



# CITY OF CLARE

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[www.cityofclare.org](http://www.cityofclare.org)

## CLARE CITY COMMISSION

Monday, October 3, 2016

6:00 p.m.

*Amended* AGENDA

### CITY HALL

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[www.cityofclare.org](http://www.cityofclare.org)

Manager x102

Assessor x103

Clerk x106

Treasurer x107

### DEPARTMENT OF PUBLIC WORKS

Ph 989.386.2182 or

989.386.7541 x202

Fx 989.386.4508

### UTILITY BILLING

Ph 989.386.7541 x201

### W/WWT PLANT

Ph 989.386.2321

Fx 989.386.2387

### POLICE DEPT. NON-EMERGENCY

Ph 989.386.2121

Fx 989.386.0440

### FIRE DEPT. NON-EMERGENCY

Ph 989.386.2151

Fx 989.386.3020

### PARKS & RECREATION

Ph 989.386.7541 x213

Fx 989.386.4508

### AIRPORT

Ph 989.386.0445

Fx 989.386.4508

1. **CALL TO ORDER**
  - A. Pledge of Allegiance
  - B. Roll Call
2. **CONSENT AGENDA** – All items listed with an asterisk (\*) are considered to be routine by the City Commission and shall be enacted by one motion. There will be no separate discussion of these items unless a Commissioner or citizen requests to do so, in which event the item shall be removed from the General Order of Business and considered in its normal sequence on the agenda.
3. **\*APPROVAL OF MINUTES**
4. **\*APPROVAL OF AGENDA**
5. **PUBLIC COMMENT**
6. **OLD/UNFINISHED BUSINESS** – None
7. **NEW BUSINESS**
  - A. Sale of 1990 Aerial Firefighting Vehicle
  - B. Budget Amendments for FY2016/17
  - C. Consumers Energy Street Lighting Contract Addition
  - D. Crawford Contracting South Complex Change Order (Date Extension)
  - E. MML Liability & Property Pool Board of Directors Election
  - F. Volunteer Energy Natural Gas Contract
8. **TREASURER'S REPORT**
9. **CITY MANAGER'S REPORT**
10. **\*COMMUNICATIONS**
11. **EXTENDED PUBLIC COMMENT**
12. **COMMISSION DISCUSSION TOPICS**
13. **\*APPROVAL OF BILLS**
14. **ADJOURNMENT**



The regular meeting of the Clare City Commission was called to order at 6:00 p.m. in the Commission Chambers by Mayor Pat Humphrey who led the Pledge of Allegiance. Present were: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, and Karla Swanson. Absent: Carolyn (Gus) Murphy. Also present were Ken Hibl, City Manager; Steven Kingsbury, Treasurer and Finance Director; and Diane Lyon, City Clerk.

2. CONSENT AGENDA:

Moved by Commissioner McConnell second by Commissioner Swanson to approve the items listed with an asterisk (\*) (Amended Agenda, Board & Committee Appointments, Minutes, Communications, Department Reports, and Bills) that are considered to be routine by the City Commission. Ayes: All. Nays: None. Absent: Carolyn (Gus) Murphy. *Motion Carried.*

3. \*APPROVAL OF MINUTES:

*Approved By Consent Agenda.*

4. \*APPROVAL OF AGENDA:

*Approved By Consent Agenda.*

5. PUBLIC COMMENT: The following individuals announced their candidacy for public office: Lori Martin, candidate for Clare County Clerk/Register of Deeds. Pamela Mayfield, incumbent candidate for Clare County Clerk/Resister of Deeds.

6. UNFINISHED BUSINESS: None.

7. NEW BUSINESS:

**A. PRIVATE WELL REQUEST – LONE PINE MOTEL**

The City received a request from the Lone Pine Motel to allow the drilling of a well for irrigation and gardening. The City Commission is the approval authority for all private wells drilled within the City. The City Staff has reviewed the request and recommended approval of the request. The Commission is asked to consider the request.

