### CITY OF ST. JOHNS, MICHIGAN REQUEST FOR COMMISSION ACTION May 20, 2024

| Department: Administration                                      | Attachments:  | Submitted to<br>CA for<br>Review |
|---|---|----------------------------------|
| Subject: Baker Tilly Water and Sewer<br>Rate Study Presentation | [X] Baker Tilly Revised Rate<br>Sheets<br>[X] Powerpoint Presentation<br>[] | [ N/A ] [ ] [ ]                  |
| Prepared by: Chad A. Gamble, P.E.,<br>City Manager              | Approved by: Chad A. Gamble, P<br>City Manager                              | .E.,                             |

**SUMMARY/HIGHLIGHT:** At the April 22, 2024, Commission meeting Baker Tilly presented the 2024 sewer analysis for the purposes of setting the water and sewer rates for the FY 24/25 fiscal year. A discussion ensued regarding different rates, weighing options dealing with the overall rate structure, and capacity-based CIP's vs. maintenance-based CIP's and their overall impacts, and the philosophy of cash funding small and medium projects. This RCA, and the related discussion, will be leveraged to reach a consensus of setting the utility rates for the FY 24/25 fiscal year and the target rates for the following two years.

BACKGROUND/DISCUSSION: The City currently spends more than \$250,000 in interest each year on various bonds that have been issued to cover larger than normal capital expenditures. Being good stewards of the rate payer's monies is one of the prime directives of overseeing and managing the Utilities fund. In reviewing the overall long-range investment plan for the Utilities fund and comparing that to the trajectory of the fund balance, it was observed that we are not accumulating any additional fund balance on an annual basis with the goal of cash funding as many CIP projects that we can. The probability of having a generational CIP project that is too large to cash fund is always there. However, being able to fund the small to medium infrastructure projects is the best and most cost-effective way to set up the fund to be as strategically cost effective as we can on all of our improvements.

The new graphs and tables presented and attached to this RCA show a concerning trend line at the ability to cash fund the maintenance-based projects within the current CIP not to mention the proposed capacity-based CIP projects. Setting the target rates for an additional 2 years is strongly recommended as it will impact revenue projections in the event bonding is contemplated in the next several years.

**STRATEGIC PLAN OBJECTIVE:** Although not listed specifically as part of the master plan, having a cost-effective strategic funding plan for capital project leverages, to the maximum extent practicable, the rate payers' funds we are charged with managing.

**FISCAL IMPACT:** The current three-year projected FY 24/25 water and sewer rate proposed increase is 3%. This meeting will review the revised rates and graphs to see if larger increases are supported to begin a cash funding strategy, as best we can, for the betterment of utility fund. The FY 24/25 budget, as currently programmed, anticipates a 3% utility rate increase. It is

demonstrated by the attached graphs that a larger increase is needed in order to provide our rate payers the most cost-effective funding of all maintenance based and perhaps some capacity-based improvements for the next several years. After which time the rates and related projects will be reviewed to ascertain our current funding position.

**RECOMMENDATION:** The Commission is encouraged to discern the information presented in this revised utility rate presentation by Baker Tilly and the City Administration and determine if cash funding of maintenance-based projects is a priority.

If there is consensus, then a recommendation to set the sewer rates for the FY 24/25 fiscal year, along with the projected sewer rate increases for the ensuing 2 fiscal years, would be in order.

# CASH FLOW ANALYSIS - MAINTENANCE CIP - 7% RATE INCREASES/YEAR

|   | 2023/24      |              | 2024          | /25          | 2025         | 5/26         | 2020         | 5/27         | 202'         | 7/28         | 2028          | 8/29         | 2029         | 0/30         |
|---|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|
| Assumptions   | <u>Water</u> | Sewer        | Water         | <u>Sewer</u> | Water        | <u>Sewer</u> | Water        | <u>Sewer</u> | Water        | <u>Sewer</u> | Water         | <u>Sewer</u> | Water        | <u>Sewer</u> |
| Meter equivalents billed  | 4,058        | 4,239        | 4,058         | 4,239        | 4,058        | 4,239        | 4,058        | 4,239        | 4,058        | 4,239        | 4,058         | 4,239        | 4,058        | 4,239        |
| Ready-to-serve charge (per meter equivalent) - quarter            | \$45.05      | \$103.89     | \$48.20       | \$111.16     | \$51.57      | \$118.94     | \$55.18      | \$127.27     | \$59.04      | \$136.18     | \$63.17       | \$145.71     | \$67.59      | \$155.91     |
| Irrigation meter equivalents billed                               | 349          | -            | 349           | -            | 349          | -            | 349          | -            | 349          | -            | 349           | -            | 349          | -            |
| Irrigation ready-to-serve charge (per meter equivalent) - quarter | \$45.05      | -            | \$48.20       | -            | \$51.57      | -            | \$55.18      | -            | \$59.04      | -            | \$63.17       | -            | \$67.59      | -            |
| Billable flow - annual (1,000 gal)                                | 432,477      | 227,017      | 410,853       | 227,017      | 410,853      | 227,017      | 410,853      | 227,017      | 410,853      | 227,017      | 410,853       | 227,017      | 410,853      | 227,017      |
| Commodity charge (1,000 gal)                                      | \$4.96       | \$5.29       | \$5.31        | \$5.66       | \$5.68       | \$6.06       | \$6.08       | \$6.48       | \$6.51       | \$6.93       | \$6.97        | \$7.42       | \$7.46       | \$7.94       |
| Revenues  |              |              |               |              |              |              |              |              |              |              |               |              |              |              |
| Rates & charges   |              |              |               |              |              |              |              |              |              |              |               |              |              |              |
| Water/Sewer ready-to-serve charge                                 | \$731,317    | \$1,761,378  | \$782,452     | \$1,884,636  | \$837,159    | \$2,016,540  | \$895,761    | \$2,157,769  | \$958,422    | \$2,308,831  | \$1,025,467   | \$2,470,405  | \$1,097,218  | \$2,643,339  |
| Irrigation ready-to-serve charge                                  | 47,100       | -            | 50,393        | -            | 53,916       | -            | 57,691       | -            | 61,726       | -            | 66,044        | -            | 70,665       | -            |
| Commodity charge  | 2,145,086    | 1,200,920    | 2,181,630     | 1,284,916    | 2,333,646    | 1,375,723    | 2,497,987    | 1,471,070    | 2,674,654    | 1,573,228    | 2,863,647     | 1,684,466    | 3,064,965    | 1,802,515    |
| Total rates & charges revenue                                     | 2,923,503    | 2,962,298    | 3,014,476     | 3,169,552    | 3,224,721    | 3,392,263    | 3,451,440    | 3,628,839    | 3,694,803    | 3,882,059    | 3,955,158     | 4,154,871    | 4,232,849    | 4,445,854    |
| Other   | 58,865       | 86,665       | 58,865        | 86,665       | 58,865       | 86,665       | 58,865       | 86,665       | 58,865       | 86,665       | 58,865        | 86,665       | 58,865       | 86,665       |
| Total revenues  | 2,982,368    | 3,048,963    | 3,073,341     | 3,256,217    | 3,283,586    | 3,478,928    | 3,510,305    | 3,715,504    | 3,753,668    | 3,968,724    | 4,014,023     | 4,241,536    | 4,291,714    | 4,532,519    |
| Less: Total operating expenditures                                | (2,014,462)  | (1,573,278)  | (2,078,275)   | (1,664,737)  | (2,140,623)  | (1,714,679)  | (2,204,842)  | (1,766,119)  | (2,270,987)  | (1,819,103)  | (2,339,116)   | (1,873,676)  | (2,409,290)  | (1,929,886)  |
| Net operating revenue   | 967,905      | 1,475,685    | 995,066       | 1,591,480    | 1,142,963    | 1,764,249    | 1,305,463    | 1,949,385    | 1,482,681    | 2,149,621    | 1,674,906     | 2,367,861    | 1,882,424    | 2,602,633    |
| Less: Current debt service payments                               | (388,297)    | (605,590)    | (373,870)     | (591,841)    | (372,709)    | (586,273)    | (376,296)    | (590,368)    | (374,631)    | (589,041)    | (382,996)     | (597,576)    | (381,387)    | (595,966)    |
| Estimated cash-funded capital improvements                        | (1,176,913)  | (950,394)    | (1,785,000)   | (639,450)    | (281,138)    | (1,434,353)  | (1,163,413)  | (392,717)    | (814,389)    | (318,990)    | (3,828,845)   | (1,212,467)  | (790,656)    | (536,038)    |
| Estimated bond issue #1 2026 USDA bonds [1] - Sewer               | -            | -            |               | -            | <u> </u>     |              | -            | (343,000)    | -            | (343,000)    |               | (343,000)    |              | (343,000)    |
| Net cash flow   | (\$597,305)  | (\$80,298)   | (\$1,163,804) | \$360,190    | \$489,117    | (\$256,376)  | (\$234,246)  | \$623,300    | \$293,661    | \$898,591    | (\$2,536,935) | \$214,817    | \$710,380    | \$1,127,628  |
| Combined net cash flow  | (\$677,      | 604)         | (\$803,       | 614)         | \$232,       | 740          | \$389.       | ,053         | \$1,192      | 2,252        | (\$2,32)      | 2,118)       | \$1,838      | 3,008        |
| Cash & investments  | \$3,048      | 599          | \$2,244       | ,985         | \$2,477      | 7,725        | \$2,866      | 5,778        | \$4,059      | 9,030        | \$1,736       | 5,913        | \$3,574      | ,921         |
| Example Customer Bills:   |              |              |               |              |              |              |              |              |              |              |               |              |              |              |
| Typical homeowner's bill  | <u>Water</u> | <u>Sewer</u> | <u>Water</u>  | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u>  | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> |
| (assumes 13,500 gallons/quarter) [3]                              | \$112.01     | \$175.31     | \$119.89      | \$187.57     | \$128.25     | \$200.75     | \$137.26     | \$214.75     | \$146.93     | \$229.74     | \$157.27      | \$245.88     | \$168.30     | \$263.10     |
|   | Comb         | <u>ined</u>  | <u>Comb</u>   | <u>ined</u>  | <u>Comb</u>  | <u>ined</u>  | <u>Comb</u>  | <u>pined</u> | <u>Coml</u>  | <u>pined</u> | <u>Comb</u>   | <u>pined</u> | Comb         | <u>ined</u>  |
|   | \$287.       | 32           | \$307.        | 46           | \$329.       | .00          | \$352        | .01          | \$376        | .66          | \$403         | 2.15         | \$431.       | .40          |
| Small commercial bill   | <u>Water</u> | <u>Sewer</u> | <u>Water</u>  | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u>  | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> |
| (assumes a 1" meter using 30,000 gallons/quarter)                 | \$261.43     | \$418.43     | \$279.80      | \$447.70     | \$299.33     | \$479.15     | \$320.35     | \$512.58     | \$342.90     | \$548.35     | \$367.03      | \$586.88     | \$392.78     | \$627.98     |
|   | <u>Comb</u>  | <u>ined</u>  | <u>Comb</u>   | <u>ined</u>  | <u>Comb</u>  | <u>ined</u>  | <u>Comb</u>  | <u>pined</u> | <u>Comb</u>  | <u>pined</u> | <u>Comb</u>   | <u>pined</u> | <u>Comb</u>  | <u>ined</u>  |
|   | \$679.       | 85           | \$727.        | 50           | \$778.       | .48          | \$832        | .93          | \$891        | .25          | \$953         | 2.90         | \$1,020      | 0.75         |
| Large industrial bill   | <u>Water</u> | <u>Sewer</u> | <u>Water</u>  | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u>  | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> |
| (assumes a 4" meter using 3,000,000 gallons/quarter)              | \$16,006.25  | \$18,467.25  | \$17,135.00   | \$19,759.00  | \$18,329.25  | \$21,153.50  | \$18,240.00  | \$22,621.75  | \$19,530.00  | \$24,194.50  | \$20,910.00   | \$25,902.75  | \$22,380.00  | \$27,717.75  |
|   | <u>Comb</u>  | ined         | <u>Comb</u>   | <u>ined</u>  | <u>Comb</u>  | <u>ined</u>  | <u>Comb</u>  | <u>pined</u> | <u>Comb</u>  | pined        | <u>Comb</u>   | <u>pined</u> | <u>Comb</u>  | <u>ined</u>  |
|   | \$34,47      | 3.50         | \$36,89       | 4.00         | \$39,48      | 2.75         | \$40,86      | 51.75        | \$43,72      | 24.50        | \$46,81       | 12.75        | \$50,09      | 7.75         |

<sup>[1]</sup> Estimated debt service payments based on a \$8,000,000 40-year USDA bond issue at a conservative interest rate. The project consists of force main replacements and tertiary filtration improvements.

<sup>[2]</sup> Assumes in-home water use only. No irrigation water is included.

# CASH FLOW ANALYSIS - MAINTENANCE AND DEVELOPMENT CIP - 7% RATE INCREASES/YEAR

|  | 2023/24      |                  | 2024                                    | /25          | 2025         | 5/26         | 2020             | 6/27            | 202              | 7/28          | 2028             | 8/29             | 2029            | /30                                   |
|--|--------------|------------------|---|--------------|--------------|--------------|------------------|-----------------|------------------|---------------|------------------|------------------|-----------------|---------------------------------------|
| Assumptions  | Water        | <u>Sewer</u>     | <u>Water</u>                            | <u>Sewer</u> | Water        | <u>Sewer</u> | Water            | <u>Sewer</u>    | <u>Water</u>     | <u>Sewer</u>  | <u>Water</u>     | <u>Sewer</u>     | Water           | <u>Sewer</u>                          |
| Meter equivalents billed   | 4,058        | 4,239            | 4,058                                   | 4,239        | 4,058        | 4,239        | 4,058            | 4,239           | 4,058            | 4,239         | 4,058            | 4,239            | 4,058           | 4,239                                 |
| Ready-to-serve charge (per meter equivalent) - quarter   | \$45.05      | \$103.89         | \$48.20                                 | \$111.16     | \$51.57      | \$118.94     | \$55.18          | \$127.27        | \$59.04          | \$136.18      | \$63.17          | \$145.71         | \$67.59         | \$155.91                              |
| Irrigation meter equivalents billed  | 349          | -                | 349                                     | -            | 349          | -            | 349              | -               | 349              | -             | 349              | -                | 349             | -                                     |
| Irrigation ready-to-serve charge (per meter equivalent) - quarter  | \$45.05      | -                | \$48.20                                 | -            | \$51.57      | -            | \$55.18          | -               | \$59.04          | -             | \$63.17          | -                | \$67.59         | -                                     |
| Billable flow - annual (1,000 gal)   | 432,477      | 227,017          | 410,853                                 | 227,017      | 410,853      | 227,017      | 410,853          | 227,017         | 410,853          | 227,017       | 410,853          | 227,017          | 410,853         | 227,017                               |
| Commodity charge (1,000 gal)   | \$4.96       | \$5.29           | \$5.31                                  | \$5.66       | \$5.68       | \$6.06       | \$6.08           | \$6.48          | \$6.51           | \$6.93        | \$6.97           | \$7.42           | \$7.46          | \$7.94                                |
| Revenues   |              |                  |   |              |              |              |                  |                 |                  |               |                  |                  |                 |                                       |
| Rates & charges  |              |                  |   |              |              |              |                  |                 |                  |               |                  |                  |                 |                                       |
| Water/Sewer ready-to-serve charge  | \$731,317    | \$1,761,378      | \$782,452                               | \$1,884,636  | \$837,159    | \$2,016,540  | \$895,761        | \$2,157,769     | \$958,422        | \$2,308,831   | \$1,025,467      | \$2,470,405      | \$1,097,218     | \$2,643,339                           |
| Irrigation ready-to-serve charge   | 47,100       | -                | 50,393                                  | -            | 53,916       | -            | 57,691           | -               | 61,726           | -             | 66,044           | -                | 70,665          | -                                     |
| Commodity charge   | 2,145,086    | 1,200,920        | 2,181,630                               | 1,284,916    | 2,333,646    | 1,375,723    | 2,497,987        | 1,471,070       | 2,674,654        | 1,573,228     | 2,863,647        | 1,684,466        | 3,064,965       | 1,802,515                             |
| Total rates & charges revenue  | 2,923,503    | 2,962,298        | 3,014,476                               | 3,169,552    | 3,224,721    | 3,392,263    | 3,451,440        | 3,628,839       | 3,694,803        | 3,882,059     | 3,955,158        | 4,154,871        | 4,232,849       | 4,445,854                             |
| Other  | 58,865       | 86,665           | 58,865                                  | 86,665       | 58,865       | 86,665       | 58,865           | 86,665          | 58,865           | 86,665        | 58,865           | 86,665           | 58,865          | 86,665                                |
| Total revenues   | 2,982,368    | 3,048,963        | 3,073,341                               | 3,256,217    | 3,283,586    | 3,478,928    | 3,510,305        | 3,715,504       | 3,753,668        | 3,968,724     | 4,014,023        | 4,241,536        | 4,291,714       | 4,532,519                             |
| Less: Total operating expenditures   | (2,014,462)  | (1,573,278)      | (2,078,275)                             | (1,664,737)  | (2,140,623)  | (1,714,679)  | (2,204,842)      | (1,766,119)     | (2,270,987)      | (1,819,103)   | (2,339,116)      | (1,873,676)      | (2,409,290)     | (1,929,886)                           |
| Net operating revenue  | 967,905      | 1,475,685        | 995,066                                 | 1,591,480    | 1,142,963    | 1,764,249    | 1,305,463        | 1,949,385       | 1,482,681        | 2,149,621     | 1,674,906        | 2,367,861        | 1,882,424       | 2,602,633                             |
| The special grant of the speci | , , , , , ,  | 1,170,000        | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | 1,071,100    | 1,1 .2,5 00  | 1,701,217    | 1,000,100        | 1,5 1.5 ,6 00   | 1,102,001        | _,1 .> ,0 _ 1 | 1,07.,700        | 2,007,001        | 1,002,121       | 2,002,000                             |
| Less: Current debt service payments  | (388,297)    | (605,590)        | (373,870)                               | (591,841)    | (372,709)    | (586,273)    | (376,296)        | (590,368)       | (374,631)        | (589,041)     | (382,996)        | (597,576)        | (381,387)       | (595,966)                             |
| Estimated cash-funded capital improvements   | (1,176,913)  | (950,394)        | (1,785,000)                             | (639,450)    | (611,888)    | (1,434,353)  | (4,057,476)      | (5,254,742)     | (814,389)        | (318,990)     | (4,594,614)      | (1,212,467)      | (1,701,921)     | (1,608,115)                           |
| Estimated bond issue #1 2026 USDA bonds [1] - Sewer  |              | -                |   | -            |              |              |                  | (343,000)       |                  | (343,000)     | <u> </u>         | (343,000)        |                 | (343,000)                             |
| Net cash flow  | (\$597,305)  | (\$80,298)       | (\$1,163,804)                           | \$360,190    | \$158,367    | (\$256,376)  | (\$3,128,309)    | (\$4,238,725)   | \$293,661        | \$898,591     | (\$3,302,704)    | \$214,817        | (\$200,885)     | \$55,552                              |
| Combined net cash flow   | (\$677,      | ,604)            | (\$803.                                 | 614)         | (\$98,       | 010)         | (\$7,36          | 7,034)          | \$1,192          | 2,252         | (\$3,08          | 7,887)           | (\$145,         | 333)                                  |
| Cash & investments   | \$3,048      | ,599             | \$2,244                                 | ,985         | \$2,146      | ,975         | (\$5,220         | 0,059)          | (\$4,02          | 7,807)        | (\$7,113         | 5,694)           | (\$7,261        | ,027)                                 |
| Example Customer Bills:  |              |                  |   |              |              |              |                  |                 |                  |               |                  |                  |                 |                                       |
| Typical homeowner's bill   | <u>Water</u> | Sewer            | <u>Water</u>                            | Sewer        | <u>Water</u> | Sewer        | <u>Water</u>     | <u>Sewer</u>    | <u>Water</u>     | <u>Sewer</u>  | <u>Water</u>     | <u>Sewer</u>     | <u>Water</u>    | <u>Sewer</u>                          |
| (assumes 13,500 gallons/quarter) [3]   | \$112.01     | <u>\$175</u> .31 | <u>\$119</u> .89                        | \$187.57     | \$128.25     | \$200.75     | <u>\$137.</u> 26 | <u>\$214.75</u> | <u>\$146</u> .93 | \$229.74      | <u>\$157.</u> 27 | <u>\$245</u> .88 | <u>\$168.30</u> | \$263.10                              |
|  | Comb         | ined             | Comb                                    | ined         | Comb         | ined         | Comb             | pined           | Coml             |               | Comb             | pined            | Comb            | ined                                  |
|  | \$287.       |                  | \$307.                                  |              | \$329        |              | \$352            |                 | \$376            |               | \$403            |                  | \$431.          |                                       |
| Small commercial bill  | <u>Water</u> | <u>Sewer</u>     | <u>Water</u>                            | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u>     | <u>Sewer</u>    | Water            | <u>Sewer</u>  | <u>Water</u>     | <u>Sewer</u>     | <u>Water</u>    | <u>Sewer</u>                          |
| (assumes a 1" meter using 30,000 gallons/quarter)  | \$261.43     | \$418.43         | \$279.80                                | \$447.70     | \$299.33     | \$479.15     | \$320.35         | \$512.58        | \$342.90         | \$548.35      | \$367.03         | \$586.88         | \$392.78        | \$627.98                              |
|  | Comb         | ined             | Comb                                    |              | Comb         |              | Comb             | pined           | Coml             | bined         | Comb             | pined            | Comb            |                                       |
|  | \$679.       |                  | \$727.                                  |              | \$778        |              | \$832            |                 | \$891            |               | \$953            |                  | \$1,020         |                                       |
| Large industrial bill  | Water        | Sewer            | <u>Water</u>                            | Sewer        | <u>Water</u> | Sewer        | <u>Water</u>     | <u>Sewer</u>    | Water            | <u>Sewer</u>  | Water            | <u>Sewer</u>     | Water           | <u>Sewer</u>                          |
| (assumes a 4" meter using 3,000,000 gallons/quarter)   | \$16,006.25  | \$18,467.25      | \$17,135.00                             | \$19,759.00  | \$18,329.25  | \$21,153.50  | \$18,240.00      | \$22,621.75     | \$19,530.00      | \$24,194.50   | \$20,910.00      | \$25,902.75      | \$22,380.00     | \$2 <i>7</i> , <i>717</i> . <i>75</i> |
|  | Comb         | *                | Comb                                    | •            | Comb         |              | Comb             |                 | Coml             | •             | Comb             | *                | Comb            | •                                     |
|  | \$34,47      |                  | \$36,89                                 |              | \$39,48      |              | \$40,86          |                 | \$43,72          |               | \$46,81          | <u> </u>         | \$50,09         |                                       |
|  |              |                  | . , , , ,                               |              | . , , ,      |              | . , , , , ,      |                 |                  |               |                  |                  |                 |                                       |

<sup>[1]</sup> Estimated debt service payments based on a \$8,000,000 40-year USDA bond issue at a conservative interest rate. The project consists of force main replacements and tertiary filtration improvements.

