiree healthcare benefits to retirees. The City records a net other postemployment benefit (OPEB) liability for the difference between the total OPEB liability calculated by the actuary and the OPEB Plan’s fiduciary net position. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

***Net Position Flow Assumption***

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts of net position to report as restricted and unrestricted in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued**

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued**

***Fund Balance Flow Assumptions***

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitation on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by formal action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by formal action remains in place until a similar action is taken (another formal action) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**Revenues and Expenditures/Expenses**

***Program Revenues***

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued**

**Revenues and Expenditures/Expenses—Continued**

***Property Taxes***

All trade and property tax receivables are shown net of allowance for uncollectibles.

The City bills and collects its own property taxes and also collects taxes for the county, school and State of Michigan. Taxes are levied and liened on December 1 on the taxable valuation of property (as defined by state statutes) located in the Local Governmental Unit as of the preceding December 31. Uncollected real property taxes as of the following March 1 are turned over by the City to the County for collection. The County advances the City all of these delinquent real property taxes. The delinquent personal property taxes remain the responsibility of the City. The City recognizes all available revenue from the current tax levy. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The 2021 state taxable value for real/personal property of the City totaled approximately \$110,047,000, of which approximately \$9,030,000 was captured by the component unit. The ad valorem taxes levied consisted of 16.6 mills for operations. These amounts are recognized in the General Fund with captured amounts shown in the DDA component unit.

***Compensated Absences***

City employees are granted vacation and sick leave in varying amounts based on length of service and employee group. Unused vacation and sick leave days are paid to employees upon termination under limits that vary by employee group. The liability for these compensated absences is accrued when incurred in the government-wide financial statements. The current portion of this liability is estimated based on historical trends. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

***Proprietary Funds Operating and Nonoperating Revenues and Expenses***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Commission. The legal level of budgetary control is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year.

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE C—DEPOSITS AND INVESTMENTS**

As of November 30, 2022, the City had the following investments:

<b>Investment Type</b>	<b>Fair value</b>	<b>Weighted Average Maturity (Days)</b>	<b>S&amp;P</b>	<b>Percent</b>
Money market mutual funds	\$ 1,680,106	11	AAAm	100 %
MERS investment funds	441,791	N/A	not rated	N/A
Total fair value	<u><u>\$ 2,121,897</u></u>			<u><u>100.0 %</u></u>
Portfolio weighted average maturity		<u><u>11</u></u>		

**Deposit and Investment Risks**

***Interest Rate Risk***

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

***Credit Risk***

State law limits investments in commercial paper and corporate bonds to the two highest classifications issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices.

***Concentration of Credit Risk***

The City does not have a concentration of credit risk policy. Concentration of credit risk is the risk of loss attributed to the magnitude of the City investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

***Custodial Credit Risk – Deposits***

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of November 30, 2022, \$3,561,417 of the City's bank balance of \$3,811,417 was exposed to custodial credit risk because it was uninsured and uncollateralized.

***Custodial Credit Risk – Investments***

The City does not have a custodial credit risk policy for investments. This is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

***Foreign Currency Risk***

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

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE D—FAIR VALUE MEASUREMENTS**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 Inputs to the valuation methodology include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at November 30, 2022.

**Money market mutual funds:** Valued at amortized cost, which approximates fair value.

**MERS investment funds:** The assets are valued based upon the City's allocable share of the MERS pooled investment portfolio (Pool). The allocable shares are based on the value of the underlying assets owned by the Pool, minus their liabilities.

The assets managed by others are valued monthly by the Pool and are allocated based upon each organization's calculated share of the Pool's pooled investment portfolio. Each entity with an interest within the pooled investments received statements from the Pool indicating the additions to the investments (via contributions), withdrawals from the investments (via grants), and the investment returns allocated via a unitization process. The City calculates the fair value of its share of the pooled investment assets held by the Pool based on the estimated fair value of the underlying assets. The Pool controls the investments and makes all management and investment decisions.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.



City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE D—FAIR VALUE MEASUREMENTS—Continued**

The following table sets forth by level, within the fair value hierarchy, the City’s assets at fair value on a recurring basis as of November 30, 2022:

	<b>Assets at Fair Value as of November 30, 2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money market mutual funds	\$ -	\$ 1,680,106	\$ -	\$ 1,680,106
MERS investment funds	-	441,791	-	441,791
<b>Total assets at fair value</b>	<b>\$ -</b>	<b>\$ 2,121,897</b>	<b>\$ -</b>	<b>\$ 2,121,897</b>

**NOTE E—CAPITAL ASSETS**

Capital asset activity for the year ended November 30, 2022 was as follows:

	<b>Balance December 1, 2021</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance November 30, 2022</b>
<b>Governmental activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 291,547	\$ 53,080	\$ -	\$ 344,627
Construction in progress	-	62,330	-	62,330
<b>Total capital assets, not being depreciated</b>	291,547	115,410	-	406,957
<b>Capital assets, being depreciated:</b>				
Land improvements	74,716	-	-	74,716
Buildings and improvements	1,626,453	5,298	-	1,631,751
Vehicles and equipment	1,353,212	47,108	-	1,400,320
Infrastructure	8,471,541	-	-	8,471,541
<b>Total capital assets, being depreciated</b>	11,525,922	52,406	-	11,578,328
<b>Less accumulated depreciation:</b>				
Land improvements	46,640	4,146	-	50,786
Buildings and improvements	819,089	39,237	-	858,326
Vehicles and equipment	1,010,842	61,738	-	1,072,580
Infrastructure	3,341,234	434,867	-	3,776,101
<b>Total accumulated depreciation</b>	5,217,805	539,988	-	5,757,793
Total capital assets, being depreciated, net	6,308,117	(487,582)	-	5,820,535
<b>Capital assets, net</b>	<b>\$ 6,599,664</b>	<b>\$ (372,172)</b>	<b>\$ -</b>	<b>\$ 6,227,492</b>

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE E—CAPITAL ASSETS—Continued**