Motion by Commissioner Swanson second by Commissioner Bonham to grant the private well request for the Lone Pine Motel by adoption of Resolution 2016-108. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, and Karla Swanson. Nays: None. Absent: Carolyn (Gus) Murphy. *Motion approved.*

**B. PROPOSAL FOR VOICE & FIBER-BASED SERVICES**

Our Waste Water Treatment Plant and the Clare Municipal Airport on Eberhart Road are both presently serviced by a wireless provider with whom the City has a symbiotic relationship. The servicing antenna array for this service is located on the City's water tower. Both locations (but particularly the Treat Plant) have been experiencing outages and connectivity issues for many months. Our wireless provider used his drone in attempt to discover the source of the problem and discovered that in order to improve the service, we would need to install a new antenna at our two serviced locations; we determined that the cost of installing new antenna systems of the height required would be cost-prohibitive and potentially be a hazard to local aviation at our airport. Concurrently our dedicated phone line service provided by AT&T has become increasingly costly. Consequently, we reached out to Charter Communications and found the costs of their service to be far more reasonable than those of AT&T's while concurrently providing us internet service. We were prepared to change our service provider for these two sites to Charter but then were informed they had erred in their initial quotation to us and informed us that there would be an additional cost of \$5,676.56.

Based on this new information from Charter, we solicited a quotation from Winn Telecom for these services. We received a proposal for phone service and for fiber-based internet services. We have determined that the Winn Telecom proposal is a better package proposal than that offered by Charter and recommend approval of the proposed services agreement.

Motion by Commissioner Swanson second by Commissioner McConnell to approve the proposal for voice & fiber-based services by adoption of Resolution 2016-109. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, and Karla Swanson. Nays: None. Absent: Carolyn (Gus) Murphy. *Motion approved.*

**C. HALLOWEEN TRICK OR TREAT HOURS**

Historically, the City Commission has always set the date and time for Halloween Trick or Treat. Generally, the Trick or Treat hours are set for 6:00 p.m. to 8:00 p.m. on October 31st, which falls on a Monday this year; last year we changed the hours from 5:30-7:30pm and received a significant number of comments that the time was too early – it did not provide families sufficient time to arrive home from work, complete the dinner meal, and still accommodate the trick or treat hours.

We have coordinated with our neighboring municipalities to determine their hours for trick or treat. The predominant time is 5:30 – 7:30; however, Farwell, our nearest neighbor, has set their times for 6:00-8:00pm. Consequently, we suggest that we follow suit – particularly in light of the “too early” comments we received last year. The City Commission is asked to set the hours and the date for 2016 Trick or Treat activities within the City as Monday, October 31st from 6:00pm to 8:00pm.

Motion by Commissioner Bonham second by Commissioner McConnell to approve Trick or Treating Hours of 6:00pm to 8:00pm on October 31, 2016, by adoption of Resolution 2016-110. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, and Karla Swanson. Nays: None. Absent: Carolyn (Gus) Murphy. *Motion approved.*

**D. AUTHORITY TO PURCHASE FORK-TRUCK**

The 1960's-vintage, Army Surplus fork-truck used in our Water & Waste Water Department has “died” and repair costs will exceed \$6K. We’ve received quotations for used fork-trucks from multiple dealers. In the quotations received that were less than \$10K, all the trucks are very high-hour pieces of equipment versus those listed on the quote sheets in the \$10K - \$13K grouping. Consequently, we believe it is in our best interest to spend the additional monies to purchase a used fork truck in the latter (\$10-\$13K) grouping.

As these are used items of equipment, the dealers are not able to guarantee that they will not be sold within the next day, week, or month – they are sold on a first-come, first-served basis. Therefore, we ask the City Commission provide us the authorization to purchase a lower-hour truck in the \$10K to \$13K range with a not-to-exceed authority of \$13K. With that authority, the City Staff will purchase the “best value for the money” truck that is available at the time with a cost not to exceed the \$13K price limit.