<sup>[2]</sup> Assumes in-home water use only. No irrigation water is included.

Note: Connection charges and new connection user rate revenue not included.

# CASH FLOW ANALYSIS - MAINTENANCE CIP - 9.75% WATER COMMODITY INCREASE AND 7% SEWER RATE INCREASES/YEAR

|   | 2023/24      |              | 2024          | /25          | 2025         | 5/26         | 2026         | 5/27         | 202          | 7/28         | 2028          | 8/29         | 2029         | /30          |
|---|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|
| Assumptions   | <u>Water</u> | Sewer        | Water         | <u>Sewer</u> | Water        | <u>Sewer</u> | Water        | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | Water         | <u>Sewer</u> | Water        | <u>Sewer</u> |
| Meter equivalents billed  | 4,058        | 4,239        | 4,058         | 4,239        | 4,058        | 4,239        | 4,058        | 4,239        | 4,058        | 4,239        | 4,058         | 4,239        | 4,058        | 4,239        |
| Ready-to-serve charge (per meter equivalent) - quarter            | \$45.05      | \$103.89     | \$45.05       | \$111.16     | \$45.05      | \$118.94     | \$45.05      | \$127.27     | \$45.05      | \$136.18     | \$45.05       | \$145.71     | \$45.05      | \$155.91     |
| Irrigation meter equivalents billed                               | 349          | -            | 349           | -            | 349          | -            | 349          | -            | 349          | -            | 349           | -            | 349          | -            |
| Irrigation ready-to-serve charge (per meter equivalent) - quarter | \$45.05      | -            | \$45.05       | -            | \$45.05      | -            | \$45.05      | -            | \$45.05      | -            | \$45.05       | -            | \$45.05      | -            |
| Billable flow - annual (1,000 gal)                                | 432,477      | 227,017      | 410,853       | 227,017      | 410,853      | 227,017      | 410,853      | 227,017      | 410,853      | 227,017      | 410,853       | 227,017      | 410,853      | 227,017      |
| Commodity charge (1,000 gal)                                      | \$4.96       | \$5.29       | \$5.44        | \$5.66       | \$5.97       | \$6.06       | \$6.55       | \$6.48       | \$7.19       | \$6.93       | \$7.89        | \$7.42       | \$8.66       | \$7.94       |
| Revenues  |              |              |               |              |              |              |              |              |              |              |               |              |              |              |
| Rates & charges   |              |              |               |              |              |              |              |              |              |              |               |              |              |              |
| Water/Sewer ready-to-serve charge                                 | \$731,317    | \$1,761,378  | \$731,317     | \$1,884,636  | \$731,317    | \$2,016,540  | \$731,317    | \$2,157,769  | \$731,317    | \$2,308,831  | \$731,317     | \$2,470,405  | \$731,317    | \$2,643,339  |
| Irrigation ready-to-serve charge                                  | 47,100       | -            | 47,100        | -            | 47,100       | -            | 47,100       | -            | 47,100       | -            | 47,100        | -            | 47,100       | -            |
| Commodity charge  | 2,145,086    | 1,200,920    | 2,235,041     | 1,284,916    | 2,452,794    | 1,375,723    | 2,691,088    | 1,471,070    | 2,954,034    | 1,573,228    | 3,241,632     | 1,684,466    | 3,557,989    | 1,802,515    |
| Total rates & charges revenue                                     | 2,923,503    | 2,962,298    | 3,013,458     | 3,169,552    | 3,231,210    | 3,392,263    | 3,469,505    | 3,628,839    | 3,732,451    | 3,882,059    | 4,020,048     | 4,154,871    | 4,336,405    | 4,445,854    |
| Other   | 58,865       | 86,665       | 58,865        | 86,665       | 58,865       | 86,665       | 58,865       | 86,665       | 58,865       | 86,665       | 58,865        | 86,665       | 58,865       | 86,665       |
| Total revenues  | 2,982,368    | 3,048,963    | 3,072,323     | 3,256,217    | 3,290,075    | 3,478,928    | 3,528,370    | 3,715,504    | 3,791,316    | 3,968,724    | 4,078,913     | 4,241,536    | 4,395,270    | 4,532,519    |
| Less: Total operating expenditures                                | (2,014,462)  | (1,573,278)  | (2,078,275)   | (1,664,737)  | (2,140,623)  | (1,714,679)  | (2,204,842)  | (1,766,119)  | (2,270,987)  | (1,819,103)  | (2,339,116)   | (1,873,676)  | (2,409,290)  | (1,929,886)  |
| Net operating revenue   | 967,905      | 1,475,685    | 994,048       | 1,591,480    | 1,149,452    | 1,764,249    | 1,323,528    | 1,949,385    | 1,520,329    | 2,149,621    | 1,739,797     | 2,367,861    | 1,985,980    | 2,602,633    |
| Less: Current debt service payments                               | (388,297)    | (605,590)    | (373,870)     | (591,841)    | (372,709)    | (586,273)    | (376,296)    | (590,368)    | (374,631)    | (589,041)    | (382,996)     | (597,576)    | (381,387)    | (595,966)    |
| Estimated cash-funded capital improvements                        | (1,176,913)  | (950,394)    | (1,785,000)   | (639,450)    | (281,138)    | (1,434,353)  | (1,163,413)  | (392,717)    | (814,389)    | (318,990)    | (3,828,845)   | (1,212,467)  | (790,656)    | (536,038)    |
| Estimated bond issue #1 2026 USDA bonds [1] - Sewer               | -            | -            | -             | -            | -            | -            | -            | (343,000)    | -            | (343,000)    | -             | (343,000)    | -            | (343,000)    |
| Net cash flow   | (\$597,305)  | (\$80,298)   | (\$1,164,822) | \$360,190    | \$495,605    | (\$256,376)  | (\$216,181)  | \$623,300    | \$331,309    | \$898,591    | (\$2,472,044) | \$214,817    | \$813,937    | \$1,127,628  |
| Combined net cash flow  | (\$677,      | 604)         | (\$804,       | 632)         | \$239,       | 229          | \$407,       | ,119         | \$1,229      | 9,900        | (\$2,25       | 7,227)       | \$1,941      | ,565         |
| Cash & investments  | \$3,048      | 599          | \$2,243       | ,967         | \$2,483      | ,196         | \$2,890      | ),315        | \$4,120      | ),214        | \$1,862       | 2,987        | \$3,804      | ,552         |
| Example Customer Bills:   |              |              |               |              |              |              |              |              |              |              |               |              |              |              |
| Typical homeowner's bill  | <u>Water</u> | <u>Sewer</u> | <u>Water</u>  | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u>  | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> |
| (assumes 13,500 gallons/quarter) [3]                              | \$112.01     | \$175.31     | \$118.49      | \$187.57     | \$125.65     | \$200.75     | \$133.48     | \$214.75     | \$142.12     | \$229.74     | \$151.57      | \$245.88     | \$161.96     | \$263.10     |
|   | <u>Comb</u>  | <u>ined</u>  | <u>Comb</u>   | <u>ined</u>  | <u>Comb</u>  | <u>ined</u>  | <u>Comb</u>  | <u>pined</u> | <u>Comb</u>  | <u>pined</u> | <u>Comb</u>   | <u>bined</u> | Comb         | <u>ined</u>  |
|   | \$287.       | 32           | \$306.        | 06           | \$326.       | .40          | \$348        | 2.23         | \$371        | .85          | \$397         | 7.45         | \$425.       | 06           |
| Small commercial bill   | <u>Water</u> | <u>Sewer</u> | <u>Water</u>  | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u>  | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> |
| (assumes a 1" meter using 30,000 gallons/quarter)                 | \$261.43     | \$418.43     | \$275.83      | \$447.70     | \$291.73     | \$479.15     | \$309.13     | \$512.58     | \$328.33     | \$548.35     | \$349.33      | \$586.88     | \$372.43     | \$627.98     |
|   | <u>Comb</u>  |              | <u>Comb</u>   | <u>ined</u>  | <u>Comb</u>  | <u>ined</u>  | <u>Comb</u>  | <u>pined</u> | <u>Comb</u>  | <u>pined</u> | <u>Comb</u>   | <u>bined</u> | <u>Comb</u>  | <u>ined</u>  |
|   | \$679.       | 85           | \$723.        | 53           | \$770.       | .88          | \$821        | .70          | \$876        | .68          | \$936         | 5.20         | \$1,000      | 0.40         |
| Large industrial bill   | <u>Water</u> | <u>Sewer</u> | <u>Water</u>  | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> | <u>Water</u>  | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> |
| (assumes a 4" meter using 3,000,000 gallons/quarter)              | \$16,006.25  | \$18,467.25  | \$17,446.25   | \$19,759.00  | \$19,036.25  | \$21,153.50  | \$19,650.00  | \$22,621.75  | \$21,570.00  | \$24,194.50  | \$23,670.00   | \$25,902.75  | \$25,980.00  | \$27,717.75  |
|   | <u>Comb</u>  | <u>ined</u>  | <u>Comb</u>   | <u>ined</u>  | <u>Comb</u>  | <u>ined</u>  | <u>Comb</u>  | <u>pined</u> | <u>Comb</u>  | <u>pined</u> | <u>Comb</u>   | <u>bined</u> | <u>Comb</u>  | <u>ined</u>  |
|   | \$34,47      | 3.50         | \$37,20       | 5.25         | \$40,18      | 9.75         | \$42,27      | 71.75        | \$45,76      | 64.50        | \$49,57       | 72.75        | \$53,69      | 7.75         |

<sup>[1]</sup> Estimated debt service payments based on a \$8,000,000 40-year USDA bond issue at a conservative interest rate. The project consists of force main replacements and tertiary filtration improvements.

<sup>[2]</sup> Assumes in-home water use only. No irrigation water is included.

# CASH FLOW ANALYSIS - MAINTENANCE AND DEVELOPMENT CIP - 9.75% WATER COMMODITY INCREASE AND 7% SEWER RATE INCREASES/YEAR

|   | 2023         | 3/24         | 2024          | /25          | 2025         | 5/26          | 2020            | 6/27          | 202          | 2027/28      |               | 2028/29      |              | 9/30         |
|---|--------------|--------------|---------------|--------------|--------------|---------------|-----------------|---------------|--------------|--------------|---------------|--------------|--------------|--------------|
| Assumptions   | Water        | <u>Sewer</u> | Water         | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u>  | Water           | <u>Sewer</u>  | Water        | <u>Sewer</u> | Water         | <u>Sewer</u> | Water        | <u>Sewer</u> |
| Meter equivalents billed  | 4,058        | 4,239        | 4,058         | 4,239        | 4,058        | 4,239         | 4,058           | 4,239         | 4,058        | 4,239        | 4,058         | 4,239        | 4,058        | 4,239        |
| Ready-to-serve charge (per meter equivalent) - quarter            | \$45.05      | \$103.89     | \$45.05       | \$111.16     | \$45.05      | \$118.94      | \$45.05         | \$127.27      | \$45.05      | \$136.18     | \$45.05       | \$145.71     | \$45.05      | \$155.91     |
| Irrigation meter equivalents billed                               | 349          | -            | 349           | -            | 349          | -             | 349             | -             | 349          | -            | 349           | -            | 349          | -            |
| Irrigation ready-to-serve charge (per meter equivalent) - quarter | \$45.05      | -            | \$45.05       | -            | \$45.05      | -             | \$45.05         | -             | \$45.05      | -            | \$45.05       | -            | \$45.05      | -            |
| Billable flow - annual (1,000 gal)                                | 432,477      | 227,017      | 410,853       | 227,017      | 410,853      | 227,017       | 410,853         | 227,017       | 410,853      | 227,017      | 410,853       | 227,017      | 410,853      | 227,017      |
| Commodity charge (1,000 gal)                                      | \$4.96       | \$5.29       | \$5.44        | \$5.66       | \$5.97       | \$6.06        | \$6.55          | \$6.48        | \$7.19       | \$6.93       | \$7.89        | \$7.42       | \$8.66       | \$7.94       |
| Revenues  |              |              |               |              |              |               |                 |               |              |              |               |              |              |              |
| Rates & charges   |              |              |               |              |              |               |                 |               |              |              |               |              |              |              |
| Water/Sewer ready-to-serve charge                                 | \$731,317    | \$1,761,378  | \$731,317     | \$1,884,636  | \$731,317    | \$2,016,540   | \$731,317       | \$2,157,769   | \$731,317    | \$2,308,831  | \$731,317     | \$2,470,405  | \$731,317    | \$2,643,339  |
| Irrigation ready-to-serve charge                                  | 47,100       | -            | 47,100        | -            | 47,100       | -             | 47,100          | -             | 47,100       | -            | 47,100        | -            | 47,100       | -            |
| Commodity charge  | 2,145,086    | 1,200,920    | 2,235,041     | 1,284,916    | 2,452,794    | 1,375,723     | 2,691,088       | 1,471,070     | 2,954,034    | 1,573,228    | 3,241,632     | 1,684,466    | 3,557,989    | 1,802,515    |
| Total rates & charges revenue                                     | 2,923,503    | 2,962,298    | 3,013,458     | 3,169,552    | 3,231,210    | 3,392,263     | 3,469,505       | 3,628,839     | 3,732,451    | 3,882,059    | 4,020,048     | 4,154,871    | 4,336,405    | 4,445,854    |
| Other   | 58,865       | 86,665       | 58,865        | 86,665       | 58,865       | 86,665        | 58,865          | 86,665        | 58,865       | 86,665       | 58,865        | 86,665       | 58,865       | 86,665       |
| Total revenues  | 2,982,368    | 3,048,963    | 3,072,323     | 3,256,217    | 3,290,075    | 3,478,928     | 3,528,370       | 3,715,504     | 3,791,316    | 3,968,724    | 4,078,913     | 4,241,536    | 4,395,270    | 4,532,519    |
| Less: Total operating expenditures                                | (2,014,462)  | (1,573,278)  | (2,078,275)   | (1,664,737)  | (2,140,623)  | (1,714,679)   | (2,204,842)     | (1,766,119)   | (2,270,987)  | (1,819,103)  | (2,339,116)   | (1,873,676)  | (2,409,290)  | (1,929,886)  |
| Net operating revenue   | 967,905      | 1,475,685    | 994,048       | 1,591,480    | 1,149,452    | 1,764,249     | 1,323,528       | 1,949,385     | 1,520,329    | 2,149,621    | 1,739,797     | 2,367,861    | 1,985,980    | 2,602,633    |
| Less: Current debt service payments                               | (388,297)    | (605,590)    | (373,870)     | (591,841)    | (372,709)    | (586,273)     | (376,296)       | (590,368)     | (374,631)    | (589,041)    | (382,996)     | (597,576)    | (381,387)    | (595,966)    |
| Estimated cash-funded capital improvements                        | (1,176,913)  | (950,394)    | (1,785,000)   | (639,450)    | (611,888)    | (1,434,353)   | (4,057,476)     | (5,254,742)   | (814,389)    | (318,990)    | (4,594,614)   | (1,212,467)  | (1,701,921)  | (1,608,115)  |
| Estimated bond issue #1 2026 USDA bonds [1] - Sewer               | -            |              |               | -            |              |               | _               | (343,000)     |              | (343,000)    |               | (343,000)    |              | (343,000)    |
| Net cash flow   | (\$597,305)  | (\$80,298)   | (\$1,164,822) | \$360,190    | \$164,855    | (\$256,376)   | (\$3,110,244)   | (\$4,238,725) | \$331,309    | \$898,591    | (\$3,237,813) | \$214,817    | (\$97,328)   | \$55,552     |
| Combined net cash flow  | (\$677       | ,604)        | (\$804,       | .632)        | (\$91,       | 521)          | (\$7,34         | 8,969)        | \$1,22       | 9,900        | (\$3,02       | 2,996)       | (\$41,       | ,777)        |
| Cash & investments  | \$3,048      | 3,599        | \$2,243       | ,967         | \$2,152      | 2,446         | (\$5,196        | 6,523)        | (\$3,96      | 6,623)       | (\$6,98)      | 9,619)       | (\$7,03)     | 1,396)       |
| Example Customer Bills:   |              |              |               |              |              |               |                 |               |              |              |               |              |              |              |
| Typical homeowner's bill  | <u>Water</u> | Sewer        | Water         | Sewer        | <u>Water</u> | Sewer         | <u>Water</u>    | <u>Sewer</u>  | <u>Water</u> | <u>Sewer</u> | Water         | <u>Sewer</u> | Water        | <u>Sewer</u> |
| (assumes 13,500 gallons/quarter) [3]                              | \$112.01     | \$175.31     | \$118.49      | \$187.57     | \$125.65     | \$200.75      | <i>\$133.48</i> | \$214.75      | \$142.12     | \$229.74     | \$151.57      | \$245.88     | \$161.96     | \$263.10     |
|   | Comb         | pined        | Comb          | ined         | Comb         | pined         | Comb            |               | Com          | bined        | Comb          | pined        | Comb         | pined        |
|   | \$287.       | .32          | \$306.        | 06           | \$326        | .40           | \$348           | 2.23          | \$37.        | 1.85         | \$397         | 7.45         | \$425        | 5.06         |
| Small commercial bill   | Water        | <u>Sewer</u> | Water         | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u>  | <u>Water</u>    | <u>Sewer</u>  | <u>Water</u> | <u>Sewer</u> | Water         | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> |
| (assumes a 1" meter using 30,000 gallons/quarter)                 | \$261.43     | \$418.43     | \$275.83      | \$447.70     | \$291.73     | \$479.15      | \$309.13        | \$512.58      | \$328.33     | \$548.35     | \$349.33      | \$586.88     | \$372.43     | \$627.98     |
|   | <u>Comb</u>  | pined        | Comb          |              | Comb         | <u>pined</u>  | <u>Comb</u>     |               | Com          | <u>bined</u> | <u>Comb</u>   | <u>pined</u> | Comb         | <u>pined</u> |
|   | \$679.       | .85          | \$723.        | 53           | \$770        | .88           | \$821           | .70           | \$870        | 5.68         | \$936         | 5.20         | \$1,000      | 0.40         |
| Large industrial bill   | <u>Water</u> | <u>Sewer</u> | <u>Water</u>  | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u>  | <u>Water</u>    | <u>Sewer</u>  | <u>Water</u> | <u>Sewer</u> | <u>Water</u>  | <u>Sewer</u> | <u>Water</u> | <u>Sewer</u> |
| (assumes a 4" meter using 3,000,000 gallons/quarter)              | \$16,006.25  | \$18,467.25  | \$17,446.25   | \$19,759.00  | \$19,036.25  | \$21,153.50   | \$19,650.00     | \$22,621.75   | \$21,570.00  | \$24,194.50  | \$23,670.00   | \$25,902.75  | \$25,980.00  | \$27,717.75  |
|   | <u>Comb</u>  | <u>pined</u> | <u>Comb</u>   | <u>ined</u>  | <u>Comb</u>  | <u>vined</u>  | <u>Comb</u>     | <u>pined</u>  | Com          | <u>bined</u> | <u>Comb</u>   | pined        | <u>Comb</u>  | <u>pined</u> |
|   | \$34,47      | 73.50        | \$37,20       | 5.25         | \$40,18      | 89. <i>75</i> | \$42,27         | 71.75         | \$45,7       | 64.50        | \$49,57       | 72.75        | \$53,69      | 97.75        |

<sup>[1]</sup> Estimated debt service payments based on a \$8,000,000 40-year USDA bond issue at a conservative interest rate. The project consists of force main replacements and tertiary filtration improvements.