	<b>Balance December 1, 2021</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance November 30, 2022</b>
<b>Business-type activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 600	\$ -	\$ -	\$ 600
 <b>Capital assets, being depreciated:</b>				
Sewer system	3,133,178	-	-	3,133,178
Water system	3,474,976	-	-	3,474,976
Total capital assets, being depreciated	6,608,154	-	-	6,608,154
 <b>Less accumulated depreciation:</b>				
Sewer system	1,513,777	45,790	-	1,559,567
Water system	943,413	63,938	-	1,007,351
Total accumulated depreciation	2,457,190	109,728	-	2,566,918
Total capital assets, being depreciated, net	4,150,964	(109,728)	-	4,041,236
Capital assets, net	<b>\$ 4,151,564</b>	<b>\$ (109,728)</b>	<b>\$ -</b>	<b>\$ 4,041,836</b>

**Depreciation**

Depreciation expense was charged to functions as follows:

**Governmental activities:**

General government	\$ 21,329
Public safety	21,363
Public works	456,227
Culture and recreation	13,978
Internal Service Fund depreciation is charged to the various programs based on their usage of the assets	27,091
	<b>\$ 539,988</b>

**Business-type activities:**

Sewer	\$ 45,790
Water	63,938
	<b>\$ 109,728</b>

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE E—CAPITAL ASSETS—Continued**

	<b>Balance December 1, 2021</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance November 30, 2022</b>
<b>Component unit activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 133,071	\$ -	\$ -	\$ 133,071
	\$ 133,071	\$ -	\$ -	\$ 133,071

**NOTE F—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of November 30, 2022 is as follows:

**Interfund Transfers**

The Major Streets Fund transferred \$167,429 to the Local Streets Fund for street improvements and the Water and Sewer Fund each transferred \$12,256 to the General Fund for pension bond payments.

**NOTE G—LONG-TERM DEBT**

**Summary of Changes in Long-Term Liabilities**

The following is a summary of long-term liabilities activity for the City for the year ended November 30, 2022:

	<b>Balance December 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance November 30, 2022</b>	<b>Due Within One Year</b>
<b>Governmental activities:</b>					
Public placement debt					
General obligation bonds	\$ 6,415,000	\$ -	\$ 370,000	\$ 6,045,000	\$ 415,000
Discount	(19,846)	-	(2,380)	(17,466)	-
Compensated absences	66,826	111,033	99,972	77,887	45,000
Governmental activities long-term liabilities	<b>\$ 6,461,980</b>	<b>\$ 111,033</b>	<b>\$ 467,592</b>	<b>\$ 6,105,421</b>	<b>\$ 460,000</b>

General obligation bonds are a direct obligation and pledge the full faith and credit of the City. If the City defaults, the bonds are callable.

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE G—LONG-TERM DEBT—Continued**

**Summary of Changes in Long-Term Liabilities—Continued**

Public placement debt and debt from direct borrowings and direct placements consist of the following:

	<b>Interest Rate</b>	<b>Date of Maturity</b>	<b>Balance</b>
<b>Governmental activities:</b>			
Public placement debt			
General obligation bonds			
2016 General Obligation Capital Improvement Bonds	2-3%	May 2036	\$ 3,035,000
2021 General Obligation Pension Bonds	0.53-2.95%	October 2040	<u>3,010,000</u>
			<b><u>\$6,045,000</u></b>

For governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund.

In 2005, the County of Muskegon began making improvements to the regional sewer treatment facilities. The project was funded with \$17,500,000 bonds issued through the State of Michigan Clean Water Revolving Fund Loan Program. The County operates the system and makes payments on the bonds with user charges to the local units. The City has pledged its limited tax full faith and credit for the payment of its portion of the debt should user charges collected by the County be insufficient to make the debt payments. The City's portion of the debt on November 30, 2022 was approximately \$325,600. The City is unaware of any circumstances that would cause a shortfall in the near future.

Annual debt service requirements to maturity for public placement debt outstanding as of November 30, 2022 follow:

<b>Year Ending November 30,</b>	<b>Governmental Activities</b>	
	<b>Public Placement Debt</b>	
	<b>Principal</b>	<b>Interest</b>
2023	\$ 415,000	\$ 131,614
2024	420,000	126,672
2025	430,000	120,886
2026	435,000	113,983
2027	450,000	106,369
2028-2032	2,400,000	382,465
2033-2037	1,310,000	114,240
2038-2040	<u>185,000</u>	<u>11,063</u>
	<b><u>\$6,045,000</u></b>	<b><u>\$1,107,292</u></b>

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE H—OTHER INFORMATION**

**Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters for which the government carries commercial insurance. The City manages its liability and property risk by participating in the Michigan Municipal League (MML), a public entity risk pool providing property and liability coverage to its participating members. The City pays an annual premium to MML for its insurance coverage. The MML is self-sustaining through member premiums and provides, subject to certain deductibles, occurrence-based casualty coverage for each incident and occurrence-based property coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. Various deductibles are maintained to place the responsibility for small charges with the insured. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The City manages its workers' compensation risk by carrying commercial workers' compensation insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The City carries commercial insurance for employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability to the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**NOTE I—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

**Defined Benefit Pension Plan**

***Plan Description***

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

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
 November 30, 2022

**NOTE I—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued**

**Defined Benefit Pension Plan—Continued**

***Benefits Provided***

The Plan covers all full-time employees hired prior to February 2013. Beginning in February 2013, the various employee divisions began to be closed. By November 2015, all employee divisions were closed except for the police union division, which was closed to new entrants in December 2018.

Benefits provided by the Plan have a multiplier of 2.5 percent. Vesting period is 10 years. Normal retirement age is 60 with early retirement at 55 with 15 years of service or reduced early retirement at 50 with 25 years of service. Final average compensation is calculated based on 5 years.

***Employees Covered by Benefit Terms***

At the December 31, 2021 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	21
Inactive employees entitled to but not yet receiving benefits	8
Active employees	5
Total employees covered by MERS	34

***Contributions***

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City may establish contribution rates to be paid by its covered employees.