Motion by Commissioner McConnell second by Commissioner Swanson to approve the authority to purchase a fork truck by adoption of Resolution 2016-111. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, and Karla Swanson. Nays: None. Absent: Carolyn (Gus) Murphy. *Motion approved.*

**E. AUTHORIZATION TO PURCHASE SCADA EQUIPMENT**

We are constantly pursuing means and methods to become as efficient as possible, thereby conserving and/or saving our often-limited but always much-valued resources. We are trying to utilize more and more advanced technology in our public water and sanitary sewer systems and have made significant strides installing SCADA systems in significant portions of those two systems.

We earmarked monies in our 2016/2017 Capital Improvements Schedule and corresponding budget to expand our use of SCADA. Our SCADA vendor has provided us a detailed outline of the costs of the new equipment we recommend for purchase and installation. The City Commission is asked to authorize the purchase of the equipment.

Commissioner Bonham questioned whether the SCADA system could be “hacked” through the phone system. While IT Director Steven Kingsbury did not have the answer to that question immediately available without checking with the cell provider, he informed the Commission that SCADA is a closed system which is not connected to the internet or to the network system of the City. The system has limited access but a hacker could potentially create an impact on the water system. The Commission will be provided information regarding the potential for hackers to access the system once we learn that information.

Motion by Commissioner McConnell second by Commissioner Swanson to approve the authorization to purchase SCADA Equipment by adoption of Resolution 2016-112. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, and Karla Swanson. Nays: None. Absent: Carolyn (Gus) Murphy. *Motion approved.*

**F. EXCUSED ABSENCE – COMMISSIONER GUS MURPHY**

The City Charter stipulates "...that if a commissioner shall miss five consecutive regular meetings of the commission or twenty-five percent or more of such meetings in any fiscal year of the city, unless such absence shall be excused by the commission and the reason therefore entered in the proceedings, his office shall become vacant."

Commissioner Gus Murphy is out of the state on vacation and has requested that she be excused from attending the September 19th regularly scheduled Commission Meeting.

The Commission has a long-standing history to excuse commissioners in otherwise good standing from attendance at scheduled meetings for good cause. Commissioner Murphy has an excellent attendance record, and her request for excusal seems to warrant approval. The City Commission is asked to formally approve the excusal of Commissioner Murphy.

Motion by Commissioner Bonham second by Commissioner Swanson to approve the absence of Commissioner Gus Murphy by adoption of Resolution 2016-114. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, and Karla Swanson. Nays: None. Absent: Carolyn (Gus) Murphy. *Motion approved.*

**G. WATER TREATMENT PLANT ROOF BIDS**

The roof of the City's Water Treatment Plant is in dire need of replacement. The City solicited bids for this work. As reflected in the attached Bid Memo and Tabulation Sheet, three bids were received. We have reviewed the bids to ensure compliance with our bid specifications; they do. We recommend that the bids be approved and the work awarded to the low bidder.

Motion by Commissioner Swanson second by Commissioner Bonham to approve the Water Treatment Plant Roof Bids and award the work to Britton Roofing by adoption of Resolution 2016-115. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, and Karla Swanson. Nays: None. Absent: Carolyn (Gus) Murphy. *Motion approved.*

**H. \*BOARD & COMMITTEE APPOINTMENT- CLARE DDA (MR. DEAN DOHERTY)**

*Approved By Consent Agenda. Resolution 2016-113.*

**8. TREASURER'S REPORT**

The Treasurer presented his report.

A Fiscal & Budget Oversight Committee meeting will be scheduled for October 3 @ 5:00 pm as Commissioner Bonham and Mayor Humphrey stated that they will be available to meet at that date and time.

**9. \*DEPARTMENT REPORTS**

*Approved by Consent Agenda.*

10. CITY MANAGER'S REPORT

Depot Funding Project. In addition to our recent success with the MEDC crowd-funding efforts, we have been informed that our most recent application to the Gerstacker Foundation was also approved in the amount of \$25K, thereby providing us sufficient funds to complete the siding on the depot this year and complete the vast majority of the main floor rehabilitation, thereby potentially meeting our goal of moving the Clare Chamber of Commerce into the depot by Christmas. We have also submitted a grant application to the Consumers Energy Foundation in the amount of \$50K.

MML Property Pool Dividend. The MML Property Pool Board approved a dividend distribution to all its members again this year.