<sup>[2]</sup> Assumes in-home water use only. No irrigation water is included.

Note: Connection charges and new connection user rate revenue not included.

# Water & Sewer Rate Analysis

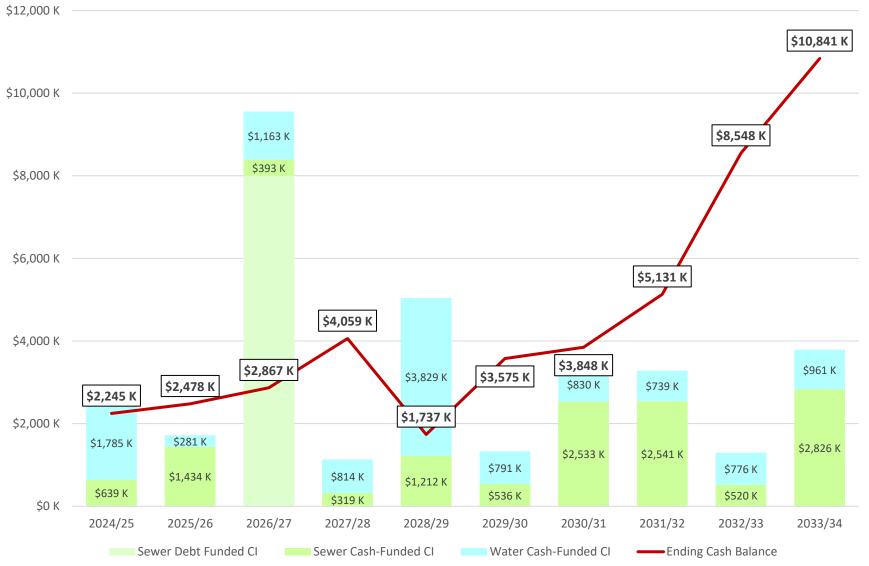
# Andy Campbell, CPA Director



# 4% Increase on Water and Sewer – Maintenance CI Only

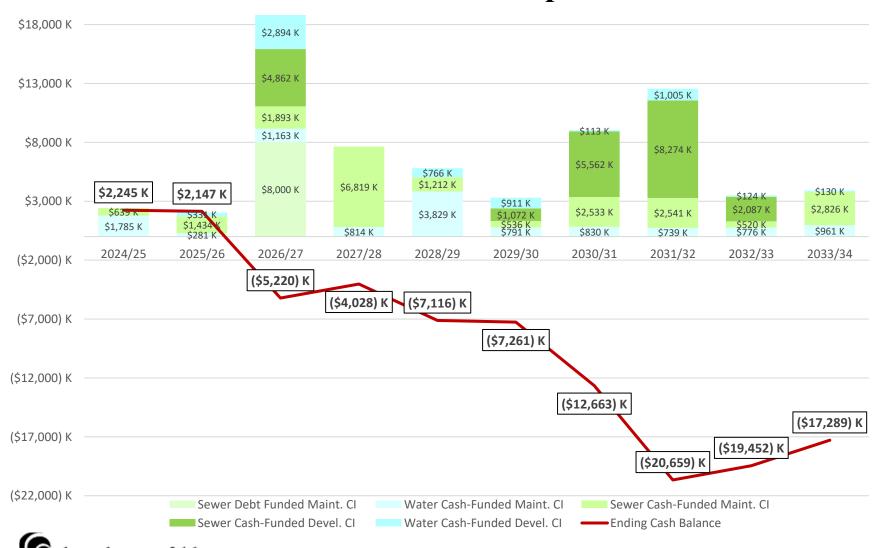


# 7% Increase on Water and Sewer – Maintenance CI Only





# 7% Increase on Water and Sewer – Maintenance and Development CI



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# 7% Increase on Water and Sewer – Typical Homeowner Quarterly Bill

Assuming 13,500 Gallons per Quarter





# 7% Increase on Water and Sewer – Sample Homeowner Quarterly Bill

| 5/8" Meter and 8,000 Gallons per Qua                               | rter:                |
|--|----------------------|
| Water Ready-to-Serve Charge  | \$48.20              |
| Water Commodity Charge   | 42.48                |
| Total Water Portion  | \$90.68              |
| Sewer Ready-to-Serve Charge<br>Sewer Commodity Charge              | \$111.16<br>45.28    |
| Total Sewer Portion  | \$156.44             |
| Total Water and Sewer Combined<br>Current Water and Sewer Combined | \$247.12<br>\$230.94 |

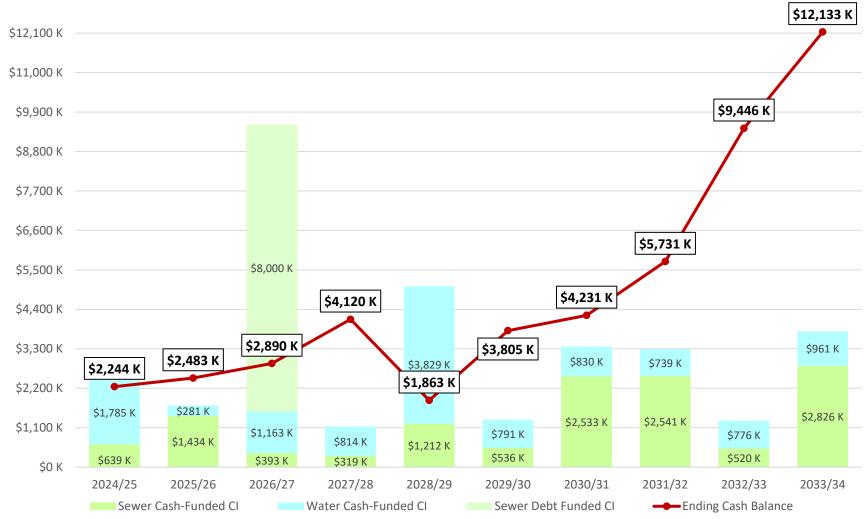
| 5/8" Meter and 19,000 Gallons per Qu | arter:   |
|--------------------------------------|----------|
| Water Ready-to-Serve Charge          | \$48.20  |
| Water Commodity Charge               | 100.89   |
| Total Water Portion                  | \$149.09 |
| Sewer Ready-to-Serve Charge          | \$111.16 |
| Sewer Commodity Charge               | 107.54   |
| Total Sewer Portion                  | \$218.70 |
| Total Water and Sewer Combined       | \$367.79 |
| Current Water and Sewer Combined     | \$343.69 |

| 3" Meter and 100,000 Gallons per Quarter: |            |  |  |  |  |  |
|---|------------|--|--|--|--|--|
| Water Ready-to-Serve Charge               | \$771.30   |  |  |  |  |  |
| Water Commodity Charge                    | 531.00     |  |  |  |  |  |
| Total Water Portion                       | \$1,302.30 |  |  |  |  |  |
| Sewer Ready-to-Serve Charge               | \$1,778.69 |  |  |  |  |  |
| Sewer Commodity Charge                    | 566.00     |  |  |  |  |  |
| Total Sewer Portion                       | \$2,344.69 |  |  |  |  |  |
| Total Water and Sewer Combined            | \$3,646.99 |  |  |  |  |  |
| Current Water and Sewer Combined          | \$3,408.17 |  |  |  |  |  |

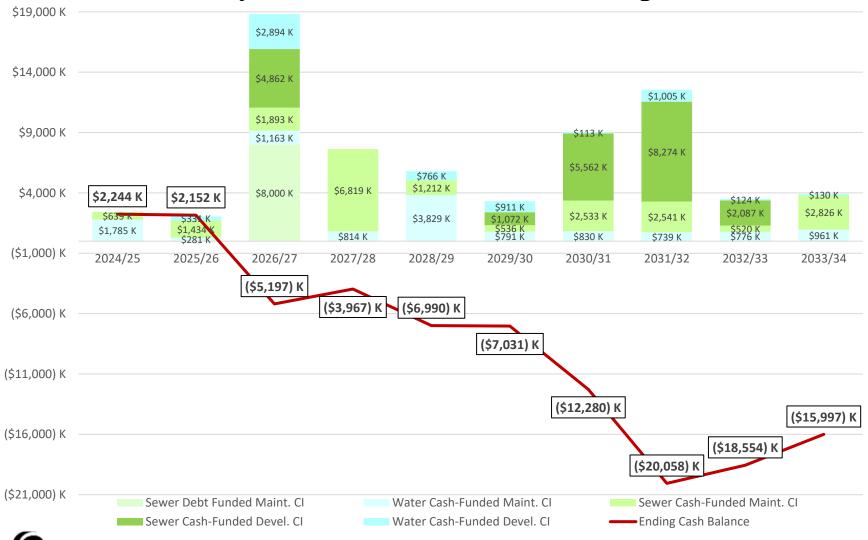
| 6" Meter and 550,000 Gallons per Quarter: |             |  |  |  |  |  |  |
|---|-------------|--|--|--|--|--|--|
| Water Ready-to-Serve Charge               | \$2,381.40  |  |  |  |  |  |  |
| Water Commodity Charge                    | 2,920.50    |  |  |  |  |  |  |
| Total Water Portion                       | \$5,301.90  |  |  |  |  |  |  |
| Sewer Ready-to-Serve Charge               | \$5,558.44  |  |  |  |  |  |  |
| Sewer Commodity Charge                    | 3,113.00    |  |  |  |  |  |  |
| Total Sewer Portion                       | \$8,671.44  |  |  |  |  |  |  |
| Total Water and Sewer Combined            | \$13,973.34 |  |  |  |  |  |  |
| Current Water and Sewer Combined          | \$13,057.91 |  |  |  |  |  |  |



# 7% Increase on Sewer and 9.75% Increase on Water Commodity – Maintenance CI Only



# 7% Increase on Sewer and 9.75% Increase on Water Commodity – Maintenance and Development CI



MUNICIPAL ADVISORS

# 7% Increase on Sewer and 9.75% Increase on Water Commodity - Typical Homeowner Quarterly Bill

**Assuming 13,500 Gallons per Quarter** 





# 7% Increase on Sewer and 9.75% Increase on Water Commodity – Sample Homeowner Quarterly Bill

| 5/8" Meter and 8,000 Gallons per Qua | rter:    |
|--------------------------------------|----------|
| Water Ready-to-Serve Charge          | \$45.05  |
| Water Commodity Charge               | 43.52    |
| Total Water Portion                  | \$88.57  |
| Sewer Ready-to-Serve Charge          | \$111.16 |
| Sewer Commodity Charge               | 45.28    |
| Total Sewer Portion                  | \$156.44 |
| Total Water and Sewer Combined       | \$245.01 |
| Current Water and Sewer Combined     | \$230.94 |

| 5/8" Meter and 19,000 Gallons per Qu | iarter:  |
|--------------------------------------|----------|
| Water Ready-to-Serve Charge          | \$45.05  |
| Water Commodity Charge               | 103.36   |
| Total Water Portion                  | \$148.41 |
| Sewer Ready-to-Serve Charge          | \$111.16 |
| Sewer Commodity Charge               | 107.54   |
| Total Sewer Portion                  | \$218.70 |
| Total Water and Sewer Combined       | \$367.11 |
| Current Water and Sewer Combined     | \$343.69 |

| 3" Meter and 100,000 Gallons per Quarter: |            |  |  |  |  |  |
|---|------------|--|--|--|--|--|
| Water Ready-to-Serve Charge               | \$720.84   |  |  |  |  |  |
| Water Commodity Charge                    | 544.00     |  |  |  |  |  |
| Total Water Portion                       | \$1,264.84 |  |  |  |  |  |
| Sewer Ready-to-Serve Charge               | \$1,778.69 |  |  |  |  |  |
| Sewer Commodity Charge                    | 566.00     |  |  |  |  |  |
| Total Sewer Portion                       | \$2,344.69 |  |  |  |  |  |
| Total Water and Sewer Combined            | \$3,609.53 |  |  |  |  |  |
| Current Water and Sewer Combined          | \$3,408.17 |  |  |  |  |  |

| 6" Meter and 550,000 Gallons per Quarter:    |             |  |  |  |
|--|-------------|--|--|--|
| Water Ready-to-Serve Charge                  | \$2,225.61  |  |  |  |
| Water Commodity Charge                       | 2,992.00    |  |  |  |
| Total Water Portion                          | \$5,217.61  |  |  |  |
| Sewer Ready-to-Serve Charge                  | \$5,558.44  |  |  |  |
| Sewer Commodity Charge                       | 3,113.00    |  |  |  |
| Total Sewer Portion                          | \$8,671.44  |  |  |  |
| Total Water and Sewer Combined               | \$13,889.05 |  |  |  |
| Current Water and Sewer Combined \$13,057.91 |             |  |  |  |



### AFFIDAVIT OF PUBLICATION



PO Box 630491 Cincinnati, OH 45263-0491

Michigan GANNETT

City Of St Johns/Legals PO Box 477 Saint Johns, MI 48879-0477

STATE OF MICHIGAN, COUNTY OF MACOMB \ss

The Lansing State Journal, a newspaper published in the city of Lansing, Ingham County, State of Michigan, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

04/26/2024

and that the fees charged are legal. Subscribed and sworn to before me on 04/30/2024

YNA SN

**GINA HUFF** 

Notary Public State of Michigan

County of Livingston

My commission expires March 9, 2029

Acting in the County of Macomb

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NOTICE ST JOHNS CITY COMMISSION ORDINANCE

ORDINANCE

Notice is hereby given that the St. Johns City Commission will consider an ordinance at a regular meeting held on Monday, May 20, 2024 at 6:00 p.m., Room #2200 (2nd Floor) of the Courthouse located at 100 E. State St., St. Johns, MI.

1. An Ordinance to Amend City of St. Johns Code of Ordinances Regarding Off-Street Parking and Loading/Unloading Area Requirements for Full Size and Small Recreational Vehicles.

Small Recreational Vehicles.
A copy of the complete text of the proposed ordinance can be reviewed or obtained through the St. Johns City Clerk's Office, 100 E. State St., Suite 1100, St. Johns MI 48879.
Mindy J. Seavey, City Clerk
NOTICE: People with disabilities needing accommodations for effective participation in the meeting should contact the City Clerk at (989) 224-8944 at least two (2) working days in advance of the meeting. An attempt will be made to make pages and the commodations. easonable accommodations. LSJ-10105611 04/26/2024

### CITY OF ST. JOHNS, MICHIGAN REQUEST FOR COMMISSION ACTION May 20, 2024

| Department: Planning and Zoning   | Attachments:  |  |  |
|---|---|--|--|
| Subject: Recommended Zoning<br>Amendment – Recreational Vehicle Parking | <ul> <li>[X] Recommended Zoning Amendment – Track Changes</li> <li>[X] Recommended Zoning Amendment – Ordinance Format</li> <li>[X] Resolution #</li> </ul> |  |  |
| Prepared by: Chris Khorey, Planning Administrator, McKenna              | Approved by: Chad A. Gamble, P.E.,<br>City Manager,   |  |  |

**SUMMARY/HIGHLIGHT:** The Planning Commission received advocacy that the existing regulations on recreational vehicle parking in residential areas are overly burdensome on homeowners and hard to enforce. The Planning Commission worked for several meetings on amendments to those regulations, and recommended Zoning amendment to the City Council.

At the March 18 meeting, the City Commission tabled first reading and requested a substantial policy revision – to allow the parking of RVs in front yards in winter months on lots that have large front yards, but small side and rear yards. That revision was made, and subsequently the Commission approved First Reading on April 22.

#### **BACKGROUND/DISCUSSION**: The proposed amendment has the following key points:

- Distinguishing between "Full Size" Recreational Vehicles (those over 15 feet in length, such as motor homes) and "Small" Recreational Vehicles (those under 15 feet in length, such as four-wheelers)
- Tie the allowable number of outdoor-parked Recreational Vehicles to the size of the lot, and the type of Recreational Vehicle (Full Size or Small).
- Require a Zoning Permit for the outdoor winter storage of a Recreational Vehicle.
- Establish the following rules for parking Recreational Vehicles outdoors:

| Dates                   | October 16 to April 30     | May 1 to October 15      |  |
|-------------------------|----------------------------|--------------------------|--|
| Allowable Parking       | Side and Rear Yards on all |                          |  |
| Locations               | Lots                       | All Yards                |  |
|                         | Front Yards when           | All Talus                |  |
|                         | Conditions Below are Met   |                          |  |
| Must be parked on       | Vac                        | If Parked in Front Yard  |  |
| pavement?               | Yes                        | II Faiked III Front Yard |  |
| Zoning Permit Required? | Yes                        | No                       |  |

- Front Yard Winter Parking Conditions:
  - o Front Setback 50 feet or greater.
  - o Rear Setback 40 feet or smaller.

Each Side Setback 15 feet or smaller.

**STRATEGIC PLAN OBJECTIVE:** Master Plan Neighborhoods Goal #1 States: "Preserve, Protect, and Enhance the Integrity, Economic Viability, and Livability of St. Johns Neighborhoods." Allowing homeowners to park and store RVs in a way that promotes safety and quality neighborhood aesthetics furthers that goal.

**FISCAL IMPACT:** Fiscal impact is anticipated to be minimal, though Staff hopes for some cost savings on code enforcement from the new ordinance.

**RECOMMENDATION:** Staff requests that the City Commission approve Final Adoption of the recommended Zoning amendment.

#### § 155.341 OFF-STREET PARKING REGULATIONS WITHIN A RESIDENTIAL DISTRICT.

#### Amendments Revised as Requested by City Commission on March 18, 2024

- (A) Intent. These off-street parking regulations have been adopted to improve safety, traffic circulation and aesthetics within residential districts in the city. They are intended to regulate parking patterns and the location and quality of parking areas in residential areas over the long term. It is not the intent of these regulations to regulate temporary, infrequent and irregular occurrences.
- (B) All residential buildings or non-residential buildings in a residential district shall be provided with required parking areas on the same lot with the building or on a lot immediately adjacent to the lot with the building intended to be served, but not more than 100 feet from the building it is servicing.
- (C) No repairing, modifying, or operations shall be allowed upon any vehicle, otherwise properly parked on a residential property, for a period in excess of 24 hours, except within fully enclosed buildings or if it is determined that such repair, modification, or operation will not constitute a nuisance or annoyance to adjoining property owners or occupants. Any such work within any 24-hour period allowed under this provision shall not, however, consist of any major repair, redesigning, modifying, or dismantling work but only such occasional minor work as may he required to maintain a vehicle in normal operating condition.
- (D) In the event the foregoing regulations create any special hardship beyond the control of a particular resident, the Zoning Administrator is hereby given the authority to grant permission to an applicant to operate contrary to the provisions hereof for a limited period of time not to exceed 14 days.
- (E) Required parking areas, including driveways -shall be constructed from materials that provide a hard surface (concrete-or, asphalt, or permeable pavement material), shall be drained properly, and shall be maintained in a safe and usable condition. Other <a href="hard">hard</a> surfaces, including, but not limited to, turf pavers, paving stones, open concrete grids, may be used with prior approval from the Zoning Administrator. <a href="Gravel">Gravel</a>, dirt, crushed aggregate, and other non-pavement surfaces shall not be permitted for required parking areas.

#### (F) **Definitions**

(1)"Full Size Recreational vehicle" means any self-propelled or towed vehicle intended primarily for recreational purposes and longer than 15 feet in length, and shall include, but not be limited to, motor homes, travel trailers, tent trailers, collapsible trailers, expandable trailers, pick-up coach campers, unattached pick-up covers, motorcycle trailers, snowmobile trailers, utility trailers, vehicle transporting trailers, stock car trailers, camping trailers, boat trailers, snowmobiles, trail bikes or cycles, unlicensed motorcycles or motor driven cycles, pontoon boats, rafts, ATV's, golf carts, and boats. Trailers, including but not limited to travel trailers, tent

trailers, collapsible trailers, expandable trailers, motorcycle trailers, snowmobile trailers, utility trailers, vehicle transporting trailers, stock car trailers, camping trailers, and boat trailers, shall be considered Full Size Recreational Vehicles for the purposes of this Ordinance.