For the year ended November 30, 2022, the City had a flat-dollar employer contribution to the Plan of \$89,580 annually in lieu of a percentage of covered employee payroll, as the Plan is closed to new employees. No contribution is required from employees.

***Net Pension Liability***

The City’s net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

***Actuarial Assumptions***

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.0 percent in the long-term
Investment rate of return	7.00 percent, net of administrative and investment expenses including inflation

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE I—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued**

**Defined Benefit Pension Plan—Continued**

*Actuarial Assumptions—Continued*

Although no specific price inflation assumptions are needed for the valuation, the 3.0 percent long-term wage inflation assumption would be consistent with a price inflation of 3-4 percent. Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014 through 2018.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Target Allocation Gross Rate of Return</b>	<b>Long-Term Expected Gross Rate of Return</b>	<b>Inflation Assumption</b>	<b>Long-Term Expected Real Rate of Return</b>
Global equity	60.0%	7.00%	4.20%	2.50%	2.70%
Global fixed income	20.0%	4.50%	0.90%	2.50%	0.40%
Private assets	<u>20.0%</u>	9.50%	<u>1.90%</u>	2.50%	<u>1.40%</u>
Total	<u><b>100.0%</b></u>		<u><b>7.00%</b></u>		<u><b>4.50%</b></u>

*Discount Rate*

The discount rate used to measure the total pension liability was 7.25 percent for 2021. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expense. The projection of cash flows used to determine the discount rate assumed that employer and employee contributions will be made at rates agreed upon for employees and the actuarially determined rate for employers. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE I—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued**

**Defined Benefit Pension Plan—Continued**

*Changes in the Net Pension Liability*

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balance at January 1, 2021	\$ 7,104,994	\$ 3,954,120	\$ 3,150,874
Changes for the year			
Service cost	66,025	-	66,025
Interest	528,325	-	528,325
Difference between expected and actual experience	559,506	-	559,506
Changes in assumptions	320,500	-	320,500
Contributions - employer	-	3,412,085	(3,412,085)
Contributions - employee	-	59,201	(59,201)
Net investment income	-	609,841	(609,841)
Administrative expenses	-	(6,835)	6,835
Benefit payments including refund of employee contributions	(372,730)	(372,730)	-
Net changes	1,101,626	3,701,562	(2,599,936)
Balance at December 31, 2021	<b>\$ 8,206,620</b>	<b>\$ 7,655,682</b>	<b>\$ 550,938</b>

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability of the City, calculated using the discount rate of 7.25 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
City's net pension liability	\$ 1,589,605	\$ 550,938	\$ (314,221)



City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE I—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued**

**Defined Benefit Pension Plan—Continued**

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended November 30, 2022, the City recognized pension expense of \$941,641. At November 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual net investment income	\$ -	\$ 258,226
Contributions subsequent to the measurement date*	82,115	-
Total	<b>\$ 82,115</b>	<b>\$ 258,226</b>

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending November 30, 2023.

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

<b>Year Ending November 30,</b>	<b>Amount</b>
2023	\$ (30,698)
2024	(112,661)
2025	(76,047)
2026	(38,820)

***Payables to the Pension Plan***

At November 30, 2022, the City reported a payable of \$7,465 for the outstanding amount of contributions to the pension plan payable required for the year ended November 30, 2022.

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE I—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued**

**Defined Contribution Pension Plan**

The City also maintains a defined contribution plan offered by MERS for its full-time employees hired after the defined benefit plan was closed to new participants.

Benefit terms, including contribution requirements, for the MERS defined contribution plan are established and may be amended by the City Council as determined by negotiated labor contracts. The City is required to contribute 6 percent of a qualified employees' annual compensation each year. Qualified employees are required to contribute 3 percent to 10 percent of annual compensation depending on employee group. For the year ended November 30, 2022, City and employee contributions were \$28,151 and \$20,942, respectively.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in City contributions and earnings on City contributions by 20 percent for each full year of service, leaving employees fully vested after five years of service. Non-vested City contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the year ended November 30, 2022, there were no forfeitures.

**Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time City employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

The Plan has created a trust for the exclusive benefit of the Plan's participants and beneficiaries under rules provided in Internal Revenue Code Section 401(f).

**NOTE J—OTHER POST-EMPLOYMENT BENEFITS**

**Retiree Healthcare Plan**

***Plan Description***

The City's defined benefit OPEB Plan, the City of Roosevelt Park Retiree Health Plan (OPEB Plan), provides healthcare benefits to certain employees and their spouses upon retirement. The Plan is a single-employer defined benefit plan administered by the City Council. The benefits are provided under collective bargaining agreements and at the discretion of the City Council. The OPEB Plan does not issue a publicly available report.

***Benefits Provided***

The OPEB Plan provides medical insurance for retirees and their spouses who retire on or after age 55 with 20 years of service for public works employees or 10 years of service for police and non-union employees. The portion of medical insurance covered by the City varies depending on the retiree's length of service. Benefits are provided through a third party insurer. Effective December 1, 2018, the OPEB Plan is closed to new entrants.

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE J—OTHER POSTEMPLOYMENT BENEFITS—Continued**

**Retiree Healthcare Plan—Continued**

***Employees Covered by Benefit Terms***

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

Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	-
Active employees	8
Total employees covered by OPEB Plan	<b>14</b>

***Contributions***

The OPEB Plan was established and is being funded under the authority of the City and under agreements with unions representing various classes of employees. The OPEB Plan’s funding policy is that the City will continue to pay benefit payments from general operating funds with no additional contributions to the OPEB Plan. There are no long-term contracts for contributions to the OPEB Plan. The OPEB Plan has no legally required reserves. The City participates in the MERS Retiree Health Funding Vehicle, a legally established trust under section 401(a) of the Internal Revenue Code. For the year ended November 30, 2022, the City made payments for postemployment healthcare benefits for current retirees of \$25,569. The City did not make contributions to the OPEB Plan trust.