Recreation Complex Update. Gourdie-Fraser has consulted with two landscape companies to determine whether we are best served to plant grass on the field now or wait until spring next year. Both companies have informed GFA that we should achieve better probability of success in germination in spring and that the fields should still be available for use by soccer season 2017. Based on this recommendation, we have deferred the grass-seeding portion of this project to next year and are proceeding only with the four elements approved by the City Commission at the September 6<sup>th</sup> meeting.

Absence. I will be out of the state on vacation during the period Sep 21 – Oct 2; Steve will be the Acting CM during my absence.

Addendums:

MML Cup of Excellence. This year's Cup of Excellence went to our neighboring community of Beaverton for their new activity center.

Streetlight Sales. We opened up the streetlight sales to a quantity of 10 per person. Of the original 187 fixtures, we are now nearly completely sold out.

11. \*COMMUNICATIONS

*Approved By Consent Agenda.*

Bureau of Elections. The most recent newsletter was provided to the Commission.

CPS Homecoming Parade Permit. We received an application for a permit for the Clare Public Schools Homecoming Parade.

12. EXTENDED PUBLIC COMMENT: Pam Mayfield expressed thanks to the City Commission and special thanks to City Manager Ken Hibl regarding a condolence letter received following the passing of her mother.

13. COMMISSION DISCUSSION TOPICS: Pat Humphrey and Gary Todd attended this year's annual FAA MAP meeting with the State's Bureau of Aeronautics on September 7. Rules have changed with FAA funding so the runway extension will be placed on hold until we are able to demonstrate an increase in air traffic and airplanes on site at the airport to justify a runway extension.

14. \*APPROVAL OF BILLS

*Approved By Consent Agenda.*

15. ADJOURNMENT

Motion by Commissioner Bonham second by Commissioner Swanson to adjourn the meeting. Ayes: All. Nays: None. Absent: Carolyn (Gus) Murphy. *Motion Carried.* Meeting adjourned at 6:38 p.m.

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Pat Humphrey, Mayor

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Diane Lyon, City Clerk

## AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission  
FROM: Steven J. Kingsbury, MBA, CPFA, MiCPT  
Acting City Manager, Treasurer, Finance and Technology Director  
DATE: September 29, 2016  
RE: Sale of 1990 Grumman 102' Aerial Firefighting Vehicle

For the Agenda of October 3, 2016

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**Background:** After a very lengthy and thorough evaluation process in 2015 the City Commission authorized the purchase of a new 2015 E-One 78' Aerial firefighting vehicle. Included within the financial analysis of the purchase of this new vehicle was the sale of the City's 1990 Grumman 102' Aerial Firefighting Vehicle. During a subsequent meeting the City Commission authorized the use of a third party broker to assist the City in the sale of the City's old 1990 Grumman as our efforts were not yielding success.

After several months of minimal interest in the Grumman we have secured an offer of \$31,000 from Kurtz Brothers of Groveport Ohio. Kurtz Brothers is a mulch processing facility and as such they are not interested in the Federal Q Siren or any of the ground ladders that are installed on the Grumman so this purchase price does not include any of those items. If the City Commission approves this sale the siren will be installed on the Engine 1842. Additionally, if the Commission approves the ground ladders will be sold to the highest bidder or at auction through a separate sale.

Additionally, within the brokerage contracts for the sale of the Grumman we agreed to pay a commission to the company that facilitated the sale based upon the selling price. Based upon the \$31,000 selling price the brokerage fee is ten percent or \$3,100. This fee will be paid separately and not netted from the proceeds of the sale of the vehicle.

**Issues & Questions:** Should the City Commission approve the sale of the 1990 Grumman Aerial Firefighting unit to Kurtz Brothers and the ground ladders separately?

**Alternatives:**

1. Approve the sale of the vehicle and ladders.
2. Don't approve the sale of the vehicle and/or the ladders.
3. Set the decision aside to a subsequently scheduled public meeting.

**Financial Impact:** The sale of the vehicle will net the City \$27,900 after the payment of the brokerage commission (\$31,000 - \$3,100). We also anticipate that the sale of the ground ladders will yield between \$1,000 and \$2,000.