- (2) "Small Recreational Vehicle" means any self-propelled or towed vehicle intended primarily for recreational purposes and shorter than 15 feet in length and shall include, but not be limited to, snowmobiles, trail bikes or cycles, unlicensed motorcycles or motor driven cycles, rafts, ATV's, golf carts, and jet-skis.
- (GH) Storage and parking of <u>rRecreational vehicles-Vehicles</u> within all residentially zoned districts shall comply with the following:
  - (1)—(1)—Other than in an enclosed building, no person shall park or store more than one item of recreational equipment upon any lot or parcelthe following number of Recreation Vehicle Equivalents. In the chart below, a Full Size Recreational Vehicle shall count as 1 Recreational Vehicle Equivalent, while a Small Recreational Vehicle shall count as 0.5 Recreational Vehicle Equivalents.

#### Table 13-2

| <u>Lot Size</u>                          | <10,000 Square<br>Feet | 10,000-20,000<br>Square Feet | >20,000 Square<br>Feet |
|--|------------------------|------------------------------|------------------------|
| Maximum Recreational Vehicle Equivalents | 1                      | 2                            | <u>3</u>               |

- —(2) All such vehicles shall remain unoccupied and shall not be connected to sanitary sewer facilities or have a fixed connection to electricity, water, or gas, except that the parking and occupancy of a recreational vehicle on private property shall be permitted for a period not to exceed two weeks, but not to exceed four times a year.
- —(3) Recreational vehicles stored <u>outdoors</u> on any <u>eity private</u> lot or parcel between October 16 through April 30 must be parked on a hard surface (asphalt or concrete).at least 180 square feet in area, at least 9 feet wide at its narrowest dimension, and meeting the requirements of Section 155.341.E.-Recreational vehicles must be parked behind the front line of the house. A Zoning Permit is required prior to storing a recreational vehicle outdoors between October 16 and April 30. The Zoning Permit need not be renewed annually if the requirements of this section are met.
- (4) Parking is allowed <u>on a paved driveway in the front yard, or</u> in the side <u>or rear</u> yard on <u>the grass or other unpaved surface</u> from May 1 through October 15. (See graphic below.) <u>A Zoning Permit is not required prior to storing a recreational</u>

vehicle outdoors between May 1 and October 15, except as described in Subsection 6.

| <u>Dates</u>                | October 16 to April 30   | May 1 to October 15     |
|-----------------------------|--|-------------------------|
| Allowable Parking Locations | Side and Rear Yards on All Lots Front Yards when conditions in Subsection 5 are met. | All Yards               |
| Must be parked on pavement? | Yes  | If Parked in Front Yard |
| Zoning Permit Required?     | <u>Yes</u>   | <u>No</u>               |

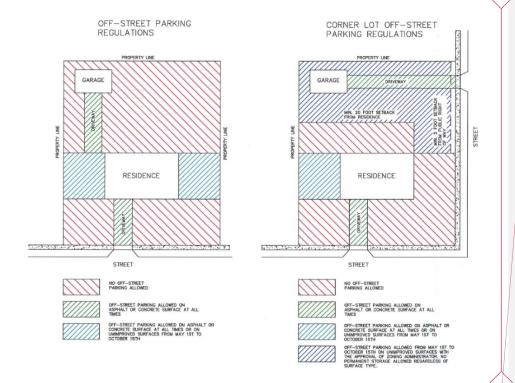
- (5) <u>Recreational Vehicles may be stored in the front yard between October 16 and April 30 only on lots that meet all of the following requirements:</u>
  - (a) The principal building on the lot must be set back at least 50 feet from the front lot line.
  - (b) The principal building on the lot must be set back no more than 40 feet from the rear lot line.
  - (c) The principal building on the lot must be set back no more than 15 feet from any side lot line.
- (6) For the purposes of parking recreational vehicles, Ccorner lots have two front yards and two side yards (see graphic below). All front yard requirements in this section shall apply to both front yards. The Zoning Administrator has the authority to grant residents on a corner lot permission to park their recreational vehicle in their side yard from May 1 through October 15. (See graphic below.)
- (7) Notwithstanding the above, any recreational vehicle may be parked outdoors at any time, on a private lot (with the permission of the property owner), for up to 48 hours, provided that all setback requirements are met (See Subsection 8). After the initial 48 hours, the regulations of Subsections 1-6 above shall apply, in addition to the setback requirements in Subsection 8.
- (8) At all times, a 3 foot setback must be maintained between the vehicle and all side and rear lot lines, and a 20 foot setback must be maintained between the vehicle and all front lot lines and other adjacent street right-of-way lines.

**Commented [CK1]:** 20 foot setback + 15 foot RV + 15 feet of additional space before the building.

**Commented [CK2]:** Bigger than 40 feet = should have enough space to fit the RV.

**Commented [CK3]:** If you have a 15 foot side yard, you can fit your RV through and into the back yard.

- (HI) No parking is allowed in the rear of buildings except in garages, driveways leading to garages, approved recreational vehicle parking pads, and other parking spaces approved by special use permit.
- (4) Not more than three outdoor parking spaces are permitted on a residential lot unless additional spaces are permitted by special use permit. Small Recreational Vehicles as defined in Section F.2 shall not be counted towards the maximum number of outdoor parking spaces.
- (JK) Motor vehicles shall be allowed to be parked only on a parking area or driveway. A parking area is defined as that portion of a lot used for the exclusive purpose of parking a motor vehicle. A driveway is defined as the maneuvering lane needed to allow vehicles to move from the street to a garage or to a public parking area at the far end of the maneuvering lane. The driveway and No parking area shall not be located in front of the residential structure.



**Commented [CK4]:** Final version will have revised graphic.

# CITY OF ST. JOHNS ORDINANCE NO.

# AN ORDINANCE TO AMEND CHAPTER 155, SECTION 341 OF THE CODE OF ORDINANCES

# REGARDING OFF-STREET PARKING AND LOADING/UNLOADING AREA REQUIREMENTS FOR FULL SIZE AND SMALL RECREATIONAL VEHICLES

#### THE CITY OF ST. JOHNS ORDAINS:

**Section 1.** Section 155.341 of the City's Code entitled "Off-Street Parking Regulations within a Residential District" is hereby amended as follows:

#### § 155.341 OFF-STREET PARKING REGULATIONS WITHIN A RESIDENTIAL DISTRICT.

- (A) Intent. These off-street parking regulations have been adopted to improve safety, traffic circulation and aesthetics within residential districts in the city. They are intended to regulate parking patterns and the location and quality of parking areas in residential areas over the long term. It is not the intent of these regulations to regulate temporary, infrequent and irregular occurrences.
- (B) All residential buildings or non-residential buildings in a residential district shall be provided with required parking areas on the same lot with the building or on a lot immediately adjacent to the lot with the building intended to be served, but not more than 100 feet from the building it is servicing.
- (C) No repairing, modifying, or operations shall be allowed upon any vehicle, otherwise properly parked on a residential property, for a period in excess of 24 hours, except within fully enclosed buildings or if it is determined that such repair, modification, or operation will not constitute a nuisance or annoyance to adjoining property owners or occupants. Any such work within any 24-hour period allowed under this provision shall not, however, consist of any major repair, redesigning, modifying, or dismantling work but only such occasional minor work as may he required to maintain a vehicle in normal operating condition.
- (D) In the event the foregoing regulations create any special hardship beyond the control of a particular resident, the Zoning Administrator is hereby given the authority to grant permission to an applicant to operate contrary to the provisions hereof for a limited period of time not to exceed 14 days.
- (E) Required parking areas, including driveways shall be constructed from materials that provide a hard surface (concrete, asphalt, or permeable pavement material), shall be drained properly, and shall be maintained in a safe and usable condition. Other hard surfaces, including, but not limited to, turf pavers, paving stones, open concrete grids, may be used with prior approval from the Zoning Administrator. Gravel, dirt, crushed aggregate, and other non-pavement surfaces shall not be permitted for required parking areas.

#### \_(F) **Definitions**

- (1)"Full Size Recreational Vehicle" means any self-propelled or towed vehicle intended primarily for recreational purposes and longer than 15 feet in length, and shall include, but not be limited to, motor homes, pick-up coach campers, and boats. Trailers, including but not limited to travel trailers, tent trailers, collapsible trailers, expandable trailers, motorcycle trailers, snowmobile trailers, utility trailers, vehicle transporting trailers, stock car trailers, camping trailers, and boat trailers, shall be considered Full Size Recreational Vehicles for the purposes of this Ordinance.
- (2) "Small Recreational Vehicle" means any self-propelled or towed vehicle intended primarily for recreational purposes and shorter than 15 feet in length and shall include, but not be limited to, snowmobiles, trail bikes or cycles, unlicensed motorcycles or motor driven cycles, rafts, ATV's, golf carts, and jet-skis.
- (H) Storage and parking of Recreational Vehicles within all residentially zoned districts shall comply with the following:
  - (1) Other than in an enclosed building, no person shall park or store more the following number of Recreation Vehicle Equivalents. In the chart below, a Full Size Recreational Vehicle shall count as 1 Recreational Vehicle Equivalent, while a Small Recreational Vehicle shall count as 0.5 Recreational Vehicle Equivalents.

**Table 13-2** 

| Lot Size  | <10,000 Square | 10,000-20,000 | >20,000 Square |
|---|----------------|---------------|----------------|
|   | Feet           | Square Feet   | Feet           |
| Maximum<br>Recreational<br>Vehicle<br>Equivalents | 1              | 2             | 3              |

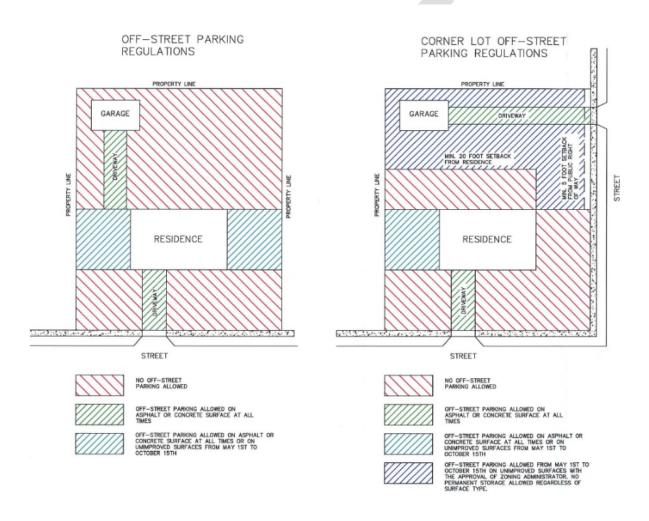
- (2) All such vehicles shall remain unoccupied and shall not be connected to sanitary sewer facilities or have a fixed connection to electricity, water, or gas, except that the parking and occupancy of a recreational vehicle on private property shall be permitted for a period not to exceed two weeks, but not to exceed four times a year.
- (3) Recreational vehicles stored outdoors on any private lot or parcel between October 16 through April 30 must be parked on a hard surface at least 180 square feet in area, at least 9 feet wide at its narrowest dimension, and meeting the requirements of Section 155.341.E. Recreational vehicles must be parked behind the front line of the house. A Zoning Permit is required prior to storing a recreational vehicle outdoors between October 16 and April 30. The Zoning Permit need not be renewed annually if the requirements of this section are met.

(4) Parking is allowed on a paved driveway in the front yard, or in the side or rear yard on grass or other unpaved surface from May 1 through October 15. (See graphic below.) A Zoning Permit is not required prior to storing a recreational vehicle outdoors between May 1 and October 15, except as described in Subsection 6.

| Dates                          | October 16 to April 30 | May 1 to October 15     |  |
|--------------------------------|------------------------|-------------------------|--|
| Allowable Parking<br>Locations | Side and Rear Yards    | All Yards               |  |
| Must be parked on pavement?    | Yes                    | If Parked in Front Yard |  |
| Zoning Permit Required?        | Yes                    | No                      |  |

- (5) Recreational Vehicles may be stored in the front yard between October 16 and April 30 only on lots that meet all of the following requirements:
  - (a) The principal building on the lot must be set back at least 50 feet from the front lot line.
  - (b) The principal building on the lot must be set back no more than 40 feet from the rear lot line.
  - (c) The principal building on the lot must be set back no more than 15 feet from any side lot line.
- (6) For the purposes of parking recreational vehicles, corner lots have two front yards (see graphic below). All front yard requirements in this section shall apply to both front yards.
- (7) Notwithstanding the above, any recreational vehicle may be parked outdoors at any time, on a private lot (with the permission of the property owner), for up to 48 hours, provided that all setback requirements are met (See Subsection 8). After the initial 48 hours, the regulations of Subsections 1-6 above shall apply, in addition to the setback requirements in Subsection 8.
- (8) At all times, a 3 foot setback must be maintained between the vehicle and all side and rear lot lines, and a 20 foot setback must be maintained between the vehicle and all front lot lines and other adjacent street right-of-way lines.
- (I) No parking is allowed in the rear of buildings except in garages, driveways leading to garages, approved recreational vehicle parking pads, and other parking spaces approved by special use permit.

- (J) Not more than three outdoor parking spaces are permitted on a residential lot unless additional spaces are permitted by special use permit. Small Recreational Vehicles as defined in Section F.2 shall not be counted towards the maximum number of outdoor parking spaces.
- (K) Motor vehicles shall be allowed to be parked only on a parking area or driveway. A parking area is defined as that portion of a lot used for the exclusive purpose of parking a motor vehicle. A driveway is defined as the maneuvering lane needed to allow vehicles to move from the street to a garage or to a public parking area at the far end of the maneuvering lane. No parking area shall be located in front of the residential structure.



**Section 2.** Validity and Severability. If any portion of this Ordinance or its application to any person or circumstance shall be found to be invalid by a court, such invalidity shall not affect the remaining portions or applications of the Ordinance which can be given effect without the invalid portion or applications, provided the remaining portions are not determined by the court to be inoperable, and to this end Ordinances are declared to be severable.

**Section 3.** Repealer Clause. Any ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

**Section 4.** Effective Date. This Ordinance shall be effective twenty (20) days after final approval.



### CITY OF ST. JOHNS RESOLUTION #20-2024

# RESOLUTION TO ADOPT AN ORDINANCE TO AMEND THE CITY OF ST. JOHNS CODE OF ORDINANCES

# REGARDING OFF-STREET PARKING AND LOADING/UNLOADING AREA REQUIREMENTS FOR FULL SIZE AND SMALL RECREATIONAL VEHICLES

At a regular meeting of the City Commission of the City of St. Johns, Clinton County, Michigan, held at the City Hall, in said City on the 20<sup>th</sup> day of May at 6:00 p.m., Local Time. Present: Absent: The following resolution was offered by \_\_\_\_\_ and supported by WHEREAS, pursuant to the Michigan Zoning Enabling Act, Act 110 of 2006, MCL 125.3101 et seg., as amended ("MZEA"), the City has the authority to regulate the use of land within the City; and WHEREAS, the City desires to regulate off-street parking regulations for full size and small recreational vehicles in residential districts by amending Section 155.341 of Title XV (Land Usage) of the City's Code of Ordinances; and WHEREAS, upon giving notice in accordance with the MZEA, the City Planning Commission held a public hearing to consider the Ordinance; and WHEREAS, on February 14, 2024, the Planning Commission voted to recommend adoption of the Ordinance to the City Commission; WHEREAS, pursuant to Section 5 of the City of St. Johns Charter, at its meeting on April 22, 2024, the City introduced Ordinance No.\_\_\_\_\_, An Ordinance Amending The City Of St. Johns Zoning Code Regarding Off-Street Parking and Loading/Unloading Area Requirements for Full Size and Small Recreational Vehicles; and WHEREAS, the City desires to adopt the Ordinance. NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of St. Johns as follows: The City adopts Ordinance No.\_\_\_\_\_, An Ordinance Amending The City Of St. Johns Zoning Code Regarding Off-Street Parking and Loading/Unloading Area 1.

Requirements for Full Size and Small Recreational Vehicles.

| 2.           | The City shall publish Ordinance No, An Ordinance Amending The City Of St. Johns Zoning Code Regarding the Creation of a Parking Exemption Zone, as required by law.   |
|--------------|--|
| 3.           | To the extent that any resolution or portion of resolution is inconsistent with this Resolution, such resolutions or portions of resolutions are hereby rescinded.   |
| ADOPTED:     |  |
| YEAS         | :  |
| NAYS         | :  |
| STATE OF M   | ICHIGAN )  |
| COUNTY OF    | CLINTON )  |
| County, Mich | undersigned, the duly qualified and acting Clerk of the City of St. Johns, Clinton igan, DO HEREBY CERTIFY that the foregoing is a true and complete copy of dings taken by the City Commission of said City at a regular meeting held on the Iay, 2024. |
|              | Mindy J. Seavey, City Clerk  |

88044:00001:200497814-1

### CITY OF ST. JOHNS, MICHIGAN REQUEST FOR COMMISSION ACTION May 20th 2024

| Department: Public Services                    | Attachments: Solid Waste and Recycling Bids  | Submitted to<br>CA for<br>Review |
|--|--|----------------------------------|
| Subject: Solid Waste and Recycling<br>Contract | [X] Granger Waste Management 3 Year Contract Proposal [X] Granger Waste Management 5 Year Contract Proposal [] | [ X ]                            |
| Prepared by: Justin Smith,                     | Approved by: Chad Gamble P.E.,   |                                  |
| Director of Public Services                    | City Manager   |                                  |

**SUMMARY/HIGHLIGHT:** The current Solid Waste, Recycling and Spring Cleanup contract will expire July 1<sup>st</sup>, 2024. An RFP was produced and sent out to six waste companies. We received only one bid from Granger Waste Services. With consideration of logistics, fuel prices and our annual spring cleanup, the lack of additional bidders was to some degree anticipated.

Granger included two options, a 3-year contract with an annual 5% increase and a 5-year contract with an annual 4% increase. Please see attached contract for pricing, please note that Solid Waste and Recycling pricing is per account not lump sum as in the past contract.

**BACKGROUND/DISCUSSION:** Granger Waste Services has been the solid waste and recycling contractor for the City since 2014. The relationship with Granger and their service to our community has been nothing short of outstanding. Granger has also been an integral part of the success of our downtown and city-wide events by sponsorships and donations of dumpsters and trash carts.

**STRATEGIC PLAN OBJECTIVE:** Public Facilities Goal #1 Continue to offer high quality services to our residents.

**FISCAL IMPACT:** The 2024/25 proposed fiscal budget included the fees necessary to fund this contract at the recommended amount. The bid prices were approximately 30% higher than the current contract prices that were signed in 2018 and subsequently amended year after year. Even after this increase our solid waste and recycling cost of service are below what other communities are paying for equal or lesser services for trash and recycling.

**RECOMMENDATION:** Staff recommends the Commission approve the award of bid recommendation for solid waste, recycling, and spring cleanup to Granger Waste Services. If approved, the contract for the aforementioned services will be presented at next month's meeting.