***Net OPEB Liability***

The City’s net OPEB liability was measured as of November 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of November 30, 2022.

***Actuarial Assumptions***

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

Inflation	2.5 percent
Salary increases	3.0 percent
Investment rate of return	7.0 percent (including inflation), net of administrative and investment expenses
Healthcare cost trend rates	Pre-Medicare - 7.25 percent graded down to 4.5 percent over 11 years Post-Medicare - 5.5 percent graded down to 4.5 percent over 4 years

***Mortality***

Mortality rates were as set forth in Public General and Public Safety 2010 Employee and Healthy Retiree, headcount weighted, MP-2021 improvement scale.

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE J—OTHER POSTEMPLOYMENT BENEFITS—Continued**

**Retiree Healthcare Plan—Continued**

*Actuarial Assumptions—Continued*

*Investment Rate of Return*

The long-term rate of return on retirement plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan’s target asset allocation as of November 30, 2022 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Target Allocation Gross Rate of Return</b>	<b>Long-Term Expected Gross Rate of Return</b>	<b>Inflation Assumption</b>	<b>Long-Term Expected Real Rate of Return</b>
Global equity	60.0%	7.00%	4.20%	2.50%	2.70%
Global fixed income	20.0%	4.50%	0.90%	2.50%	0.40%
Private assets	20.0%	9.50%	1.90%	2.50%	1.40%
<b>Total</b>	<b>100.0%</b>		<b>7.00%</b>		<b>4.50%</b>

*Discount Rate*

The discount rate used to measure the total OPEB liability was 4.66 percent. The projection of cash flows used to determine the discount rate assumed that the City will first use assets to pay benefits and then pay benefits on a pay-as-you-go basis. Based on this assumption, the OPEB Plan trust’s fiduciary net position was projected to be sufficient to make projected future benefit payments of current plan members through 2033, the crossover point. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the “depletion date”), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB liability. The discount rate used to calculate the liability at the beginning of the year was 2.42 percent.

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE J—OTHER POSTEMPLOYMENT BENEFITS—Continued**

**Retiree Healthcare Plan—Continued**

*Changes in the Net OPEB Liability*

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Position (b)</b>	<b>Net OPEB Liability (a)-(b)</b>
Balance at December 1, 2021	\$ 2,250,840	\$ 511,290	\$ 1,739,550
Changes for the year			
Service cost	141,217	-	141,217
Interest	57,578	-	57,578
Difference between expected and actual experience	(569,697)	-	(569,697)
Changes of assumptions	(457,692)	-	(457,692)
Contributions - employer	-	25,569	(25,569)
Net investment income	-	(68,606)	68,606
Administrative expenses	-	(893)	893
Benefit payments including refund of employee contributions	(25,569)	(25,569)	-
Net changes	(854,163)	(69,499)	(784,664)
Balance at November 30, 2022	<b>\$ 1,396,677</b>	<b>\$ 441,791</b>	<b>\$ 954,886</b>

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 4.66 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.66 percent) or 1-percentage-point higher (5.66 percent) than the current rate:

	<b>1% Decrease (3.66%)</b>	<b>Current Discount Rate (4.66%)</b>	<b>1% Increase (5.66%)</b>
City's net OPEB liability	\$ 1,137,519	\$ 954,886	\$ 803,515

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE J—OTHER POSTEMPLOYMENT BENEFITS—Continued**

**Retiree Healthcare Plan—Continued**

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

The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate for pre-Medicare of 7.25 percent decreasing to 4.5 percent and post-Medicare of 5.5 percent decreasing to 4.5 percent, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
City's net OPEB liability	\$ 769,928	\$ 954,886	\$ 1,177,429

***OPEB Plan Fiduciary Net Position***

Detailed information about the OPEB Plan’s fiduciary net position is not available in a separately issued financial report. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the City’s fiduciary net position have been determined on the same basis as they are reported by the City. For these purposes, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended November 30, 2022, the City recognized OPEB expense of (\$38,333). At November 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences in experience	\$ 60	\$ 942,671
Differences in assumptions	587,594	594,731
Net difference between projected and actual net investment income	52,197	-
Total	<b>\$ 639,851</b>	<b>\$ 1,537,402</b>

City of Roosevelt Park  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2022

**NOTE J—OTHER POSTEMPLOYMENT BENEFITS—Continued**

**Retiree Healthcare Plan—Continued**

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—Continued***

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

<b>Year Ending</b>	<b>Amount</b>
<b><u>November 30,</u></b>	
2023	\$(200,360)
2024	(204,281)
2025	(204,645)
2026	(179,368)
2027	(108,897)

***Payables to the OPEB Plan***

At November 30, 2022, the City did not have a payable to the OPEB Plan.

**Healthcare Savings Plan**

The City also maintains a defined contribution Health Care Savings Plan (HCSP) offered by MERS. In this plan, post-employment healthcare benefits depend solely on amounts contributed to the plan plus investment earnings. The Plan covers all employee divisions except for the police union division. The authority for establishing or amending the Plan’s provisions and for establishing or amending contribution requirements rests with the City Council as determined by negotiated labor contracts. The City is not required to contribute to the HCSP. Qualified employees are also required to contribute 1 percent of annual compensation.