**Recommendation:** The City Manager and the Fire Chief recommends that the City Commission approve the sale of the 1990 Grumman 102' Aerial Firefighting Vehicle, not including the Federal Q Siren or the Ground Ladders, to Kurtz Brothers at a price of \$31,000 by adoption of Resolution 2016-116.

Recommendation is further made for the City Commission to approve the sale of all of the ground ladders carried on the Grumman by bid or through auction at the highest possible price also by adoption of resolution 2016-116.

**Attachments:**

1. FireTec Used Apparatus Sales Agreement between the City of Clare and Kurtz Brothers Central Ohio, LLC.
2. Resolution 2016-116.

# FIRETEC

**Used Apparatus Sales**

PO Box 177  
Randolph, VT 05060  
Phone (802) 728-9226 Fax (802) 728-9206  
Toll Free (800) Firetec  
E-Mail firetec@firetec.com

## Offer / Sales Agreement

Date: September 23, 2016

List No. : **LP-11541-163**

BUYER ID: 61868

Department or Individual Name Kurtz Brothers COH, LLC Lenny Neal

Address, City, State, Zip 285 Rohr Rd Groveport OH , 43125

Offers the Sum of Thirty One Thousand and 00/100----- dollars

for the purchase of a 1990 Grumman , Ladder with Pump

presently owned by Clare Fire Dept James Chapman Chief

Address, City State, Zip 202 W 5th St Clare , MI 48617

V.I.N: 1G9ACHDT6KR088040

### Terms:

31,000 .00 Total Purchase Price

.00 Less Deposit

.00

31,000.00 Balance Due prior to pick-up on or before October 15, 2016

### **Subject to the following:**

**1 - As is, where is, with no implied or expressed warranties**

**2 - Seller will remove the ground ladders and Federal Q Siren prior to pick-up as they are not included in the sale**

All parties agree that Firetec Apparatus Sales, has brought about this sale and that the seller has already agreed to pay a brokerage commission in a separate contract with Firetec. The above terms and conditions are approved by the parties and the exchange of any monies, constitutes a contract between the parties. This agreement cannot be changed orally. All parties must agree to any changes to this agreement. All changes must be in writing with signatures of all parties. All parties recognize that faxed contracts and signatures are considered legal and binding.

\_\_\_\_\_  
Authorized Agent- Buyer

\_\_\_\_\_  
Authorized Agent - Seller

# FIRETEC

**Used Apparatus Sales**

PO Box 177  
Randolph, VT 05060  
Phone (802) 728-9226 Fax (802) 728-9206  
Toll Free (800) Firetec  
E-Mail [firetec@firetec.com](mailto:firetec@firetec.com)

**RESOLUTION 2016-116**

**A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING THE SALE OF THE 1990 GRUMMAN 102' AERIAL FIREFIGHTING VEHICLE TO KURTZ BROTHERS CENTRAL OHIO, LLC.**

**WHEREAS**, the City of Clare after a lengthy and thorough evaluation purchased a new E-One 78' Aerial Firefighting Vehicle in 2015; and

**WHEREAS**, as part of the financial analysis of the purchase of the new aerial firefighting unit a decision was made to sell the City's 1990 Grumman 102' Aerial Firefighting Vehicle; and

**WHEREAS**, the City contracted with brokerage firms to assist in the sale of the 1990 Grumman through their national sales network; and

**WHEREAS**, as a result of the brokerage agreements the City has received an offer to purchase the Grumman, not including the Federal Q Siren or any of the ground ladders, from Kurtz Brothers of Groveport, Ohio at a price of \$31,000.

**NOW THEREFORE BE IT RESOLVED THAT**, the Clare City Commission hereby approves the sale of the 1990 Grumman at a price of \$31,000 to Kurtz Brothers, said sale to not include the Federal Q Siren or any of the ground ladders.