## RFP CITY OF ST. JOHNS SOLID WASTE, RECYCLING AND SPRING CLEAN UP COLLECTION SERVICE

### DO NOT DETACH - RETURN COMPLETED BOOK

TO: CITY OF ST. JOHNS
100 EAST STATE STREET
P.O. BOX 477
ST. JOHNS, MICHIGAN 48879

Proposals must be delivered before 1:00 PM May 8th

In accordance with the advertisement inviting bids for furnishing refuse, spring clean up and recycling collection services for a period commencing July 1, 2024 and ending June 30, 2027, and in conformity with specifications, general provisions and addenda listed hereafter, the bidder hereby certifies that the bidder is the only person(s) interested in this bid as principal(s); that an examination has been made of the specifications, addenda and other information attached hereto; that the bidder has had sufficient time to investigate and has based the following bid on the bidder's own independent examination and investigation; that the bidder proposes to furnish all necessary equipment, tools, labor and other devices in the manner and at the time prescribed; that the bidder understands the specified services to be furnished at the following prices, and said prices are exclusive of all applicable Federal, State and local taxes, and the bidder hereby certifies that this bid is made without collusion with any persons, firm or corporation. If the awarded company differs from our current solid waste contractor, new bins must be in place by July 1st 2024.

| 1.    | Weekly Refu             | se Collection and Disposal: 5.0% annual increase          |
|-------|-------------------------|---|
|       | \$ \$100.32             | _ Annual Cost Per Account 1st Year; commencing 07/01/2024 |
|       | \$_\$105.34             | _ Annual Cost Per Account 2nd Year; commencing 07/01/2025 |
|       | \$ \$110.60             | Annual Cost Per Account 3rd Year; commencing 07/01/2026   |
|       | \$116.13                | Annual Cost Per Account 4th Year; commencing 07/01/2027   |
|       | \$121.94                | Annual Cost Per Account 5th Year; commencing 07/01/2028   |
| 2.EOV | W <del>eekly</del> Recy | clables Collection and Processing: 5.0% annual increase   |
|       | \$ \$67.20              | _ Annual Cost Per Account 1st Year; commencing 07/01/2024 |
|       | \$ \$70.56              | Annual Cost Per Account 2nd Year; commencing 07/01/2025   |
|       | \$ <u>\$74.09</u>       | Annual Cost Per Account 3rd Year; commencing 07/01/2026   |
|       | \$77.79                 | Annual Cost Per Account 4th Year; commencing 07/01/2027   |
|       | Ψ//.//                  | riman cost i er riccount in i cur, commencing b//01/202/  |

| 3. Spring Clean Up Project (Conducte contract): 5.0% annual increase                     | ed once per year, must be complete by date set per  |
|--|---|
|  | ide for project to be performed spring of 2024  |
|  | ide for project to be performed spring of 2025 (  |
| \$60,455,25 Annual Cost City Wi  | ide for project to be performed spring of 2026 7  |
| \$63,478.01 Annual Cost City V   | Vide for project to be performed spring of 2028 Vide for project to be performed spring of 2029 |
| The undersigned agrees that this proposal s from the date established for opening of all | shall be effective for a period of Sixty days (60) days bids.                                   |
| Date: May 8, 2024  | Firm Name: Granger Waste Services   |
| By:   all Dur  | Address: 16980 Wood Road  |
|  | Lansing, MI 48906   |
| Title: Secretary   | Phone: 517-372-2800   |
|  | Fax:  |
| SPE  | P-3 OF ST. JOHNS CIFICATIONS FOR S AND SPRING CLEAN UP COLLECTION                               |
| ***************************************  | SERVICES  |

## DESCRIPTION OF WORK:

It is the intent and purpose of the City of St. Johns to execute a contract or contracts for the purpose of furnishing a comprehensive service for the collection, removal and disposal of refuse, collection and processing of recyclables, and spring clean up to household occupants of the City of St. Johns during a period of three years commencing on July 1, 2024 and ending June 30, 2027. The City shall reserve the right to extend said contract for a period of 2 years.

#### **DEFINITIONS**:

A. Refuse - The term "refuse" shall include garbage and rubbish except animal and human excrement.

BID - Residential Rate Table 5.0% annual increase

| Service             | Frequency        | 1 <sup>st</sup> Year<br>Annual Cost | 2 <sup>nd</sup> Year<br>Annual Cost | 3 <sup>rd</sup> Year<br>Annual Cost | 4 <sup>th</sup> Year<br>Annual Cost | 5 <sup>th</sup> Year<br>Annual Cost |
|---------------------|------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                     |                  |                                     |                                     |                                     | Optional                            | Extension                           |
| Trash               | Weekly           | \$100.32                            | \$105.34                            | \$110.60                            | \$116.13                            | \$121.94                            |
| Recycling           | Every other week | \$67.20                             | \$70.56                             | \$74.09                             | \$77.79                             | \$81.68                             |
| Curbside<br>Cleanup | Annual Spring    | \$54,834.69                         | \$57,576.43                         | \$60,455.25                         | \$63,478.01                         | \$66,651.91                         |

3-year agreement with option of two (2) one-year extensions at a 5.0% annual increase. Granger will not service personal carts.



## RFP CITY OF ST. JOHNS SOLID WASTE, RECYCLING AND SPRING CLEAN UP COLLECTION SERVICE

### DO NOT DETACH - RETURN COMPLETED BOOK

TO: CITY OF ST. JOHNS
100 EAST STATE STREET
P.O. BOX 477
ST. JOHNS, MICHIGAN 48879

# Proposals must be delivered before 1:00 PM May 8th

In accordance with the advertisement inviting bids for furnishing refuse, spring clean up and recycling collection services for a period commencing July 1, 2024 and ending June 30, 2027, and in conformity with specifications, general provisions and addenda listed hereafter, the bidder hereby certifies that the bidder is the only person(s) interested in this bid as principal(s); that an examination has been made of the specifications, addenda and other information attached hereto; that the bidder has had sufficient time to investigate and has based the following bid on the bidder's own independent examination and investigation; that the bidder proposes to furnish all necessary equipment, tools, labor and other devices in the manner and at the time prescribed; that the bidder understands the specified services to be furnished at the following prices, and said prices are exclusive of all applicable Federal. State and local taxes, and the bidder hereby certifies that this bid is made without collusion with any persons, firm or corporation. If the awarded company differs from our current solid waste contractor, new bins must be in place by July 1st 2024.

| 1.   | Weekly Refus                        | se Collection and Disposal: 4.0% annual increase  |  |  |  |
|--|-------------------------------------|---|--|--|--|
|  | <b>\$</b> _\$100.32                 | Annual Cost Per Account 1st Year; commencing 07/01/2024   |  |  |  |
|  | \$ \$104.33                         | Annual Cost Per Account 2nd Year; commencing 07/01/2025   |  |  |  |
|  | \$ \$108.51<br>\$112.85<br>\$117.36 | Annual Cost Per Account 3rd Year; commencing 07/01/2026 Annual Cost Per Account 4th Year; commencing 07/01/2027 Annual Cost Per Account 5th Year; commencing 07/01/2028 |  |  |  |
| 2. EOWWeekly Recyclables Collection and Processing: 4.0% annual increase |                                     |   |  |  |  |
| •  | \$ \$67.20                          | _ Annual Cost Per Account 1st Year; commencing 07/01/2024   |  |  |  |
|  | \$ \$69.89                          | _ Annual Cost Per Account 2nd Year; commencing 07/01/2025   |  |  |  |
|  | \$ \$72.68<br>\$75.59<br>\$78.61    | Annual Cost Per Account 3rd Year; commencing 07/01/2026 Annual Cost Per Account 4th Year; commencing 07/01/2027 Annual Cost Per Account 5th Year; commencing 07/01/2028 |  |  |  |

### **ALTERNATE 5-YEAR BID**

| 3.     | Spring Clean Up Project (Conducted once per year, must be complete to | oy date | set | per |
|--------|---|---------|-----|-----|
| contra | et): 4.0% annual increase   |         | 6   |     |

\$ 54,834.69 Annual Cost City Wide for project to be performed spring of 2024

\$ 57,028.08 Annual Cost City Wide for project to be performed spring of 2025

\$ 59,309.20 Annual Cost City Wide for project to be performed spring of 2026 \$ 61,681.57 Annual Cost City Wide for project to be performed spring of 2028 \$ 64,148.83 Annual Cost City Wide for project to be performed spring of 2029

The undersigned agrees that this proposal shall be effective for a period of Sixty days (60) days from the date established for opening of all bids.

| Date: May 8, 2024 | Firm Name: Granger Waste Services           |
|-------------------|---|
| By: Jall Dien     | Address: 16980 Wood Road  Lansing, MI 48906 |
| Title: Secretary  | Phone: 517-372-2800                         |
|                   | Fax:  |

## P-3 CITY OF ST. JOHNS SPECIFICATIONS FOR

SOLID WASTE, RECYCLABLES AND SPRING CLEAN UP COLLECTION SERVICES

## DESCRIPTION OF WORK:

It is the intent and purpose of the City of St. Johns to execute a contract or contracts for the purpose of furnishing a comprehensive service for the collection, removal and disposal of refuse, collection and processing of recyclables, and spring clean up to household occupants of the City of St. Johns during a period of three years commencing on July 1, 2024 and ending June 30, 2027. The City shall reserve the right to extend said contract for a period of 2 years.

#### **DEFINITIONS:**

A. Refuse - The term "refuse" shall include garbage and rubbish except animal and human excrement.

# ALTERNATE BID - Residential Rate Table 4.0% annual increase

| Service             | Frequency        | 1 <sup>st</sup> Year<br>Annual Cost | 2 <sup>nd</sup> Year<br>Annual Cost | 3 <sup>rd</sup> Year<br>Annual Cost | 4 <sup>th</sup> Year<br>Annual Cost | 5 <sup>th</sup> Year<br>Annual Cost |
|---------------------|------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Trash               | Weekly           | \$100.32                            | \$104.33                            | \$108.51                            | \$112.85                            | \$117.36                            |
| Recycling           | Every other week | \$67.20                             | \$69.89                             | \$72.68                             | \$75.59                             | \$78.61                             |
| Curbside<br>Cleanup | Annual Spring    | \$54,834.69                         | \$57,028.08                         | \$59,309.20                         | \$61,681.57                         | \$64,148.83                         |

As an alternate bid, Granger is proposing a 5-year agreement with a 4.0% annual increase. Granger will not service personal carts.



# CITY OF ST. JOHNS, MICHIGAN REQUEST FOR COMMISSION ACTION May 20th, 2024

| Department: Police                          | Attachments:  | Submitted to<br>CA for<br>Review |
|---|---|----------------------------------|
| Subject: Proposed Golf Cart Ordinance       | <ul><li>[X] Proposed Golf Cart Ordinance</li><li>[X] Proposed Golf Cart</li><li>Registration</li><li>[X] Resolution to Introduce</li><li>proposed ordinance</li></ul> | [X]<br>[X]                       |
| Prepared by: David Kirk,<br>Chief of Police | Approved by: Chad A. Gamble, P.E.,<br>City Manager  |                                  |

**SUMMARY/HIGHLIGHT:** An interest has been expressed by some residents to create an ordinance allowing golf carts to be used on city streets. Without the ordinance, golf carts are prohibited on public streets by the Michigan Motor Vehicle Code and the use of public roadways are reserved for passenger motor vehicles with the inclusion of motorcycles and mopeds.

**BACKGROUND/DISCUSSION:** Discussions relative to golf cart use in the city has been an agenda item for both the Planning Commission as well as the City Commission. Proponents of allowing golf cart use on City streets have routinely referenced their use in other locations including Elsie and Owosso. Although increased mobility was put forward as a benefit to the carts, there has been no clear nexus created which mitigates a current mobility issue within the city. Essentially, the use of carts, if approved, will provide a potential recreational enhancement.

In conjunction with this discussion, both the Planning Commission and City Commission, as a whole, requested a safety analysis from the emergency services for the City. The Police Department, Clinton Area Ambulance, and St. Johns Fire Department collectively put forward concerns related to the safety of golf carts when used on public roadways noting the potential for catastrophic injury and death when a golf cart is involved in a crash with a passenger motor vehicle. In addition to the safety concerns, it was also noted that currently there is not a clear path to insure golf carts for use on public roadways. Should the cart be involved in a crash, the only actionable insurance available are those related to registered and insured passenger vehicles.

Lastly, there was discussion related to the suitability of golf carts relative to the current engineering of City streets. It was noted that there currently are no dedicated lanes to accommodate golf carts. This then creates the potential of passenger vehicles crossing left of center to overtake the golf carts as well as occupying space utilized by bicycles.

It is also noteworthy that there does not appear to be a clear consensus related to roadway exclusions within the city. Persons appearing at the Commission Meeting regularly when golf carts were on the agenda, noted that carts should be prohibited in the school zones due to traffic volume as well as the downtown for concerns related to vehicles backing up which likely would not see the carts in transit. Both of those suggestions are worthy of consideration but did note that input

from the DDA favored the allowance of the carts in the downtown area. The draft Ordinance provided to the City Commission <u>prohibits</u> golf carts on the following roadways, though this could change following discussion at the May 20 meeting:

- State Highways (M-21 and Business Route 127).
- Clinton Avenue between State Street and Railroad Avenue.
- Sickles Street west of Lansing Avenue.
- Any roadway with a speed limit over 30 MPH (notably, this includes Townsend Road), except to cross that roadway or street.

Following these discussions, it was decided to construct a pilot program which would be used to assess the suitability of golf carts utilizing public roadways within the city. Per the request, applicable portions of the Michigan Motor Vehicle Code and related federal safety standards have been collaboratively reviewed to fashion an ordinance to be used for the pilot program. City legal counsel did caution that any ordinance related to golf carts should be carefully structured to assure that potential liabilities related to the exclusion of sections of the Michigan Motor Vehicle Code are avoided. The results of those reviews have fashioned the proposed ordinance which is attached to this communication for consideration by the City Council.

The draft ordinance provided to the City Commission would be sunset on January 1, 2025, absent further action from the Commission. This allows the current ordinance to serve as a "pilot' program for summer and fall 2024, if the Commission desires.

**STRATEGIC PLAN OBJECTIVE:** As part of the preparation for this request, I exhaustively reviewed the City Strategic Plan as it relates to transportation. I was not able to locate any references to golf carts (or other non-traditional motor vehicles) in sections dedicated to streets and transportation but did locate consistent references to enhancing walkability and bicycle travel.

### Those references include:

- Page 50: Bicyclists and pedestrians should be able to use these streets safely as they venture downtown. Bicycle lanes are recommended for Spring Street and Brush Street as the main north-south non-motorize paths through the downtown area.
- Page 56: The streets in the Agriculture-Energy areas should be designed with a rural character, most likely as two-lane roads. Paved shoulders on the more heavily traveled routes are encouraged as a way to create a space for bicyclists, pedestrians, or stranded motorists.
- Page 57: Residential streets should be designed for slow traffic and easy pedestrian and bicycle usage, as they were historically.
- Page 84: Create non-motorized plan for downtown and surrounding neighborhoods which primarily identifies street crossing locations requiring additional markings and signage.
- Page 89: The street character and design aspects described above help to create complete streets by making walking a more enjoyable activity. On-street parking and narrow road lanes can calm traffic and lower speeds, creating a safer environment for people. New infrastructure for bicyclists and pedestrians brings encouragement and investment to these modes and creates opportunities for both transportation and recreation.
- Page 91: Non-motorized infrastructure should connect users to key destinations and corridors in a safe manner. Providing shared use paths and bicycle lanes where deemed appropriate can encourage users of all types and abilities to take advantage of the network.

Although not specifically referenced or consistent with the strategic plan, it is surmised that golf carts could provide a recreational enhancement.

FISCAL IMPACT: In order for a City sanctioned golf cart ordinance to be successfully administered, there will need to be some processes created and put into place. The registration of the carts is considered to be a necessary element. That process will include creation of data base entry location (possibly within existing BS&A software), as well as some sort of decal to be displayed on the cart for easy recognition of compliance with registration requirements. A registration decal prototype has been created for consideration. Unfortunately, Michigan statutes do not allow for an administrative fee related to the registering of carts. The expense for any materials as well as staff time necessary to process the registrations would be the City's to manage. Although associated costs and staff time needed likely would not be prohibitive, total expense would be dependent upon participation in the registration process.

**RECOMMENDATION:** Staff encourages the review of the proposed language and related ordinance. Then consider accordingly passage of an introduction of amendments to the Code of Ordinances permitting a pilot program for the use of golf carts with in the City limits with a sunset date of January 1, 2025.

88044:00001:200504438-1

# CITY OF ST. JOHNS ORDINANCE NO.

# AN ORDINANCE TO AMEND TITLE VII: TRAFFIC CODE BY ADDING CHAPTER 75: GOLF CARTS

An ordinance pursuant to Public Act 279 of 1909, as amended, and Public Act 300 of 1949, as amended, to permit and regulate the use and operation of golf carts in the City of St. Johns; to insure the public health, safety, and welfare; and to provide penalties for violations thereof.

### THE CITY OF ST. JOHNS ORDAINS:

## **Section 1. Purpose**

The purpose of this Ordinance is to adopt for the purpose of authorizing and regulating the operation of golf carts within the City to promote the health, safety, and welfare of persons operating golf carts within the City and to protect the safety of their passengers and other users of the road.

### Section 2. Amendment to Title VII: Traffic Code

Title VII (entitled *Traffic Code*) of the Code of Ordinances of the City of St. Johns is amended to add Chapter 75 (entitled *Golf Carts*) as follows:

## §. 75.01 Definitions

Decal means the sticker displayed on every registered golf cart within the City, which are obtained by completing and submitting the proper registration form to the City Police Department.

*Driver license* means an operator's or chauffeur's license or permit issued to an individual by the Secretary of State under Chapter III of the Michigan Vehicle Code, 1949 PA 300, MCL 257.301 to MCL 257.329, as amended, for that individual to operate a vehicle, whether or not conditions are attached to the license or permit.

Golf cart means a vehicle designed for transportation while playing the game of golf.

*Maintained portion* means that portion of a road improved, designated, or ordinarily used for vehicular traffic.

Operate means to ride in or on, or be in actual physical control of the operation of the golf cart.

Operator means a person who operates or is in actual physical control of the operation of a golf cart.

*Registration* means the process through which every person intending to operate a motorized golf cart on roads or streets within the City must follow.

*Street* means a road, roadway, street, or right-of-way within the City of St. Johns' street system, but does not include a private road. The terms road, roadway, street, and right-of-way are interchangeable.

Sunset and sunrise mean that time determined by the National Weather Service on any given day.

City means City of St. Johns, County of Clinton, State of Michigan.

# §75.02 Operation of golf carts on City streets.

A person may operate a golf cart on City streets subject to the following regulations:

- (A) Golf carts may only be operated on City streets Monday through Friday from April 1 to November 1 of each year.
- (B) A person shall not operate a golf cart on any street unless he or she is at least 16 years old and is licensed to operate a motor vehicle.
- (C) The operator of a golf cart shall comply with the signal requirements of MCL 257.648, as amended, that apply to the operation of a vehicle.
- (D) All golf carts operating on City streets must be equipped with the following safety equipment:
  - 1. At least 2 headlamps that comply with MCL 257.645.
  - 2. At least 1 tail lamp that complies with MCL 257.686.
  - 3. At least 1 stop lamp and 1 lamp or mechanical signal device that comply with MCL 257.697 and MCL 257.697b.
  - 4. One exterior mirror on the driver's side of the golf cart and either 1 exterior mirror mounted on the passenger side of the golf cart or 1 interior mirror as required for low-speed vehicle-s by 49 CFR 571.500.
  - 5. Brakes and a parking brake that comply with MCL 257.704.
  - 6. A horn that complies with MCL 257.706.
  - 7. A windshield that complies with MCL 257.708a.
  - 8. A manufacturer's identification number permanently affixed to the frame of the golf cart.

- 9. Safety belts that comply with MCL 257.710a and that are used as required by MCL 257.710e.
- (E) All golf carts are required to have at least 1 red reflector on each side of the golf cart as far to the rear as practicable and 1 red reflector on the rear of the golf cart as required for low-speed vehicles by 49 CFR 571.500.
- (F) The operator of a golf cart shall obey by all sections pertaining to traffic in the Michigan Vehicle Code and the Uniform Traffic Code.
- (G)A person operating a golf cart upon a roadway shall ride as near to the right side of the roadway as practicable, exercising due care when passing a standing vehicle or one proceeding in the same direction.
- (H) A person shall not operate a golf cart on a state trunk line highway. This subsection does not prohibit a person from crossing a state trunk line highway when operating a golf cart on a street of the City, using the most direct line of crossing.
- (I) Where a usable and designated path for golf carts is provided adjacent to a road or street, a person operating a golf cart shall be required to use that path. A golf cart shall not be operated on a sidewalk constructed for the use of pedestrians.
- (J) A person operating a golf cart shall not pass between lines of traffic but may pass on the left of traffic moving in his or her direction in the case of a two-way street, or on the left or right of traffic, in an unoccupied lane, in the case of a one-way street.
- (K) A golf cart shall be operated at a speed not to exceed 15 miles per hour.
- (L) Golf carts shall not be operated on any of the following roadways:
  - 1. State Highways (M-21, Business Route 127, etc)
  - 2. Clinton Avenue between State Street/M-21 and Railroad Avenue.
  - 3. Sickles Street West of Lansing Street
  - 4. Any roadway with a speed limit greater than 30 miles per hour, except to cross that roadway or street.
- (M) A golf cart shall not be operated on the streets of the City during the time period from one-half hour before sunset to one-half hour after sunrise.
- (N) A person operating a golf cart or who is a passenger in a golf cart is required to meet the crash helmet requirements applicable to low-speed vehicles under MCL 257.658b.
- (O) A golf cart shall not be used to carry more persons at one time than the number for which it is designed and equipped.

- (P) A golf cart shall not be operated during inclement weather or with snow and/or ice on the ground.
- (Q) Golf carts shall not be operated on a road or street in a negligent manner, endangering any person or property, or obstructing, hindering, or impeding the lawful course of travel of any motor vehicle or the lawful use by any pedestrian of public streets, sidewalks, paths, trails, walkways or parks.
- (R) Off-road vehicles, such as Gators, all-terrain vehicles (ATVs), a multitrack or multiwheel drive vehicle, dune buggy, or like-vehicles are not considered golf carts.
- (S) This section does not apply to a police officer or City officials, employees, contractors, or volunteers in the performance of City duties.