**NOTE K—UPCOMING ACCOUNTING PRONOUNCEMENT**

GASB Statement 96—*Subscription-Based Information Technology Arrangements* was issued by the GASB in May 2020 and will be effective for the City’s 2023 fiscal year. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

**REQUIRED SUPPLEMENTARY INFORMATION**



City of Roosevelt Park  
Required Supplementary Information  
**BUDGETARY COMPARISON SCHEDULE**  
General Fund  
For the year ended November 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 1,739,073	\$ 1,736,634	\$ 1,736,531	\$ (103)
Licenses and permits	126,400	72,509	72,808	299
Intergovernmental revenues				
Federal	198,661	199,456	199,456	-
State	390,762	528,960	527,707	(1,253)
Local	15,500	15,489	15,489	-
Charges for services	536,910	503,047	506,848	3,801
Fines and forfeitures	6,500	7,106	7,181	75
Investment earnings	2,000	7,172	7,908	736
Other	5,000	23,360	32,263	8,903
Total revenues	<u>3,020,806</u>	<u>3,093,733</u>	<u>3,106,191</u>	<u>12,458</u>
<b>EXPENDITURES</b>				
Current				
General government				
City Council	26,210	13,413	12,749	664
City manager	101,926	114,327	114,681	(354)
Clerk	73,965	82,259	82,502	(243)
Treasurer	89,854	99,149	99,692	(543)
Assessor	33,740	33,831	33,831	-
Elections	12,358	14,816	14,813	3
Attorney	35,000	50,862	50,568	294
Office operations	93,987	98,642	98,535	107
Personnel	302,364	63,003	63,286	(283)
City hall, garage and grounds	100,946	100,218	100,166	52
Public safety				
Police department	975,431	908,364	917,106	(8,742)
Fire department	225,000	225,000	225,000	-
Inspections	51,679	13,790	13,790	-
Public works				
Public service	1,500	22,190	22,446	(256)
Sidewalks	13,216	9,716	9,653	63
Sanitation	239,030	239,912	239,988	(76)
Health and welfare				
Senior services	-	12,907	12,907	-
Community and economic development				
Planning	4,000	2,371	2,371	-
Economic development	9,846	11,124	11,720	(596)
Culture and recreation				
Parks	153,694	168,295	168,202	93
Debt service				
Principal	170,000	370,000	370,000	-
Interest	82,163	128,281	128,280	1
Capital outlay	25,000	64,614	64,614	-
Total expenditures	<u>2,820,909</u>	<u>2,847,084</u>	<u>2,856,900</u>	<u>(9,816)</u>
Excess of revenues over (under) expenditures	199,897	246,649	249,291	2,642
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	24,512	24,512	-
Net change in fund balance	<u>\$ 199,897</u>	<u>\$ 271,161</u>	273,803	<u>\$ 2,642</u>
Fund balance at beginning of year			<u>1,186,306</u>	
Fund balance at end of year			<u>\$ 1,460,109</u>	

City of Roosevelt Park  
Required Supplementary Information  
**BUDGETARY COMPARISON SCHEDULE**  
Major Streets Fund  
For the year ended November 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues - State	\$ 316,518	\$ 340,775	\$ 340,250	\$ (525)
Investment earnings	1,300	3,090	3,336	246
Other	14,000	15,956	15,956	-
Total revenues	331,818	359,821	359,542	(279)
<b>EXPENDITURES</b>				
Current				
Public works	219,175	227,850	233,101	(5,251)
Excess of revenues over (under) expenditures	112,643	131,971	126,441	(5,530)
<b>OTHER FINANCING USES</b>				
Transfers out	(155,474)	(167,429)	(167,429)	-
Net change in fund balance	<u>\$ (42,831)</u>	<u>\$ (35,458)</u>	(40,988)	<u>\$ (5,530)</u>
Fund balance at beginning of year			<u>486,278</u>	
Fund balance at end of year			<u>\$ 445,290</u>	

City of Roosevelt Park  
Required Supplementary Information  
**BUDGETARY COMPARISON SCHEDULE**  
Local Streets Fund  
For the year ended November 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues - State	\$ 105,722	\$ 127,241	\$ 125,731	\$ (1,510)
Investment earnings	200	262	289	27
Other	500	2,437	5,437	3,000
Total revenues	106,422	129,940	131,457	1,517
<b>EXPENDITURES</b>				
Current				
Public works	281,725	147,735	146,153	1,582
Excess of revenues over (under) expenditures	(175,303)	(17,795)	(14,696)	3,099
<b>OTHER FINANCING SOURCES</b>				
Transfers in	155,474	167,429	167,429	-
Net change in fund balance	<u>\$ (19,829)</u>	<u>\$ 149,634</u>	152,733	<u>\$ 3,099</u>
Fund balance at beginning of year			<u>102,986</u>	
Fund balance at end of year			<u>\$ 255,719</u>	