**BE IT FURTHER RESOLVED THAT** the City Commission hereby further approves the sale of all the ground ladders that were carried by the 1990 Grumman through separate bid or auction at the highest possible price which is anticipated to be between \$1,000 and \$2,000.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

**The Resolution was introduced by Commissioner \_\_\_\_\_ and supported by Commissioner \_\_\_\_\_. The Resolution declared adopted by the following roll call vote:**

**YEAS:**

**NAYS:**

**ABSENT:**

Resolution approved for adoption on this 3<sup>rd</sup> day of October 2016.

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Diane Lyon, Clare City Clerk

## AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission  
FROM: Steven J. Kingsbury, MBA, CPFA, MiCPT  
Acting City Manager, Treasurer, Finance and Technology Director  
DATE: September 29, 2016  
RE: FY2016/17 Budget Amendments

For the Agenda of October 3, 2016

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**Background:** With the elimination of the full-time administrative support position within the City's Police Department and also the City's Building Official (a contracted position) there are a number of budget amendments needed to realign the FY2016/17 budget to the currently anticipated/projected expense amounts that will be incurred during the fiscal year. Primarily this will include the reduction of several personnel and contractual related expense line items but it will also include a few revenue accounts as the services previously provided through these two positions will no longer be realized.

Furthermore, there have been within the first three months of the City's fiscal budget year a few instances where the actual cost of planned expenditures has exceeded the original budgetary estimates. These individual expenditures and the impact upon the budget have been carefully considered by the City Commission and were found to be prudent and in the best interest of the City. To insure accurate financial analysis throughout the remainder of the fiscal year these adjustments need to be formally incorporated into the City's budget by approval of the City Commission.

**Note:** The complete listing of recommended budget amendments will be presented to the Fiscal and Budget Committee prior to the October 3<sup>rd</sup> City Commission meeting. Following that review the listing will be presented to the City Commission with a recommendation of the Fiscal and Budget Committee members.

**Issues & Questions:** Should the City Commission approve the budget amendments?

**Alternatives:**

1. Approve the budget amendments.
2. Don't approve the budget amendments.
3. Set the decision aside to a subsequently scheduled public meeting.

**Financial Impact:** The financial impact of the individual budget amendments has previously been presented and considered by the City Commission, this action simply incorporates those decisions into the City's approved FY2016/17 budget.

**Recommendation:** The City Manager and Finance Director both recommend the approval of the budget amendments by adoption of resolution 2016-117.

**Attachments:**

1. Budget Amendments (to be provided during the Commission meeting).
2. Resolution 2016-117.

**RESOLUTION 2016-117**

**A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING AMENDMENTS TO THE CITY OF CLARE FISCAL YEAR 2016/17 BUDGET.**

**WHEREAS**, the City has due to budgetary considerations eliminated a full-time administrative support position within the City's Police Department and also the contractual Building Official position thereby reducing the corresponding expenses; and

**WHEREAS**, it is has been determined by the Fiscal and Budget Committee that various other budget amendments to the City of Clare's adopted 2016/17 budget are required as a result of these personnel changes; and

**WHEREAS**, there has also been a few planned and budgeted expenditures that have been carefully and thoroughly considered on their own merits by the City Commission that exceeded the originally anticipated and budgeted amounts.

**NOW THEREFORE, BE IT RESOLVED THAT** the City Commission of the City of Clare hereby approves the following fund/activity budget amendments to the previously adopted/amended Fiscal Year 2016/17 Budget:

<u>Fund - Activity</u>	<u>Fund/Activity Number</u>	<u>Prior Budget</u>	<u>Amended Budget</u>	<u>Increase (Decrease)</u>
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The activity and line item budget amendments are to be completed and presented to the City Commission following the Fiscal and Budget Committee's review.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

**The Resolution was introduced by Commissioner \_\_\_\_\_ and supported by Commissioner \_\_\_\_\_. The Resolution declared adopted by the following roll call vote:**

**YEAS:**

**NAYS:**

**ABSENT:**

Resolution approved for adoption on this 3<sup>rd</sup> day of October 2016.