## §75.03 Parking Regulations.

The parking, stopping, and standing regulations provided in the City Code shall also apply to golf carts operated in the City as if they are motor vehicles under those provisions.

# §75.04 Registration and decals.

- (A) Golf cart owners shall register each golf cart on a biannual basis by making application to the City's Police Department. The City's Police Department may refuse to issue a registration decal if the applicant or the applicant's golf cart is in violation of this chapter, any portion of the City's Code, the Michigan Vehicle Code, or the Uniform Traffic Code. A list of registered golf carts shall be maintained by the City's Police Department and a copy provided to the City Manager.
- (B) There shall be no charge for the registration of a golf cart, and each approved golf cart shall be issued a registration decal. The golf cart owner shall affix each decal provided by the City's Police Department on a clearly visible place on the front of the golf cart. The decal shall be valid for two years.
- (C) Failure to register a golf cart or renew an existing registration shall constitute a violation of this article.
- (D) The City's Police Department retains the right to refuse to issue and/or revoke any registration decal from any golf cart for any reason that is felt appropriate to ensure the safety and well-being of the citizens of City.
- (E) Any police officer may temporarily suspend any registration decal and ban further access on any public street or public property by any golf cart, when in the opinion of that officer, the golf cart is being used in a manner to cause damage to public property or members of the public.

(F) The City Council reserves the right to waive the registration requirements of this ordinance for special events that utilize golf carts.

### §75.05 Violations and penalties.

- (A) Any person violating any provisions of this ordinance shall be responsible for a civil infraction. The penalty for the first offense shall be \$50.00, and \$100.00 for the first repeat offense. For any second or subsequent repeat offense, the fine shall be no more than \$250.00.
- (B) A court may order a person who causes damage to the environment, a road, or other public property as a result of the operation of a golf cart to pay full restitution for that damage above and beyond the penalties paid for civil infractions.

# Section 3. Validity and Severability.

If any portion of this Ordinance or its application to any person or circumstance shall be found to be invalid by a court, such invalidity shall not affect the remaining portions or applications of the Ordinance which can be given effect without the invalid portion or applications, provided the remaining portions are not determined by the court to be inoperable, and to this end Ordinances are declared to be severable.

### Section 4. Repealer.

All other ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed to the extent necessary to give this Ordinance full force and effect.

### Section 5. Effective Date.

This Ordinance shall become effective twenty (20) days after notice of adoption is published in a newspaper of general circulation within the City.

## Section 6. Sunset Date.

This Ordinance shall become void on January 1, 2025, unless extended prior to that date by the City Commission. The City further reserves the right to rescind this approval if in the future it is determined that the limited and regulated use of golf carts on the City's streets and highways has become a safety hazard or is deemed to be a nuisance.

88044:00001:200398878-3



# CITY OF ST. JOHNS RESOLUTION #21-2024

# RESOLUTION TO INTRODUCE AN ORDINANCE TO AMEND THE CITY OF ST. JOHNS CODE OF ORDINANCES REGARDING GOLF CARTS

At a regular meeting of the City Commission of the City of St. Johns, Clinton County, Michigan, held at the City Hall, in said City on the 20th day of May, 2024 at 6:00 p.m., Local Time. Present: Absent: The following resolution was offered by \_\_\_\_\_ and supported by WHEREAS, pursuant to Public Act 279 of 1909, as amended, and Public Act 300 of 1949, as amended, the City is authorized by statute to adopt ordinances regulating the public health, safety, and general welfare of persons and property, including, but not limited to, ordinances concerning, use or registration of golf carts; and WHEREAS, the City wishes to adopt a golf cart ordinance by amending Title VII (entitled Traffic Code) of the Code of Ordinances by adding Chapter 75 (entitled Golf Carts), which would authorize and regulate the operation of golf carts within the City to promote the health, safety, and welfare of persons operating golf carts within the City and to protect the safety of their passengers and other users of the road; and WHEREAS, pursuant to the "Ordinance" chapter of the City of St. Johns' Charter ("Charter"), the City has the authority to amend the Code of Ordinances; and WHEREAS, pursuant to Section 5 of the "Ordinance" chapter of the Charter, the City desires to introduce Ordinance No. , An Ordinance Amending The City Of St. Johns Zoning Code Regarding Traffic Codes by Adding Chapter 75: Golf Carts. NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of St. Johns as follows: The City introduces Ordinance No.-\_\_\_\_, An Ordinance Amending The City 1. Of St. Johns Zoning Code Regarding Traffic Codes by Adding Chapter 75: Golf Carts. 2. To the extent that any resolution or portion of resolution is inconsistent with this Resolution, such resolutions or portions of resolutions are hereby rescinded. ADOPTED: YEAS: \_\_\_\_\_ NAYS:

| STATE OF MICHIGAN | ) |
|-------------------|---|
|                   | ) |
| COUNTY OF CLINTON | ) |

I, the undersigned, the duly qualified and acting Clerk of the City of St. Johns, Clinton County, Michigan, DO HEREBY CERTIFY that the foregoing is a true and complete copy of certain proceedings taken by the City Commission of said City at a regular meeting held on the 20th day of May, 2024.

Mindy J. Seavey, City Clerk

88044:00001:200399134-1

# CITY OF ST. JOHNS, MICHIGAN REQUEST FOR COMMISSION ACTION May 20, 2024

| Department: Planning and Zoning                                   | Attachments:   |  |
|---|--|--|
| Subject: Recommended Zoning<br>Amendment – Chicken Coop Materials | <ul> <li>[X] Recommended Zoning Amendment – Track<br/>Changes</li> <li>[X] Recommended Zoning Amendment –<br/>Ordinance Format</li> <li>[X] Resolution #22-2024</li> </ul> |  |
| Prepared by: Chris Khorey, Planning Administrator, McKenna        | Approved by: Chad A. Gamble, P.E., City Manager,   |  |

**SUMMARY/HIGHLIGHT:** In 2023, the City Commission adopted a new Keeping of Animals section for the St. Johns Zoning Ordinance (Section 155.200). One key aspect of that ordinance was permitting the keeping of chickens on residential lots in the City.

The Ordinance requires a Zoning Permit for the construction of the chicken coop and the keeping of chickens. Zoning Administrator Ken Skunda has approved several such applications, but had to reject others on the basis that they were in violation of the building materials requirements.

The Planning Commission has recommended an amendment to clarify, and to some extent, soften, the materials requirements.

**BACKGROUND/DISCUSSION**: The proposed amendment has the following key points:

- o Require the coop to be "securely fastened and free of rips and tears."
- Allow canvas and tarps (which were previous prohibited), provided they have a minimum thickness of 20 mil (for canvas) and 10 mil (for tarps).

**STRATEGIC PLAN OBJECTIVE:** Master Plan Neighborhoods Goal #1 States: "Preserve, Protect, and Enhance the Integrity, Economic Viability, and Livability of St. Johns Neighborhoods." Creating a controlled environment for the keeping of chickens, but allowing that use in residential yards, furthers that goal.

**FISCAL IMPACT:** The City may experience some cost savings from reduced Zoning Administration time in the processing of chicken coop applications.

**RECOMMENDATION:** Staff requests that the City Commission approve First Reading of the recommended Zoning amendment.

## § 155.200 KEEPING OF ANIMALS.

(A) Definitions. For the purpose of this section, the following definitions shall apply unless the context indicates or requires a different meaning.

DOMESTICATED ANIMALS. Animals taken care of in their day-to-day needs by humans.

EXOTIC OR WILD ANIMAL. Any animal not commonly domesticated in Michigan that is kept as a pet, raised for slaughter, or used for agricultural purposes, especially animals that pose a clear and present danger to humans. The following animals shall be considered EXOTIC OR WILD ANIMALS in all instances: big cats, venomous snakes, birds of prey, primates, deer, racoons, and opossums.

LIVESTOCK. A domesticated animal raised for slaughter or kept for the purposes of contributing to an agricultural use through labor, breeding, or the production of milk, eggs, manure, wool, or other animal-based products. The following animals shall be considered LIVESTOCK in all instances: cattle, horses, pigs, sheep, goats, turkeys, and chickens.

- (B) All domesticated animals must be kept in safe and sanitary conditions appropriate to their species and in compliance with all county, state, and federal standards.
  - (C) The following domesticated animals may be kept on a residentially zoned lot:
    - (1) Livestock.
- (a) A zoning permit shall be required to keep livestock on a lot. The Zoning Administrator shall have the jurisdiction to determine that an animal is considered livestock under this section, based on the definition in division (A). Appeals of the decision of the Zoning Administrator shall be to the Zoning Board of Appeals.
- (b) Livestock with fur shall be prohibited within 500 feet of any dwelling unit. Examples include, but are not limited to: cattle, sheep, and horses.
  - (c) Chickens. Chickens shall only be permitted in the following circumstances:
    - 1. Chickens shall only be permitted in the R-1, R-2, and R-3 Zoning Districts.
- 2. Lots under one acre shall be permitted to have up to four chickens. Lots over one acre shall be permitted to have up to six chickens.
  - 3. Roosters shall not be permitted.
  - 4. The slaughtering of any chicken is prohibited.
- 5. Chickens must be kept within a covered enclosure, including a coop and a run, at all times. Chickens shall not be allowed to roam the lot or any other property. The covered enclosure shall be exempt from the standards governing fences in § 155.187 and shall instead be subject to the regulations of this section.

- 6. The enclosed area where the chickens are kept, including the coop and the run, must meet the following standards:
  - A. It shall not be located in a front yard.
- B. It shall be set back at least ten feet from any lot line and any residence on the same lot as the chicken enclosure.
- C. It shall be set back at least 40 feet from any residence that is not on the same lot as the chicken enclosure.
- D. It shall not exceed the maximum allowable height for a detached accessory structure in the zoning district it is located within.
- E. It shall count as a structure for the purpose of calculating the maximum permitted lot coverage.
  - F. It shall be maintained in a clean and neat matter at all times.
- G. The coop must be securely fastened and free of rips and tears. The following materials shall not be used to construct the enclosure area: plastic, fabric, rubber, paper, cardboard, or other non-traditional building materials.
  - 1. Canvas is permitted but shall have a minimum mil thickness of 20.
  - 2. Tarps are permitted but must have a minimum mil thickness of 10.
- G. The following materials shall not be used to construct the enclosure area: tarps, plastic, fabric, rubber, paper, cardboard, or other non-traditional building materials.
  - H. Chicken feed must be kept in rodent-proof, sealed containers.
- (d) Bees. Bees may be kept on any lot, provided the bee enclosure is located in the rear yard and is set back at least 20 feet from any lot line.
- (D) Exotic or wild animals. Exotic or wild animals shall not be kept as domesticated animals anywhere in the city. See Chapter 92.
  - (E) Kennels. See § 155.437.

(Ord. 678, passed 8-28-2023)

# CITY OF ST. JOHNS ORDINANCE NO.

# AN ORDINANCE TO AMEND CHAPTER 155 OF THE CODE OF ORDINANCES REGARDING CHICKENS

### THE CITY OF ST. JOHNS ORDAINS:

**Section 1. Amendment to Chapter 155, §201.** The City amends Chapter 155 of the City's Code of Ordinances by amending §200 as follows:

## § 155.200 KEEPING OF ANIMALS.

(A) Definitions. For the purpose of this section, the following definitions shall apply unless the context indicates or requires a different meaning.

DOMESTICATED ANIMALS. Animals taken care of in their day-to-day needs by humans.

EXOTIC OR WILD ANIMAL. Any animal not commonly domesticated in Michigan that is kept as a pet, raised for slaughter, or used for agricultural purposes, especially animals that pose a clear and present danger to humans. The following animals shall be considered EXOTIC OR WILD ANIMALS in all instances: big cats, venomous snakes, birds of prey, primates, deer, racoons, and opossums.

LIVESTOCK. A domesticated animal raised for slaughter or kept for the purposes of contributing to an agricultural use through labor, breeding, or the production of milk, eggs, manure, wool, or other animal-based products. The following animals shall be considered LIVESTOCK in all instances: cattle, horses, pigs, sheep, goats, turkeys, and chickens.

- (B) All domesticated animals must be kept in safe and sanitary conditions appropriate to their species and in compliance with all county, state, and federal standards.
  - (C) The following domesticated animals may be kept on a residentially zoned lot:
    - (1) Livestock.
- (a) A zoning permit shall be required to keep livestock on a lot. The Zoning Administrator shall have the jurisdiction to determine that an animal is considered livestock under this section, based on the definition in division (A). Appeals of the decision of the Zoning Administrator shall be to the Zoning Board of Appeals.
- (b) Livestock with fur shall be prohibited within 500 feet of any dwelling unit. Examples include, but are not limited to, cattle, sheep, and horses.
  - (c) Chickens. Chickens shall only be permitted in the following circumstances:
    - 1. Chickens shall only be permitted in the R-1, R-2, and R-3 Zoning Districts.
- 2. Lots under one acre shall be permitted to have up to four chickens. Lots over one acre shall be permitted to have up to six chickens.
  - 3. Roosters shall not be permitted.

- 4. The slaughtering of any chicken is prohibited.
- 5. Chickens must be kept within a covered enclosure, including a coop and a run, at all times. Chickens shall not be allowed to roam the lot or any other property. The covered enclosure shall be exempt from the standards governing fences in § 155.187 and shall instead be subject to the regulations of this section.
- 6. The enclosed area where the chickens are kept, including the coop and the run, must meet the following standards:
  - A. It shall not be located in a front yard.
- B. It shall be set back at least ten feet from any lot line and any residence on the same lot as the chicken enclosure.
- C. It shall be set back at least 40 feet from any residence that is not on the same lot as the chicken enclosure.
- D. It shall not exceed the maximum allowable height for a detached accessory structure in the zoning district it is located within.
- E. It shall count as a structure for the purpose of calculating the maximum permitted lot coverage.
  - F. It shall be maintained in a clean and neat matter at all times.
- G. The coop must be securely fastened and free of rips and tears. The following materials shall not be used to construct the enclosure area: plastic, fabric, rubber, paper, cardboard, or other non-traditional building materials.
  - 1. Canvas is permitted but shall have a minimum mil thickness of 20.
  - 2. Tarps are permitted but must have a minimum mil thickness of 10.
  - H. Chicken feed must be kept in rodent-proof, sealed containers.
- (d) Bees. Bees may be kept on any lot, provided the bee enclosure is located in the rear yard and is set back at least 20 feet from any lot line.
- (D) Exotic or wild animals. Exotic or wild animals shall not be kept as domesticated animals anywhere in the city. See Chapter 92.
  - (E) Kennels. See § 155.437.
- **Section 2. Validity and Severability.** If any portion of this Ordinance or its application to any person or circumstance shall be found to be invalid by a court, such invalidity shall not affect the remaining portions or applications of the Ordinance which can be given effect without the invalid portion or applications, provided the remaining portions are not determined by the court to be inoperable, and to this end Ordinances are declared to be severable.
- **Section 3. Repeal and Replace.** All other ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed to the extent necessary to give this Ordinance full force and effect.

| <b>Section 4. Publication and Effective Date.</b> The City Clerk shall publish a notice of adoption of this Ordinance within 7 days of its adoption. This Ordinance shall take effect 20 days after its passage.   |
|--|
| YEAS:  |
| NAYS:  |
| ABSTAIN:   |
| ABSENT:  |
| CERTIFICATION  |
| As the City Clerk of the City of St. Johns, Clinton County, Michigan, I certify that this is a true and complete copy of an ordinance adopted by the St. Johns City Commission at a regular meeting held on, 2024. |
| Scott Dzurka, Mayor  |
| Mindy J. Seavey, Clerk   |
|  |

88044:00001:200524036-1

# CITY OF ST. JOHNS RESOLUTION #22-2024

# RESOLUTION TO INTRODUCE AN ORDINANCE TO AMEND CHAPTER 155 THE CITY OF ST. JOHNS CODE OF ORDINANCES REGARDING CHICKENS

At a regular meeting of the City Commission of the City of St. Johns, Clinton County, Michigan, held at the City Hall, in said City on the 20th day of May at 6:00 p.m., Local Time. Present: Absent: The following resolution was offered by \_\_\_\_\_ and supported by WHEREAS, pursuant to the Michigan Zoning Enabling Act, Act 110 of 2006, MCL 125.3101 et seq., as amended ("MZEA"), the City has the authority to regulate the use of land within the City; and WHEREAS, the City desires to regulate the keeping of chickens within the City by amending Section 155.200 of Title XV (Land Usage) of the City's Code of Ordinances; and WHEREAS, upon giving notice in accordance with the MZEA, the City Planning Commission held a public hearing to consider the Ordinance; and WHEREAS, on April 10, 2024, the Planning Commission voted to recommend adoption of the Ordinance to the City Commission; WHEREAS, the City desires to introduce the Ordinance. NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of St. Johns as follows: The City introduces Ordinance No. , An Ordinance Amending Chapter 155 1. of The City Of St. Johns Zoning Code Regarding Chickens. 2. To the extent that any resolution or portion of resolution is inconsistent with this Resolution, such resolutions or portions of resolutions are hereby rescinded. ADOPTED: YEAS: NAYS:

| STATE OF MICHIGAN | ) |
|-------------------|---|
|                   | ) |
| COUNTY OF CLINTON | ) |

I, the undersigned, the duly qualified and acting Clerk of the City of St. Johns, Clinton County, Michigan, DO HEREBY CERTIFY that the foregoing is a true and complete copy of certain proceedings taken by the City Commission of said City at a regular meeting held on the 20th day of May, 2024.

88044:00001:200524131-1

# CITY OF ST. JOHNS, MICHIGAN REQUEST FOR COMMISSION ACTION May 20, 2024

| Department: Planning and Zoning                               | Attachments:  |
|---|---|
| Subject: Recommended Zoning<br>Amendment – Required Sidewalks | <ul> <li>[X] Recommended Zoning Amendment – Track Changes</li> <li>[X] Recommended Zoning Amendment – Ordinance Format</li> <li>[X] Resolution #</li> </ul> |
| Prepared by: Chris Khorey, Planning Administrator, McKenna    | Approved by: Chad A. Gamble, P.E.,<br>City Manager  |

**SUMMARY/HIGHLIGHT:** For many years, the Planning Commission, Site Plan Review Committee, and Community Development Staff have interpreted the Zoning Ordinance to require new sidewalks to be installed where they do not currently exist as a condition of any Site Plan Approval. However, the language that has been used to justify this requirement (Section 151.62.F) is vague, hard to find, and easy to circumvent.

The Planning Commission has recommended a Zoning Amendment to create a clear and unequivocal requirement that sidewalks be installed where they do not currently exist. This amendment would be a new Section 155.201.

# **BACKGROUND/DISCUSSION**: The proposed amendment has the following key points:

- Clearly require sidewalks to be installed where they do not already exist, in the following circumstances:
  - Any type of Site Plan Approval (Administrative, Committee, or Planning Commission).
  - The construction of a new principal structure on a lot, including single family homes (which do not trigger Site Plan Approval).
  - Along both sides of any newly constructed roadway.
- Require the new sidewalks to be at least 5 feet wide and meet the City's engineering design standards.
- o Include a waiver process *at the discretion of the Planning Commission only*. City Staff and the Site Plan Review Committee would have no authority to waive the sidewalk requirement. The criteria for a waiver would be:
  - 1. There is a legal, physical, or environmental impediment that makes the construction of a sidewalk meeting the City's design standards impossible, in the opinion of the Planning Commission.
  - 2. The granting of the waiver would not be detrimental to the public health, safety, or general welfare and would not create a precedent which would prevent the

- enforcement of the ordinance for similar conditions or situations in the area in which the property is located.
- 3. A waiver not limited by a specific duration shall be deemed unspecified in length, but shall not be considered a permanent waiver of sidewalk requirements nor revoke in any way the right of the City to order, install, or assess for sidewalks in accordance with other sections of the Code of Ordinances upon a determination that conditions are necessary for the construction of sidewalk in accordance with public need, health, safety, and general welfare.
- 4. In permitting a waiver, conditions of approval may be imposed that are necessary to meet the intent of this subsection or to preserve the public health, safety, and general welfare.

**STRATEGIC PLAN OBJECTIVE:** This Zoning Amendment directly implements the Master Plan's goals for sidewalks, from Page 91 of the plan:

#### SIDEWALKS

Some neighborhoods are not currently connected to the City's sidewalk network, creating a difficult walking environment. Old 127 does not have sidewalks, limiting its accessibility as a major corridor. Priorities for St. Johns should be filling in the gaps in the existing sidewalk network, connecting sidewalks to downtown and to other destinations, and requiring sidewalk improvements as part of new development or redevelopment. Priority projects include the following:

- » Complete the existing sidewalk network, especially on Old 127, Sturgis, Lincoln, and Mead Streets to provide more connections in and around downtown.
- » Sidewalks should continue to be installed as new neighborhoods are constructed to add to the extensive sidewalk network already in place.
- » Sidewalk connections to the school campus areas, particularly the middle school, are highly encouraged to promote safe routes to school and as part of encouraging more walking activity.