City of Roosevelt Park  
Required Supplementary Information  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
Last Ten Fiscal Years (Amounts were determined as of December 31 of each fiscal year)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>TOTAL PENSION LIABILITY</b>								
Service cost	\$ 66,025	\$ 52,056	\$ 52,455	\$ 54,223	\$ 49,381	\$ 48,638	\$ 57,340	\$ 60,897
Interest	528,325	503,905	485,987	458,340	434,958	424,094	416,204	404,879
Differences between expected and actual experience	559,506	(90,847)	132,603	191,017	157,090	9,314	(108,872)	-
Changes in assumptions	320,500	218,348	247,386	-	-	-	234,908	-
Benefit payments, including refunds of employee contributions	(372,730)	(365,550)	(359,918)	(354,285)	(348,872)	(344,362)	(333,547)	(319,896)
Net change in total pension liability	1,101,626	317,912	558,513	349,295	292,557	137,684	266,033	145,880
Total pension liability at beginning of year	7,104,994	6,787,082	6,228,569	5,879,274	5,586,717	5,449,033	5,183,000	5,037,120
Total pension liability at end of year (a)	<b>\$ 8,206,620</b>	<b>\$ 7,104,994</b>	<b>\$ 6,787,082</b>	<b>\$ 6,228,569</b>	<b>\$ 5,879,274</b>	<b>\$ 5,586,717</b>	<b>\$ 5,449,033</b>	<b>\$ 5,183,000</b>
<b>PLAN FIDUCIARY NET POSITION</b>								
Contributions-employer	\$ 3,412,085	\$ 275,030	\$ 276,391	\$ 238,511	\$ 307,065	\$ 187,717	\$ 175,793	\$ 174,147
Contributions-employee	59,201	-	-	-	-	-	-	-
Net investment income	609,841	455,736	439,254	(134,326)	418,373	331,550	(46,155)	195,733
Benefit payments, including refunds of employee contributions	(372,730)	(365,550)	(359,918)	(354,285)	(348,872)	(344,362)	(333,547)	(319,896)
Administrative expenses	(6,835)	(7,207)	(7,569)	(6,732)	(6,629)	(6,549)	(6,835)	(7,162)
Net change in plan fiduciary net position	3,701,562	358,009	348,158	(256,832)	369,937	168,356	(210,744)	42,822
Plan fiduciary net position at beginning of year	3,954,120	3,596,111	3,247,953	3,504,785	3,134,848	2,966,492	3,177,236	3,134,414
Plan fiduciary net position at end of year (b)	<b>\$ 7,655,682</b>	<b>\$ 3,954,120</b>	<b>\$ 3,596,111</b>	<b>\$ 3,247,953</b>	<b>\$ 3,504,785</b>	<b>\$ 3,134,848</b>	<b>\$ 2,966,492</b>	<b>\$ 3,177,236</b>
City's net pension liability at end of year (a)-(b)	<b>\$ 550,938</b>	<b>\$ 3,150,874</b>	<b>\$ 3,190,971</b>	<b>\$ 2,980,616</b>	<b>\$ 2,374,489</b>	<b>\$ 2,451,869</b>	<b>\$ 2,482,541</b>	<b>\$ 2,005,764</b>
Plan fiduciary net position as a percentage of the total pension liability	<b>93.29%</b>	<b>55.65%</b>	<b>52.98%</b>	<b>52.15%</b>	<b>59.61%</b>	<b>56.11%</b>	<b>54.44%</b>	<b>61.30%</b>
Covered employee payroll	<b>\$ 538,705</b>	<b>\$ 440,530</b>	<b>\$ 452,164</b>	<b>\$ 462,347</b>	<b>\$ 421,031</b>	<b>\$ 407,977</b>	<b>\$ 458,203</b>	<b>\$ 498,792</b>
City's net pension liability as a percentage of covered employee payroll	<b>102.27%</b>	<b>715.25%</b>	<b>705.71%</b>	<b>644.67%</b>	<b>563.97%</b>	<b>600.98%</b>	<b>541.80%</b>	<b>402.12%</b>

**Notes to Schedule**

Additional actuarial data is not available and will be provided in subsequent years.

City of Roosevelt Park  
Required Supplementary Information  
**PENSION SYSTEM SCHEDULE OF CONTRIBUTIONS**  
Last Ten Fiscal Years (Amounts were determined as of November 30 of each fiscal year)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 89,580	\$ 331,548	\$ 269,892	\$ 239,888	\$ 237,568	\$ 203,232	\$ 186,690	\$ 174,529	\$ 178,444	\$ 148,018
Contributions in relation to the actuarially determined contribution	89,580	3,432,249	269,892	274,888	237,568	303,232	186,690	174,529	178,444	148,018
Contribution deficiency (excess)	<b>\$ -</b>	<b>\$(3,100,701)</b>	<b>\$ -</b>	<b>\$(35,000)</b>	<b>\$ -</b>	<b>\$(100,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered employee payroll	\$ 538,705	\$ 440,530	\$ 452,164	\$ 462,347	\$ 421,031	\$ 407,977	\$ 458,203	\$ 498,792	\$ 483,433	\$ 478,580
Contributions as percentage of covered employee payroll	<b>16.6%</b>	<b>779.1%</b>	<b>59.7%</b>	<b>59.5%</b>	<b>56.4%</b>	<b>74.3%</b>	<b>40.7%</b>	<b>35.0%</b>	<b>36.9%</b>	<b>30.9%</b>

**Notes to Schedule**

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, Closed
Remaining amortization period	17 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increases	3.0 percent in the long-term
Investment rate of return	7.00 percent, net of investment and administrative expenses
Retirement age	50-60 years of age depending on years of service
Mortality	Based on a version of Pub-2010 and fully generational MP-2019

City of Roosevelt Park  
Required Supplementary Information  
**RETIREE HEALTHCARE SYSTEM SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
Last Ten Fiscal Years (Amounts were determined as of November 30 of each fiscal year)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>TOTAL OPEB LIABILITY</b>					
Service cost	\$ 141,217	\$ 130,453	\$ 144,659	\$ 172,672	\$ 76,801
Interest	57,578	60,583	87,194	78,403	87,243
Differences between expected and actual experience	(569,697)	88	(549,707)	(196)	(384,585)
Changes of assumptions	(457,692)	31,590	253,058	(411,677)	945,730
Benefit payments, including refunds of employee contributions	(25,569)	(25,691)	(26,682)	(36,340)	(46,018)
Net change in total OPEB liability	(854,163)	197,023	(91,478)	(197,138)	679,171
Total OPEB liability at beginning of year	2,250,840	2,053,817	2,145,295	2,342,433	1,663,262
Total OPEB liability at end of year (a)	<b>\$ 1,396,677</b>	<b>\$ 2,250,840</b>	<b>\$ 2,053,817</b>	<b>\$ 2,145,295</b>	<b>\$ 2,342,433</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions-employer	\$ 25,569	\$ 25,691	\$ 26,682	\$ 48,340	\$ 46,018
Net investment income	(68,606)	93,058	28,478	9,557	18,710
Benefit payments, including refunds or employee contributions	(25,569)	(25,691)	(26,682)	(36,340)	(46,018)
Administrative expense	(893)	(866)	(720)	(725)	(878)
Net change in plan fiduciary net position	(69,499)	92,192	27,758	20,832	17,832
Plan fiduciary net position at beginning of year	511,290	419,098	391,340	370,508	352,677
Plan fiduciary net position at end of year (b)	<b>\$ 441,791</b>	<b>\$ 511,290</b>	<b>\$ 419,098</b>	<b>\$ 391,340</b>	<b>\$ 370,509</b>
City's net OPEB liability at end of year (a)-(b)	<b>\$ 954,886</b>	<b>\$ 1,739,550</b>	<b>\$ 1,634,719</b>	<b>\$ 1,753,955</b>	<b>\$ 1,971,924</b>
Plan fiduciary net position as a percentage of the total OPEB liability	<b>31.63%</b>	<b>22.72%</b>	<b>20.41%</b>	<b>18.24%</b>	<b>15.82%</b>
Covered employee payroll	\$ 487,759	\$ 730,393	\$ 630,309	\$ 573,247	\$ 580,548
City's net OPEB liability as a percentage of covered employee payroll	<b>195.77%</b>	<b>238.17%</b>	<b>259.35%</b>	<b>305.97%</b>	<b>339.67%</b>

**Notes to Schedule**

Additional actuarial data is not available and will be provided in subsequent years.