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Diane Lyon, City Clerk

## AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission  
FROM: Steven J. Kingsbury, MBA, CPFA, MiCPT  
Acting City Manager, Treasurer, Finance and Technology Director  
DATE: September 29, 2016  
RE: Addition of three (3) Streetlights to the Consumers Energy Lighting Contract

For the Agenda of October 3, 2016

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**Background:** By virtue of the transfer of 8/10's of a mile of East Colonville Road into the jurisdictional control of the City of Clare there are three streetlights that also need to be transferred from Grant Township to the City within the standard street lighting contract with Consumers Energy. One of the three streetlights is located at the intersection of E. Colonville Road and North Clare Avenue; the second is located just north of this intersection; and the third is located near where the Northbound US127 exit ramp empties onto E. Colonville Road.

**Issues & Questions:** Should the City Commission approve the change in the standard lighting contract with Consumers Energy and add these three lights to the inventory of streetlights that the City of Clare pays for electrical consumption and maintenance?

**Alternatives:**

1. Approve the addition of the three streetlights to the City's lighting contract.
2. Don't approve the addition of the streetlights.
3. Set the decision aside to a subsequently scheduled public meeting.

**Financial Impact:** The addition of these three streetlights will slightly increase the City's monthly street lighting bill from Consumers Energy by a total of \$43.48 (\$10.92 for the F100; \$13.19 for the F150; and \$19.37 for the F250).

**Recommendation:** To maintain the nighttime visibility and safety of the traveling public it is recommended that the City Commission approve the addition of these three streetlights to the standard street lighting contract with Consumers Energy by adoption of resolution 2016-118.

**Attachments:**

1. Consumers Energy Authorization For Change In Standard Lighting Contract.
2. A map of the three street lights being added.
3. Resolution 2016-118.



**AUTHORIZATION FOR CHANGE IN  
STANDARD LIGHTING CONTRACT  
(COMPANY-OWNED) FORM 547**

Contract Number: 100000093862

Consumers Energy Company is authorized as of \_\_\_\_\_, by the City of Clare, to make changes, as listed below, in the lighting system(s) covered by the existing Standard Lighting Contract between the Company and the City of Clare, dated 6/17/2013.

Lighting Type:

General Service Unmetered Lighting Rate GUL, Standard High Intensity Discharge

Notification Number(s):

Construction Work Order Number(s):

Except for the changes in the lighting system(s) as herein authorized, all provisions of the aforesaid Standard Lighting Contract dated 6/17/2013 shall remain in full force and effect.

City of Clare

By:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed)

Its

\_\_\_\_\_  
(Title)

This Agreement may be executed and delivered in counterparts, including by a facsimile or an electronic transmission thereof, each of which shall be deemed an original. Any document generated by the parties with respect to this Agreement, including this Agreement, may be imaged and stored electronically and introduced as evidence in any proceeding as if original business records. Neither party will object to the admissibility of such images as evidence in any proceeding on account of having been stored electronically.

GENERAL SERVICE UNMETERED LIGHTING RATE GUL, STANDARD HIGH INTENSITY DISCHARGE

<i>Number of Luminaires</i>	<i>Nominal Watts</i>	<i>Luminaire Type</i>	<i>Fixture Type</i>	<i>Fixture Style</i>	<i>Install Remove</i>	<i>Location</i>
1	<u>100</u>	<u>HPS</u>	<u>Center Suspension</u>		<u>Existing</u>	McEwan St N of Colonville Rd
1	<u>150</u>	<u>HPS</u>	<u>Center Suspension</u>		<u>Existing</u>	McEwan St at Colonville Rd
1	<u>250</u>	<u>HPS</u>	<u>Cobrahead</u>		<u>Existing</u>	Colonville Rd E of McEwan St

MCEWAN ST (US-27BR)

S  
100  
1900  
GRANT TOWNSHIP

These 3 lights  
now belong to  
City of Clare

S  
150  
1900  
GRANT TOWNSHIP

COLONVILLE RD

BR-16'  
S  
250  
1900  
GRANT TOWNSHIP

US-27/US-10

S  
250  
1900

S  
100  
1900  
CITY OF  
CLARE



MCEWAN ST (US-27BR)