**FISCAL IMPACT:** Upfront fiscal impact is expected to be minimal. Long-term, the City may face additional costs in enforcing the upkeep of the sidewalks by neighboring property owners. On the other hand, a City well-connected by pedestrian infrastructure will have higher property values and generate higher tax revenues.

**RECOMMENDATION:** Staff requests that the City Commission approve First Reading of the recommended Zoning amendment.

### § 155.201 SIDEWALKS

- A. **Sidewalks Required.** Sidewalks, at least five feet in width and meeting the design and engineering requirements of the City of St. Johns shall be installed along the street frontage of a property whenever a Site Plan approval (of any type) is required under this Ordinance or whenever a new principal structure is constructed on any lot (including single family homes). Sidewalks shall also be installed along both sides of all new roadways constructed in the City of St. Johns.
- B. **Waiver Process.** The Planning Commission may waive the requirements of Subsection A based on the following criteria:
  - 1. There is a legal, physical, or environmental impediment that makes the construction of a sidewalk meeting the City's design standards impossible, in the opinion of the Planning Commission.
  - The granting of the waiver would not be detrimental to the public health, safety, or general welfare and would not create a precedent which would prevent the enforcement of the ordinance for similar conditions or situations in the area in which the property is located.
  - 3. A waiver not limited by a specific duration shall be deemed unspecified in length, but shall not be considered a permanent waiver of sidewalk requirements nor revoke in any way the right of the City to order, install, or assess for sidewalks in accordance with other sections of the Code of Ordinances upon a determination that conditions are necessary for the construction of sidewalk in accordance with public need, health, safety, and general welfare.
  - 4. In permitting a waiver, conditions of approval may be imposed that are necessary to meet the intent of this subsection or to preserve the public health, safety, and general welfare.

# CITY OF ST. JOHNS ORDINANCE NO.

# AN ORDINANCE TO AMEND CHAPTER 155 OF THE CODE OF ORDINANCES REGARDING SIDEWALKS

# THE CITY OF ST. JOHNS ORDAINS:

**Section 1. Amendment to Chapter 155, §201.** The City amends Chapter 155 of the City's Code of Ordinances by adding §201 as follows:

# § 155.201 SIDEWALKS.

- (A) **Sidewalks Required.** Sidewalks, at least five feet in width and meeting the design and engineering requirements of the City of St. Johns shall be installed along the street frontage of a property whenever a Site Plan approval (of any type) is required under this Ordinance or whenever a new principal structure is constructed on any lot (including single family homes). Sidewalks shall also be installed along both sides of all new roadways constructed in the City of St. Johns.
- (B) Waiver Process. The Planning Commission may waive the requirements of Subsection A based on the following criteria:
  - (1) There is a legal, physical, or environmental impediment that makes the construction of a sidewalk meeting the City's design standards impossible, in the opinion of the Planning Commission.
  - (2) The granting of the waiver would not be detrimental to the public health, safety, or general welfare and would not create a precedent which would prevent the enforcement of the ordinance for similar conditions or situations in the area in which the property is located.
  - (3) A waiver not limited by a specific duration shall be deemed unspecified in length, but shall not be considered a permanent waiver of sidewalk requirements nor revoke in any way the right of the City to order, install, or assess for sidewalks in accordance with other sections of the Code of Ordinances upon a determination that conditions are necessary for the construction of sidewalk in accordance with public need, health, safety, and general welfare.
  - (4) In permitting a waiver, conditions of approval may be imposed that are necessary to meet the intent of this subsection or to preserve the public health, safety, and general welfare.
- **Section 2. Validity and Severability.** If any portion of this Ordinance or its application to any person or circumstances shall be found to be invalid by a court, such invalidity shall not affect the remaining portions or applications of the Ordinance which can and shall be given effect without the invalid portion or applications, provided the remaining portions are not determined by the court to be inoperable and to this end Ordinances are declared to be severable.

| <b>Section 4. Publication and Effective Date.</b> The City Clerk shall publish a notice of adoption of this Ordinance within 7 days of its adoption. This Ordinance shall take effect 20 days after its passage.   |
|--|
| YEAS:  |
| NAYS:  |
| ABSTAIN:   |
| ABSENT:  |
| CERTIFICATION  |
| As the City Clerk of the City of St. Johns, Clinton County, Michigan, I certify that this is a true and complete copy of an ordinance adopted by the St. Johns City Commission at a regular meeting held on, 2024. |
| Scott Dzurka, Mayor  |
| Mindy J. Seavey, Clerk   |
|  |

**Section 3. Repeal and Replace.** Any and all ordinances inconsistent with this Ordinance are hereby repealed, but only to the extent necessary for this Ordinance to be in full force and effect.

88044:00001:200523951-1

# CITY OF ST. JOHNS RESOLUTION #23-2024

# RESOLUTION TO INTRODUCE AN ORDINANCE TO AMEND CHAPTER 155 OF THE CODE OF ORDINANCES REGARDING SIDEWALKS

|                                | regular meeting of the City Commission of the City ld at the City Hall, in said City on the 20 <sup>th</sup> day of May  |  |
|--------------------------------|--|--|
| Present:                       |  |  |
| Absent:                        |  |  |
| The f                          | Collowing resolution was offered by  | and supported by   |
|                                | REAS, pursuant to the Michigan Zoning Enabling seq., as amended ("MZEA"), the City has the authorty; and   |  |
| requirements<br>approval is re | REAS, the City desires to regulate the width and of of sidewalks installed along the street frontage of pequired under the Ordinance or whenever a new principapter 155 of Title XV (Land Usage) of the City's Cod | property whenever a site plan ipal structure is constructed by |
|                                | REAS, upon giving notice in accordance with the held a public hearing to consider the Ordinance; and   | e MZEA, the City Planning                                      |
|                                | REAS, on April 10, 2024, the Planning Commission nce to the City Commission; and   | voted to recommend adoption                                    |
| WHE                            | REAS, the City desires to introduce the Ordinance.   |  |
| NOW<br>as follows:             | , THEREFORE, BE IT RESOLVED by the City Com  | mission of the City of St. Johns                               |
| 1.                             | The City introduces Ordinance No, An Ord of the Code of Ordinances Regarding Sidewalks.  | linance to Amend Chapter 155                                   |
| 2.                             | To the extent that any resolution or portion of resolution, such resolutions or portions of resolutions  |  |
| ADOPTED:                       |  |  |
| YEAS                           | S:   |  |

| NAYS:             |   |
|-------------------|---|
| STATE OF MICHIGAN | ) |
| COUNTY OF CLINTON | ) |

I, the undersigned, the duly qualified and acting Clerk of the City of St. Johns, Clinton County, Michigan, DO HEREBY CERTIFY that the foregoing is a true and complete copy of certain proceedings taken by the City Commission of said City at a regular meeting held on the 20<sup>th</sup> day of May, 2024.

Mindy J. Seavey, City Clerk

88044:00001:200523964-1

### CITY COMMISSION OF THE CITY OF ST. JOHNS

### RESOLUTION NO. 24-2024

### RESOLUTION ACKNOWLEDGING AND RECOGNIZING JUNE AS PRIDE MONTH

| At a regular meeting of the City Commission of the City of St. Johns, Clinton County, Michigan |
|--|
| (the "City") held at the Clinton County Courthouse on the 20th day of May, 2024, at 6:00 p.m.  |
| PRESENT:   |
| ABSENT:  |
| The following preamble and resolution were offered by Commissioner and seconded by             |
| Commissioner   |
|  |

WHEREAS, Pride Month has been celebrated for more than 50 years; and

WHEREAS, President Bill Clinton officially declared June as Gay and Lesbian Pride Month in 2000; and

**WHEREAS**, President Barack Obama expanded the observance in 2011 to Lesbian, Gay, Bisexual and Transgender Pride Month; and

**WHEREAS**, today, celebrations include pride parades, picnics, parties, workshops, symposia and concerts, and LGBTQIA+ Pride Month events attract millions of participants around the world; and

- WHEREAS, it is also common for memorials to be held during this month for those members of the community who have been lost to hate crimes and HIV/AIDS; and
- **WHEREAS**, Pride Month was inspired to achieve equal justice and opportunity for LGBTQIA+ Americans; and
- **WHEREAS**, the purpose of Pride Month is to recognize the impact that LGBTQIA+ individuals have had on society locally, nationally, and internationally; and
- **WHEREAS**, the LGBTQIA+ community are groups of people who for so long have hid their real identities and have since summoned the courage to become their true selves; and

WHEREAS, that awareness is why Pride Month and these pride events are so important.

| the City does hereby forms<br>of support for the LGBTQ | •                     | ecognize June as Pride Month as an expression ohns, MI.                                 |
|--|-----------------------|---|
| ADOPTED:   |                       |   |
| YEAS:  |                       |   |
| NAYS:  |                       |   |
|  |                       |   |
| STATE OF MICHIGAN                                      | )                     |   |
|  | )                     |   |
| COUNTY OF CLINTON                                      | )                     |   |
| Resolution declared adopte                             | ed on May 20, 2024.   |   |
| Scott Dzurka, Vice Mayor                               |                       | Mindy J. Seavey, City Clerk   |
|  | ion No. 24-2024, duly | Johns, hereby certify this to be a true and adopted at a meeting of the City Commission |
|  |                       | Mindy J. Seavey, St. Johns City Clerk   |

**NOW THEREFORE**, be it resolved by the City Commission of the City of St. Johns that

# CITY OF ST. JOHNS, MICHIGAN REQUEST FOR COMMISSION ACTION May 20, 2024

| <b>Department: Public Services</b>        | Attachments:                       | Submitted to |
|---|------------------------------------|--------------|
|   |                                    | CA for       |
|   |                                    | Review       |
| <b>Subject: MDOT Transportation</b>       | [X] TEDF Funding Resolution        | [ X ]        |
| <b>Economic Development Fund Category</b> |                                    |              |
| B Program Resolution to apply.            |                                    |              |
|   |                                    |              |
|   |                                    |              |
|   |                                    |              |
| Prepared by: Justin Smith,                | Approved by: Chad A. Gamble, P.E., |              |
| Director of Public Services               | City Manager                       |              |
|   |                                    |              |

**SUMMARY/HIGHLIGHT:** The Michigan Department of Transportation (MDOT), through the Transportation Development Fund Category B Program, has issued matching grant funding of up to \$250,000 for qualifying municipalities with populations under 10,000. Included in our funding application must be a resolution passed by the City Commission incorporated via the RCA.

The areas of Clinton Ave, Walker and Higham Street in the downtown area will be the focus of this grant opportunity.

**BACKGROUND/DISCUSSION:** Utilizing our street millage qualifies as matching funds.

**STRATEGIC PLAN OBJECTIVE:** Master Plan Goals Public Facilities GOAL #1: Continue to Offer High Quality Services and Facilities for Residents.

**FISCAL IMPACT:** Funds within our local and major street budget from the street millage qualify as matching funds. If awarded this grant, the City will receive the full amount from the TDFC Fund upon award, our goal is to complete the projects listed above with the majority of funds coming from the grant.

**RECOMMENDATION:** Approval of the resolution to request funding from the Transportation Economic Development Fund Category B Program to implement a road maintenance program and name Justin Smith as the designated agent. The resolution has been reviewed and approved to form by our attorney.

### **CITY OF ST JOHNS**

### **RESOLUTION NO. 25-2024**

A RESOLUTION TO ESTABLISH A REQUEST FOR FUNDING, DESIGNATE AN AGENT, ATTEST TO THE EXISTENCE OF FUNDS AND COMMIT IT TO COMMIT TO IMPLEMENTING A MAINTENANCE PROGRAM FOR RESURFACING OF LOCAL STREETS FUNDED BY THE TRANSPORTATION ECONOMIC DEVELOPMENT FUND CATEGORY B PROGRAM.

Minutes of the regular meeting of the Commission of the City of St Johns, Clinton County, Michigan held in the Clinton County Courthouse, 100 E State Street, in said City, on Monday May 20th 2024 at 6:00 pm. PRESENT COMMISSIONERS: ABSENT COMMISSIONERS: The following preamble and resolution were offered by Commissioner and supported by Commissioner WHEREAS, the City of St Johns is applying for \$250,000 in funding through MDOT from the Transportation Economic Development Category B Program to construct Street Resurfacing on Clinton, Higham and Walker Streets. WHEREAS, MDOT requires a formal commitment from the public agency that will be receiving these funds and will be implementing and maintaining these infrastructure projects. NOW, THEREFORE, BE IT RESOLVED THAT, The City has authorized Justin Smith, Director of Public Services, to act as agent on behalf of the City to request Transportation Economic Development Fund Category B Program funding, to act as the applicant's agent during the project development, and to sign a project agreement upon receipt of a funding award. BE IT FURTHER RESOLVED THAT, the City attests to the existence of, and commits to, providing at least \$250,000 toward the construction costs of the projects, and all costs for design, permit fees, administration costs and cost overruns. BE IT FURTHER RESOLVED THAT, the City commits to owning, operating, funding and implementing a maintenance program over the design life of the facilities constructed with Transportation Economic Development Fund Category B Program funding. PRESENT COMMISSIONERS: NAYS: COMMISSIONERS:

ABSENT COMMISSDIONERS:

RESOLUTION DECLARED ADOPTED.

| NAME:   |
|---|
| TITLE:  |
|   |
| CERTIFICATION   |
| The forgoing resolution was certified at a regular meeting of the Commission of the City of St Johns held on May $20^{\text{th}}\ 2024$ |
| Signature:  |
| Title:  |

# CITY OF ST. JOHNS, MICHIGAN REQUEST FOR COMMISSION ACTION May 20, 2024

| Department: Administration                   | Attachments:                       | Submitted to |
|--|------------------------------------|--------------|
|  |                                    | CA for       |
|  |                                    | Review       |
| <b>Subject: Purchase Policy Updates 2024</b> | [X] Proposed Purchase Policy       | [X]          |
|  |                                    | [ ]          |
|  |                                    | [ ]          |
|  |                                    |              |
|  |                                    |              |
|  |                                    |              |
| Prepared by: Chad A. Gamble, P.E.,           | Approved by: Chad A. Gamble, P.E., |              |
| City Manager                                 | City Manager                       |              |
|  |                                    |              |

**SUMMARY/HIGHLIGHT:** The City has a purchase policy that governs the authority (and related limits), process, procedure and details of the procurement of goods and services for the City. This policy has not been updated in nearly 10 years. Some of the changes we are proposing are raising the overall limit for formal bids, thus raising the limit that items can be purchased via quotes while maintaining transparency in City purchases. These changes will also work to create a streamlined process of purchasing items while ensuring and maintaining the approval authority of the Commission of all capital purchases over \$5,000. As a reminder, as per the City Charter all contracts, regardless of cost, are required to be presented to the commission for approval.

### BACKGROUND/DISCUSSION: n/a

STRATEGIC PLAN OBJECTIVE: n/a

**FISCAL IMPACT:** The purchase policy is the controlling documents for all purchases in the City. Although this RCA has no financial impact, the document under consideration governs all City purchases.

**RECOMMENDATION:** It is recommended that the City Commission approval the changes proposed as part of the 2024 updates to the City's purchasing policy.

# City of St. Johns Purchasing Policy (Revised 2024)

**General Purpose**: The purpose of this policy is to acquaint all departments and officials with the flow of required forms and internal procedures to be followed in the purchasing process. Its purpose is also to ensure the efficient procurement of appropriate goods and services at appropriate prices via a transparent and ethical process. All purchases are ultimately the responsibility of the City Manager and may be approved or denied in accordance with the provisions of this policy and within the limitations of the City budget. The City Manager can move budgeted expenditures within the fund without the approval of the City Commission.

The City Manager, any officer or employee of the City, or any member of the City Commission shall not be financially interested, directly or indirectly, in any purchase order or contract coming under the purview of their official duties. State law and City policy prohibit officers or employees from acting as vendors to the City.

The City will strive to buy the best quality goods and services at the lowest price. In this endeavor, the City shall be an equal opportunity purchaser, favoring local vendors and American made equipment and services <u>only when</u> all other factors are relatively equal.

### **Authorization to Purchase**

**Credit Cards:** City credit cards may be used to make purchases from vendors in accordance with this policy and in conformance with the Credit Cards Use Policy. Purchases made on credit cards are subject to transaction and credit limits established for each individual card.

**Purchase Orders (\$5,000 +):** Purchase orders are required for all purchases over \$5,000. Purchase orders must be reviewed and approved by the City Treasurer and City Manager prior submission to a vendor.

**Contracts:** All purchases for services or goods that require a contract must be presented to the City Commission for consideration per the City Charter.

**Sole Source Purchases:** If a specific product or vendor is desired to provide goods and/or services for the City, the City Manager must forward a Request for Commission Action form request to the City Commission for consideration.

**Purchases up to \$14,999:** Department Heads or their designee are authorized to purchase goods and services up to \$14,999 if funds are available within their Departmental budget and items were approved and appropriated as a line item in the City's formal budgeting process. Department Heads are strongly encouraged to obtain multiple quotes prior to making a purchase.

**Purchases between \$15,000 and \$49,999:** Department Heads may purchase goods and services within this price range provided that all of the following criteria is met:

- **1.** The goods or services being purchased were specifically approved and appropriated as a line item in the City's formal budgeting process.
- **2.** The goods or services' final costs fall below the approved budgeted appropriation.
- **3.** The item being purchased does not require a contract.
- **4.** A minimum of three written quotes were received by the Department Head or provide support and documentation why three quotes were not able to be obtained, to the City Manager, for review and approval.

If all of the above criteria are met, then the purchase authorization can be issued by the City Manager or, in their absence, the Deputy City Manager or Finance Director.

**Purchases over \$50,000:** With limited exceptions as detailed within this policy, purchases in this category are required to be formally bid. This may be an electronic bidding process at the approval of the City Manager. Once the bid opening process is complete, the Department Head will prepare a recommendation for the City Manager to forward onto the City Commission. If awarded by the City Commission, the Department Head will inform the winning bidder. The City Commission reserves the right to reject any and all bids and waive technicalities.

## SECTION 1 - BIDDING

A. <u>PURPOSE</u>: Bidding is a method by which the City can reduce the costs of goods and services purchased through competition.

With the approval of the City Manager, purchases may be made using the MiDEAL Extended Purchasing Program wherein the City may purchase items that have been bid at the State level (a nominal annual fee applies to be a member of the pro- gram). As alternatives, the City can consider avenues such as The Cooperative Purchasing Network (www.tcpn.org) or inquire with the County as to whether the City would be able to take advantage of any of their contract unit prices.

- B. <u>FORMAL BIDDING</u>: A formal bidding procedure shall be used for purchases over \$50,000. It includes solicitation of bids through the mail or through public advertisement in trade journals; any method or combination of methods may be used.
  - Formal bids, budgeted: The Department Head requesting bids must submit a description
    of the item(s) to be bid, and a list of any related specifications to be met by those item(s)
    to the City Manager. The City Manager or his designee, shall prepare a letter of
    advertisement and post it at City Hall, in or with an internet-based or newspaper
    advertising/solicitation service, and/or sent to prospective bidders, or placed in trade
    journals.

The contracting for services such as planning, engineering, legal, etc. shall use competitive

requests for proposal. The letter of advertisement must include:

- Identification of items to be bid upon
- Location for submittal of bids
- Date and time of bid submittal deadline
- Contact name for further information
- Statement on City's rights to reject bids.

## It may include:

- Brief description of contract compliance terms
- Bid specifications and basic contract exceptions

If a bid document must be prepared, it may include:

- Bid advertisement
- Bid preparation instructions
- Proposal
- Contract
- General conditions
- Special conditions
- General specifications
- Detailed specifications
- State or Federal guidelines (if necessary)
- Non-collusion statement
- 2. Formal bidding requests, unbudgeted: If a need arises that an item must be bid, and that item has not been budgeted, that item must be approved for purchase by the City Commission before it may bid. To gain approval for an unbudgeted item, the Department Head shall first prepare an estimate of cost for that item and also prepare a statement of need on the item to be bid. The estimate of cost and statement of need are to be turned in to the City Manager. If the request is approved (ultimately by the City Commission), it shall be bid in the same manner a budgeted item would be bid.
- 3. An estimate of cost shall be prepared in the same manner informal bids are solicited. The estimation of cost shall be based on the record of bids document.
- C. <u>RECEIPT, OPENING, AND TABULATION OF BIDS:</u> All bids will be stamped with the date and time of receipt and sent to the City Clerk's office. The City Clerk's office shall be responsible for safeguarding all bids and corrections until the time of the bid opening.
  - 1. The City Manager or his/her designee shall open and read the bids at the time designated in the bid advertisement. The bid openings shall be open to the public.