City of Roosevelt Park  
Required Supplementary Information  
**RETIREE HEALTHCARE SYSTEM SCHEDULE OF CONTRIBUTIONS**  
Last Ten Fiscal Years (Amounts were determined as of November 30 of each fiscal year)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 313,398	\$ 285,748	\$ 314,386	\$ 344,953	\$ 202,978	\$ 214,085	\$ 184,012	\$ 148,428	\$ 137,982	\$ 117,085
Contributions in relation to the actuarially determined contribution	25,569	25,691	26,682	48,340	46,018	147,144	41,076	63,784	49,506	45,793
Contribution deficiency (excess)	<b>\$ 287,829</b>	<b>\$ 260,057</b>	<b>\$ 287,704</b>	<b>\$ 296,613</b>	<b>\$ 156,960</b>	<b>\$ 66,941</b>	<b>\$ 142,936</b>	<b>\$ 84,644</b>	<b>\$ 88,476</b>	<b>\$ 71,292</b>
Covered employee payroll	\$ 487,759	\$ 730,393	\$ 630,309	\$ 573,247	\$ 580,584	Not Available	Not Available	Not Available	Not Available	Not Available
Contributions as percentage of covered employee payroll	<b>5.2%</b>	<b>3.5%</b>	<b>4.2%</b>	<b>8.4%</b>	<b>7.9%</b>	Not Available	Not Available	Not Available	Not Available	Not Available

**Notes to Schedule**

Valuation Date:

Actuarially determined contribution rates are calculated as of November 30, 2022.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal (level percentage of compensation)
Amortization method	Level percentage of payroll, Closed
Remaining amortization period	12 years
Asset valuation method	Equal to market value of assets
Inflation	2.5 percent
Salary increases	3.0 percent
Investment rate of return	7.0 percent (including inflation), net of administrative and investment expenses
Retirement age	55 years of age
Mortality	Mortality rates were as set forth in 2010 Public General and Public Safety Employee and Healthy Retiree, headcount weighted, MP-2021 improvement scale.

City of Roosevelt Park  
 Required Supplementary Information  
**RETIREE HEALTHCARE SYSTEM SCHEDULE OF CONTRIBUTIONS**  
 Last Ten Fiscal Years (Amounts were determined as of November 30 of each fiscal year)

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Annual money-weighted rate of return, net of investment expense	-13.43%	22.23%	7.28%	2.54%	5.31%

**Notes to Schedule**

Additional actuarial data is not available and will be provided in subsequent years.



City Council  
City of Roosevelt Park  
Roosevelt Park, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Roosevelt Park for the year ended November 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you during our conference on January 10, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Roosevelt Park are described in Note A to the financial statements. During the year ended June 30, 2022, the City adopted the following new accounting standard: GASB 87—*Leases*. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting City of Roosevelt Park's financial statements were:

Management's estimate of depreciation is based on the estimated useful life of capital assets.

Management's estimates of the compensated absences liability is based on unused compensated absences at year end, union contracts, and past experience.

The estimates used to calculate the net pension liability and related deferred inflows/outflows of resources which were provided by the Municipal Employee Retirement System.

Management's estimate of the net other post-employment benefits liability (OPEB) is based on average life expectancies, age of retirement, net return of invested assets, and expected future healthcare costs.

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

City Council  
City of Roosevelt Park  
Page 2

### **Significant Audit Matters—Continued**

#### *Qualitative Aspects of Accounting Practices—Continued*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of significant pension and other post-employment obligations in Notes I and J to the financial statements and their impact on the City’s net position.

The financial statement disclosures are neutral, consistent and clear.

#### *Difficulties Encountered in Performing the Audit*

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

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. During our audit, we noted one uncorrected misstatement. Beginning fund balance was understated and miscellaneous revenue was overstated in the current year by \$8,857 due to unrecorded forfeitures in the prior year. Management has determined that the effect of this potential adjustment is immaterial, both individually and in the aggregate, to the financial statements taken as a whole. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### *Disagreements with Management*

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

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 20, 2023.

#### *Management Consultations with Other Independent Accountants*

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

City Council  
City of Roosevelt Park  
Page 3

**Significant Audit Matters—Continued**

*Other Audit Findings or Issues*

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

*Other Matters*

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

*Restriction on Use*

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

Sincerely,

A handwritten signature in black ink that reads "Brickley DeLong, P.C." The signature is written in a cursive style with a large, looped initial 'B'.

Muskegon, Michigan  
February 20, 2023

**BRICKLEY DeLONG**  
CERTIFIED PUBLIC ACCOUNTANTS

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City Council  
City of Roosevelt Park  
Roosevelt Park, Michigan

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Roosevelt Park as of and for the year ended November 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered City of Roosevelt Park's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Roosevelt Park's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Roosevelt Park's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the attached deficiency to be a significant deficiency.

This communication is intended solely for the information and use of the City Council, management, and others within City of Roosevelt Park, and is not intended to be and should not be used by anyone other than these specified parties.



Muskegon, Michigan  
February 20, 2023

## **SIGNIFICANT DEFICIENCY**

Recommendation 1: The internal controls surrounding the preparation of formal year-end financial statements should be improved.

Small organizations with limited resources and personnel inherently have difficulty in establishing and maintaining effective internal controls related to the preparation and review of the formal year-end financial statements.

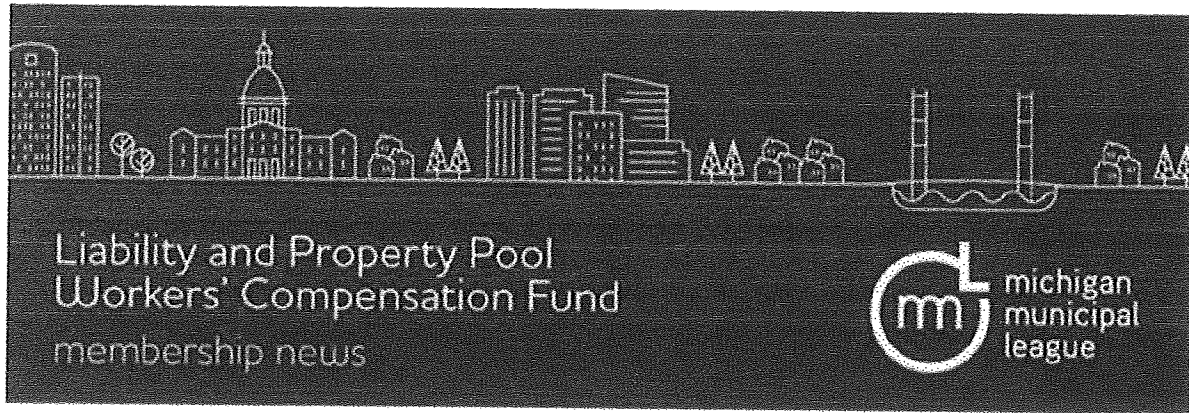
The City should review its procedures surrounding the preparation of year-end financial statements to include the appointment of an individual with the requisite skills and experience to review the formal year-end financial statements and accompanying footnotes in relation to required disclosures in accordance with generally accepted accounting principles.

City of Roosevelt Park

*A Proud Community*

## **Informational Updates**

The following documents are informational updates and documents relating to our community. They are for your information only and no action is requested.



## Michigan Municipal League Insurance Boards Announce 2023 Member Dividends

In 2023, the Michigan Municipal League Workers' Compensation Fund and Liability & Property Pool will issue dividends totaling \$15.7 million to their respective member communities ... almost a thousand Michigan cities, villages, counties, townships, and other public entities.

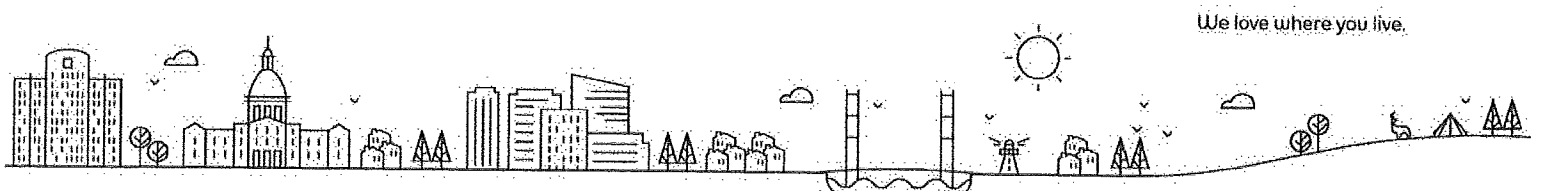
The Workers' Compensation Fund Board of Trustees has voted to return \$13.5 million in dividends to its member-owners. This follows \$58.3 million in dividends issued over the previous five years, corresponding to about 35% of members' premiums during the same period.

The Liability & Property Pool Board of Directors has authorized dividends that will return \$2.2 million to member-owners who renew coverage in 2023. Over the previous five years, the Pool has issued \$9.8 million in dividends, representing about 9% of members' premiums during the same period.

"On an ongoing basis, our Fund and Pool members demonstrate leadership and a focus on preventive measures that improve safety and reduce risks and claims," said Michael Forster, the League's Director of Risk Management Services. "These efforts enable the insurance programs to return the resulting savings back to their communities in the form of dividends."

The Michigan Municipal League is dedicated to inspiring positive change for Michigan's greatest centers of potential: its communities. For more than 100 years, the League has sought to represent, inspire, and educate its members through legislative and legal advocacy, redevelopment and civic innovations assistance, grants, insurance and risk management, trainings, conferences, a treasure trove of information and resources, and a dedicated member services team..

Contact: Michael Forster, Director, Risk Management Services; 734-669-6340 or [mforster@mml.org](mailto:mforster@mml.org).



MUSKEGON COUNTY



# PUBLIC TRANSIT SURVEY

The Grand Valley State University Statistics Department is conducting a Muskegon area public transit survey of 8,000 randomly selected individuals. The purpose of the survey is to understand community support for Muskegon Area Transit System public transportation services.

**Deadline to Return Surveys: Friday, March 24, 2023**

If your household received a survey from GVSU in your mailbox, please place priority in completing the survey before the deadline of March 24, 2023. The success of this survey depends on YOU completing the short, 12-question survey.







**American  
Red Cross**

Good things happen  
when you help.

*Join us.*

CLARA BARTON | FOUNDER

**Blood Drive**  
**City of Roosevelt Park**  
Community Center  
3150 Glenside Blvd, Muskegon

**Tuesday, March 7, 2023**  
**12:00 p.m. to 5:45 p.m.**

For an appointment visit [RedCrossBlood.org](https://RedCrossBlood.org) and enter sponsor code: RooseveltPark,  
or call 1-800-RED CROSS (1-800-733-2767).



Scan to be directed to  
RapidPass®

**Streamline your donation experience and save up to 15  
minutes by visiting [RedCrossBlood.org/RapidPass](https://RedCrossBlood.org/RapidPass) to  
complete your pre-donation reading and health history  
questions on the day of your appointment.**



Scan to schedule  
an appointment.

**Donate blood during #RedCrossMonth!**

Visit [redcrossblood.org](https://redcrossblood.org), call 1-800-RED CROSS or download the Blood Donor App to schedule an appointment.