- 2. The City Clerk shall coordinate the bid tabulation, review, and overall recommendation presented to the City Commission for action. If the bid involves more than one item, each item shall be tabulated separately unless it has been specified that the items were to be bid as a package. Any deviation from the specifications must be noted.
- 3. Unless special instructions are included in the instructions to the bidders, changes to bids shall be accepted until the deadline set for bid submission.
- D. <u>EVALUATION</u>, <u>ACCEPTANCE AND AWARD OF BIDS</u>: Prior to evaluating bids the City Manager, in consultation with the Department Head(s), shall determine specific guidelines for bid evaluation. It should be noted whether price or quality is the predominant criteria, and what other criteria shall affect bid evaluation.
  - 1. The City will evaluate all bids objectively. Bids will be awarded to the lowest responsive and responsible bidder as determined by the City in its sole discretion. The City may reject any bid or all bids, or portions thereof. All items must be considered as presented in the specifications. Bids may be awarded as a total package, or on an item-by-item basis.
  - 2. Award of Bids-- In determining the lowest responsible bidder, in addition to price, the City Manager, Department Head or the City Commission shall consider:
    - a. The ability, capacity and skill of the bidder to perform the contract or provide the service required.
    - b. Whether the bidder can perform the contract or provide the service promptly or within the time specified, without delay or interference.
    - c. The character, integrity, reputation, judgment, experience and efficiency of the bidder.
    - d. The quality of performance of previous contracts or services.
    - e. The previous and existing compliance by the bidder with laws and ordinances relating to any contract or service.
    - f. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.
    - g. The quality, availability and adaptability of the supplies or contractual services to the particular use required.
    - h. The ability of the bidder to provide future maintenance and services for the use of the subject of the contract.
    - i. The number and scope of the conditions attached to the bid.
  - 3. If the City receives a bid from a local taxpaying bidder in the city in an amount from \$5,000 to \$250,000 and the amount of the bid is **no more than five percent** greater than that of a non-resident, non-taxpaying bidder, the City Commission in its discretion may consider the bids equal, and permit the local bidder to be awarded the bid at the low bid price.
- E. STANDARDIZATION OR SOLE SOURCE PURCHASING: In recognition that some vendors are clearly

able to supply a superior product, or continually submit award-winning bids for specific items, the City Manager may recommend to the City Commission that a specific product or vendor be the sole source of City purchases for a particular item. If the City Commission accepts an item or vendor as the sole source for City purchases, all City orders for that item may be placed without bidding the orders first. The City Commission may revoke sole source status at any time.

- F. <u>COOPERATIVE GOVERNMENT CONTRACTS</u>: Should the City be able to secure favorable prices on its purchases by joining with other local governments, or participating with the state of Michigan, Clinton County, or the Federal Government in purchasing, the City Manager (upon approval of City Commission) may enter into the necessary agreements or contracts.
- G. <u>INFORMAL BIDDING</u>: Informal bidding (quotes) is used to insure a degree of competition for medium-sized purchases without the involvement of the formal bidding process. It should be used for purchases greater than \$15,000 and less than \$50,000.

<u>Procedure:</u> Individual employees, with approval of their Department Head, may solicit informal bids on equipment, materials, supplies, or services pertinent to their operation only, up to \$50,000.

A minimum of three (3) bids shall be solicited, either by telephone or by personal contact. More bids may be desirable once the bids have been received and reviewed. A copy of each bid solicited must accompany the requisition (documents imaged and added as an attachment in the system). The Department Heads shall state which bid they recommend and why.

<u>Quote information:</u> To ensure fairness in bids, each vendor solicited will be given the same information. This information should include:

- Description of items or services to be purchased
- Special terms and/or specifications
- Desired delivery date (if known)

<u>Record of bids:</u> All bids solicited shall be recorded in a "Bidders Summary". Each Department Head is responsible for maintaining a Bidders Summary. The summary is a brief, but thorough package of information regarding an item or service up for bid. Each summary should contain:

- Quote information
- Department Head recommendation
- Justification for successful bid selection
- City Manager's signature (indicating review and approval)

This summary should also contain a cover sheet listing all the companies and/or vendors who have bid on the item, or those who were solicited for bids. It must also contain a record of bid prices and bid recommendations, and a brief statement by the City Manager on which bid was accepted and why. As a general rule, the lowest, best bid will be accepted. The City Manager reserves the right to reject any or all bids. If a bid other than the low bid is accepted, a written explanation why the low bid was not accepted shall be recorded.

#### **SECTION 2- PURCHASE ORDERS**

- A. <u>PURPOSE</u>: The purchase order system is designed to account for the disbursement of funds and keep track of purchases yet to be delivered. Except for the specific exceptions noted below, requisitions and purchase orders will be used for ALL PURCHASES of \$5,000 and over. All awards and contracts won through the bidding processes outlined in the previous section are to be documented with requisitions and purchase orders in the system.
- B. <u>DEFINITION:</u> A purchase order is the approval for the purchase of a specific item or service from a specific vendor at a specified price. Only Department Directors and Division Heads are authorized to initiate a purchase order.
- C. PROCEDURE: For purchases more than \$15,000 but less than \$50,000, the department head will place telephone, internet or email requests to at least three approved vendors for quotes on a prospective purchase. There may be instances that three quotes are not able to be solicited. The Director requesting quotes shall provide the City Manager with a summary of why a minimum of three quotes were not able to be received. The City Manager shall, in their sole discretion, decide if there is justification to waive the minimum three quote requirement.

After approval of the quotes and the recommended vendor, the Department Head will then enter a purchase requisition into the system containing the following information:

- Date of submission
- Vendor number
- Vendor name and address
- Account number(s) to be charged
- Quantity, description and price of items
- Total price
- Description of the goods/services procured

Scan all documentation related to the vendor quotes along with the recommendation and attach to the purchase requisition. The purchase requisition then goes to the Treasurer and City Manager for review and approval. If approved, the City will prepare and finalize the purchase order and retains a record of the purchase order in the software and provides a copy to the vendor, if requested.

- D. <u>SPENDING LIMITS/AUTHORIZATION AMOUNTS:</u> The City Manager is authorized to spend up to the following limits without prior approval of the City Commission if appropriated within the budget, provided other provisions in this policy are met:
  - Capital Expenses, equipment, vehicle, building maintenance or repair and general operating costs up to \$50,000
- E. <u>EMERGENCY PURCHASES</u>: In emergencies, purchase order requests for services, equipment, or materials may be placed verbally once approved by the City Manager. If an emergency occurs

after office hours or on a weekend and the City Manager is not available, the Department Head may approve the request. A confirming purchase order will be completed after the purchase is made. The confirming purchase order will be routed through normal channels. The City Manager will make a report of the purchase at the next Commission meeting.

- F. <u>BLANKET PURCHASE ORDERS</u>: This method is used to deal with routine purchases. It is acceptable to write one purchase order that will cover a specific period of time, a specific vendor and specific items or services. The department heads will recommend to the City Manager which vendors will receive blanket purchase orders.
- G. <u>EXCEPTIONS TO THE PURCHASING POLICY:</u> The following transactions do not require a formal requisition or purchase order as defined in this policy:
  - Utility bills (e.g., gas, electric, fleet vehicle fuel)
  - Bond principal and interest payments
  - Equipment lease or loan payments where formal agreements are in place
  - Periodic insurance premium payments (e.g., health care, workers' compensation, liability)
  - Payments associated with the disbursement of property taxes
  - Other regular and/or reoccurring payments that provide for the support and execution of the general operations of the City.
- H. <u>CHANGE ORDERS</u>: Where possible, changes to the goods or services ordered should be minimized. The following defines tolerances related to purchase order changes:
  - Any changes to the items ordered or the services performed.
  - Change to the total amount of the purchase order in excess of 5% for capital expenditures.
  - Change to the total amount of the purchase order in excess of 10% for operating expenditures.

If any of these tolerances are exceeded, the Department Head must provide documented justification and obtain approval from the City Manager. This approval is attached to the invoice for processing.

- I. <u>INVOICES:</u> An invoice is an itemized listing of quantities and charges for the purchase of supplies, materials, equipment, or services which have been furnished to the City. An invoice is the means by which the vendor informs the purchaser of his obligation and it should contain the same basic information as the purchase order plus any conditions imposed by the vendor, such as discounts, time of expected payment, etc. Prompt processing of invoices for the settlement of obligations is extremely important because it may favorably affect the relationship between the purchaser and the vendor as well as the reputation of the City. An invoice should contain the following:
  - Vendor name and remittance address
  - Bill to entity as the "City of St. Johns"
  - Purchase order number, where applicable
  - Date of order
  - Date of delivery

- Itemized list of materials or services rendered
- Quantities, prices (both in unit and total), and any other charges
- Packing slip with signature of person receiving the material or service

Approved as revised

Chad A. Gamble, P.E City Manager

Effective date: May XX, 2024

# PURCHASING SUMMARY NOT UPDATED YET

| AMOUNT OF<br>PURCHASE                               | LINE ITEM<br>BUDGETED<br>FUNDS<br>NECESSARY | CONTACT TO<br>INITIATE<br>PURCHASE              | TYPE OF<br>QUOTE<br>NEEDED                     | AWARD<br>AUTHORIZATION<br>REQUIRED BY  | PURCHASE<br>ORDER<br>REQUIREMENT |
|---|---|---|--|--|----------------------------------|
| \$100 AND UNDER/ PETTY CASH ORON ACCOUNT WITH LOCAL |   | DEPARTMENT<br>HEAD OR CITY                      |  | DEPARTMENT   |                                  |
| VENDOR  | YES   | EMPLOYEE  | NIA  | HEAD or DIVISION<br>SUPERVISOR   | NO                               |
| LESS THAN<br>\$5,000                                | YES   | DEPARTMENT HEAD OR DIVISION SUPERVISOR          | N/A  | DEPARTMEN<br>T HEAD  | NO                               |
| <i>\$5,000</i> -<br>\$15,000                        | YES   | DEPARTMENT<br>HEAD OR<br>DIVISION<br>SUPERVISOR | N/A (NOT<br>REQUIRED<br>BUT<br>ENCOURAG<br>ED) | PURCHASE REQUISITION FLOWS THROUGH APPROVAL PROCESS TO CITY MANAGER AND CITY TREASURER | YES                              |
| \$15,000- LESS<br>THAN \$50,000                     | YES   |   | 3 WRITTEN &<br>DOCUMENTED                      | PURCHASE REQUISITON FLOWS THROUGH APPROVAL PROCESS TO CITY MANAGER AND CITY TREASURER  | YES                              |
|   |   |   |  | PURCHASE<br>REQUISITION<br>FLOWS THROUGH   |                                  |
|   |   |   | SEALED BIDS,                                   | APPROVAL   |                                  |
| \$50,000 OR<br>GREATER                              | YES   | DEPARTMEN<br>T HEAD                             | RFP, RFQ<br>FORMAL<br>SOLICITATIO<br>N         | PROCESS TO<br>CITY MANAGER<br>AND CITY<br>TREASURER                                    | YES                              |

# CITY OF ST. JOHNS, MICHIGAN REQUEST FOR COMMISSION ACTION May 20, 2024

| Department: Administration                | Attachments:                              | Submitted to<br>CA for<br>Review |
|---|---|----------------------------------|
| Subject: Asset Capitalization Policy      | [X] Asset Capitalization Policy           | [X]                              |
| Prepared by: Kristina Kinde,<br>Treasurer | Approved by: Chad A. Gamble, City Manager | P.E.,                            |

**SUMMARY/HIGHLIGHT:** The City has never had an approved Asset Capitalization Policy on file. The policy for approval at this meeting addresses the various thresholds the City will use by Asset Category. The highest level will be \$10,000 for all Building/Improvement/Infrastructure and Moveable Assets. All Land will be capitalized according to this policy.

**BACKGROUND/DISCUSSION:** Per the recommendation of our auditors, it was noted that the City should implement an Asset Capitalization Policy. In the past, the City has been capitalizing all items greater than \$5,000. However, through discussions with the auditors it was recommended this amount be increased. This policy has been reviewed and approved by Foster Swift.

**STRATEGIC PLAN OBJECTIVE:** Although there is no specific strategic plan objective addressing capitalization policies, it is important for the City to maintain said policy in order to determine the threshold at which all assets are capitalized.

**FISCAL IMPACT:** This new policy will impact the value at which all assets are capitalized moving forward. There will be some changes to the capital asset schedules used in our year-end financial statements.

**RECOMMENDATION:** Staff recommends the City Commission approve the Asset Capitalization Policy.

# CITY OF ST. JOHNS ASSET CAPITALIZATION POLICY

#### I. PURPOSE

The City of St. Johns ("City") establishes this Capital Asset Policy ("Policy") to provide accountability and safeguard its capital assets.

The City will maintain a capital asset system ("**System**"). The System will maintain information sufficient to enable the City to:

- A. Identify and manage its assets.
- B. Generate year-end financial statements according to generally accepted accounting principles ("GAAP").
- C. Adhere to this Policy.

#### II. <u>DEFINITIONS</u>

- A. <u>Capital Assets</u>. Capital Assets means tangible assets of the City with an estimated useful life exceeding one accounting period (one year) and an initial cost equal to or exceeding its category's capitalization threshold (provided below). A Capital Asset's historic cost or estimated historic cost will be carried on the balance sheet of the City and capitalized or depreciated until the asset is retired under this Policy.
- B. <u>Controlled Assets</u>. Controlled Assets means any tangible assets with an estimated useful life exceeding one accounting period (one year) and an initial cost of less than its applicable Capitalization Threshold. Any Controlled Asset's historic cost or estimated historic cost will be reflected as an expense of the City in the year that Controlled Asset is acquired.
- C. <u>Fixed Assets</u>. Fixed Assets includes Capital Assets and Controlled Assets, except as otherwise provided under this Policy. All assets meeting the Fixed Asset definition will be considered long-term assets and recorded in the System. Fixed Assets should be timely and accurately recorded.
- *Movable Assets*: Non-expendable tangible personal property that is not affixed to any building, including furniture and fixtures, with a useful life of greater than 1 year.
- E. <u>Historic Cost</u>. Historic cost means the cash or fair market value equivalent price exchanged for goods and services on the date acquired. Land, buildings, and equipment are examples of items whose cost is determined by historic cost. The historic cost of a donated Capital Asset is its estimated acquisition cost on the date received. Historic cost is applied to certain classes of assets in more detail below.

## III. <u>Management Responsibilities</u>

The City will establish an internal control structure that provides reasonable assurance of effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations. The City will appoint one or more persons to manage the System ("**Responsible Person**").

The Responsible Person will be responsible for the City's assets and ensuring control of assets and compliance with the City's purpose and the provisions of this Policy. The Responsible Person will be responsible for determining which assets require control unless that responsibility is delegated to

another person in writing. The Responsible Person may allocate control of assets to an automated system at his or her discretion.

#### IV. ASSETS

General Assets of the City will be capitalized according to the following Capitalization Thresholds:

| CATEGORY                             | THRESHOLD                            |
|--------------------------------------|--------------------------------------|
| Land                                 | \$0                                  |
| Building/Improvements/Infrastructure | \$10,000.00                          |
| Construction in Progress             | Any Major Project, not yet completed |
| Moveable Assets                      | \$10,000.00                          |

A. Land. The City will capitalize all land acquisitions, regardless of cost. Original cost of land will include the full value given to the seller. Capitalization of land costs include, but are not limited to: (i) original contract price; (ii) brokers' commissions; (iii) legal fees for examining and recording title; (iv) title guarantee insurance policies; (v) real estate surveys; (vi) options when exercised; (vii) special paving assessments; (viii) the cost of preparing the land for its particular use, including excavation, grading, or filling of land and razing of an old building; (ix) cost of cancelling an unexpired lease; (x) payment of noncurrent taxes accrued on the land at date of purchase, if payable by purchaser; and (xi) wages, salary, benefits, or other compensation of any employees, contractors, or third-parties incurred in connection with acquisition.

If the land is purchased for the purpose of constructing a building, all costs incurred up to the excavation for the new building should be considered land costs. Removal of an old building, clearing, grading, and filling are considered land costs because they are necessary to get the land in condition for its intended purpose. Any proceeds obtained in the process of getting the land ready for its intended use, such as salvage receipts on the demolition of the old building or the sale of cleared timber, are treated as reductions in the price of the land.

- B. Buildings. The City will capitalize buildings at their full cost, without separately categorizing the cost of attachments. For purposes of this paragraph, attachments include roofs, heating, cooling, plumbing, lighting, or any part of the building. The full cost capitalized for any Building will include: (i) original contract price; (ii) items designed or purchased exclusively for the building; (iii) expenses related to preparation of plans, specifications, blueprints, and architectural or engineering fees; (iv) bond issuance fees; (v) interest costs (while under construction); (vi) accounting costs (if material); (vii) costs directly attributable to the construction of the building, including remodeling, reconditioning, or alteration to make a building fit for its intended purpose; (viii) building permits; and (ix) temporary facilities used during construction.
- C. Land Improvements. Land Improvements include improvements to land or real estate, attached or not easily removed, exclusive of buildings, with a life expectancy greater than one year. Examples include excavation, non-infrastructure utility installation, driveways, sidewalks, parking lots, flagpoles, retaining walls, fencing, outdoor lighting, and other non-building improvements intended to make the land ready for its intended purpose. Improvements to Land do not include roads, streets, or other assets that are valuable only to the public.

Expenditures for land improvements that do not deteriorate with use or passage of time are additions to the cost of land and are generally not exhaustible, and therefore not depreciable. Infrastructure assets are defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets.

Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Improvements to infrastructure or land improvements which extend the useful life or capacity of the asset and meet capitalization thresholds will be capitalized as a separate asset/component and depreciated over its estimated useful life.

- D. *Improvements to Assets (Other than Land).* Improvements to Assets means the cost of improvements, renovations, or changes to existing buildings. Improvements to furniture and equipment or improvements other than to buildings will be capitalized only if the change meets the following conditions:
  - 1. The total cost exceeds \$10,000.
  - 2. The asset's useful life is extended two years or more.
  - 3. The improvement or renovation exceeds ordinary or routine repairs and maintenance.

## V. Recording and Accounting

The cost of property, plant, and equipment includes all expenditures necessary to make an asset ready for use (such as delivery, installation, calibration, set-up, programming, and placement in service). For purposes of recording capital assets of the City, the valuation of assets will be determined by historic cost as of the date acquired or constructed. If historic cost information is not available, assets are recorded at estimated historic cost by calculating current replacement cost and deflating the cost using the appropriate price-level index.

Historic cost will be substantiated by invoices or other adequate records evidencing the cost. date, and form of consideration for any acquired asset. The Responsible Person will maintain a register of assets that provides a detailed record of the capital assets of the City and retain all substantiating records for at least <u>four</u> years.

<u>Depreciation and Useful Life</u>. Pursuant to GASB Statement No. 34, depreciation will be recorded for capital assets using straight-line depreciation over the useful life of assets, applying an actual month convention, and depreciating down to applicable salvage value.

The Responsible Person will assign an estimated useful life to all assets for the purposes of recording depreciation. The table below will determine lives for most assets. Asset lives will be adjusted as necessary depending on the present condition and use of the asset and based on how long the asset is expected to meet current service demands. Adjustments will be properly documented.

The applicable useful life of each asset class follows:

| CATEGORY   | USEFUL LIFE                  |
|--|------------------------------|
| Land   | Indefinite (non-depreciable) |
| Construction in Progress                               | Indefinite (non-depreciable) |
| Infrastructure   | 25-50 years                  |
| Buildings and Improvements (other than Infrastructure) | 30-40 years                  |
| Improvements to Assets (other than Buildings)          | 15 years                     |
| Appliances   | 10-15 years                  |
| Furniture and Fixtures                                 | 7-10 years                   |
| Large Electronics and Large Equipment                  | 10-15 years                  |
| Computers/Small Electronics/Small Equipment            | 5 years                      |
| Vehicles   | 5-10 years                   |
| Works of Art, Historical Treasures, Artifacts, etc.    | Indefinite (non-depreciable) |

#### VI. <u>Safeguarding Assets</u>

One or more Responsible Person will design, implement, and maintain accounting controls that provide reasonable assurances of the following:

- A. *Detailed Records.* Books and records will be kept and maintained with sufficient detail to assure accountability for City-owned assets.
- B. *Comparison.* At least every two years, the City will carry out a full recorded accounting and inventory of assets to be compared against the previous accounting. The City will take appropriate action with respect to any changes or discrepancies, as determined in the reasonable discretion of the Responsible Person.
- C. *Fixed Assets*. Each fixed asset item (including machinery, equipment, vehicles, and furniture) will be assigned an asset number and identified with a fixed asset tag. A physical inventory of fixed assets will be taken annually on or about <u>June 30</u>, and compared to the most recent physical inventory record.