S  
100  
1900  
GRANT TOWNSHIP

These 3 lights  
now belong to  
City of Clare

S  
150  
1900  
GRANT TOWNSHIP

COLONVILLE RD

BR-16'  
S  
250  
1900  
GRANT TOWNSHIP

US 27/US 10

S  
250  
1900

S  
100  
1900  
CITY OF  
CLARE



**RESOLUTION 2016-118**

RESOLVED, that it is hereby deemed advisable to authorize Consumers Energy Company to make changes in the lighting service as provided in the Standard Lighting Contract between the Company and the City of Clare, dated 6/17/2013, in accordance with the Authorization for Change in Standard Lighting Contract dated \_\_\_\_\_,

heretofore submitted to and considered by this  commission  council  board ;and

RESOLVED, further, that the \_\_\_\_\_ Clerk be and are authorized to execute such authorization for change on the behalf of the City.

STATE OF MICHIGAN  
COUNTY OF Clare

I, \_\_\_\_\_, Clerk of the City of Clare, do hereby certify that the foregoing resolution was duly adopted by the  commission  council  board of said municipality, at the meeting held on \_\_\_\_\_.

\_\_\_\_\_

Dated:

Municipal Customer Type: City

\_\_\_\_\_

**RESOLUTION 2016-118**

**A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING THE ADDITION OF THREE (3) STREETLIGHTS TO THE STANDARD STREET LIGHTING CONTRACT WITH CONSUMERS ENERGY.**

**WHEREAS**, approximately 8/10's of a mile of East Colonville Road was transferred into the jurisdictional control of the City of Clare as part of the City's North Industrial Park and Infrastructure Extension Development Project; and

**WHEREAS**, the City of Clare has a contractual agreement with Consumers Energy for the street lighting of public streets throughout the City; and

**WHEREAS**, there are three street lights located on or near the intersection of East Colonville Road and North Clare Avenue; and

**WHEREAS**, Consumers Energy has asked the City of Clare to approve the addition of these three street lights to the City's standard street lighting contract.

**NOW THEREFORE BE IT RESOLVED THAT**, the Clare City Commission hereby approves the addition of the three (3) street lights located at or near the intersection of East Colonville Road and North Clare Avenue to the standard street lighting agreement with Consumers Energy.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

**The Resolution was introduced by Commissioner \_\_\_\_\_ and supported by Commissioner \_\_\_\_\_. The Resolution declared adopted by the following roll call vote:**

**YEAS:**

**NAYS:**

**ABSENT:**

Resolution approved for adoption on this 3<sup>rd</sup> day of October 2016.

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Diane Lyon, Clare City Clerk

## AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission  
FROM: Steven J. Kingsbury, MBA, CPFA, MiCPT  
Acting City Manager, Treasurer, Finance and Technology Director  
DATE: September 29, 2016  
RE: Contract Change Order (Completion Date) - Crawford Contracting

For the Agenda of October 3, 2016

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**Background:** By adoption of Resolution 2016-105 the City Commission approved the bids received for the necessary site work described below at the City's new South Multi-Purpose Recreational and Youth Sports Complex and awarded the contract to Crawford Contracting. The scope of the work to be completed within this contract includes:

- Equipment Mobilization.
- Clearing, Grubbing, Tree Removal and Stripping/Stockpiling of Topsoil along the southern edge of the property and portions of the eastern and western edges.
- Grading of the trail around the perimeter of the complex.
- Installation of a Six-Foot Wide Afton Stone Pathway.

The above work was originally planned to be completed by September 30th in anticipation of seeding the complex yet this fall. However, intermittent and fairly significant amounts of rain were experienced during September which delayed the start of the earth work. This delay does not harm or delay the overall project as a determination was made subsequent the awarding of the above work to delay the seeding of the complex until next spring so the September 30th deadline was no longer needed.

With the weather delays Crawford Contracting has submitted a change order request to extend the work completion date to October 31st from September 30th.

**Issues & Questions:** Should the City Commission approve the change order?

**Alternatives:**

1. Approve the change order.
2. Don't approve the change order.
3. Set the decision aside to a subsequently scheduled public meeting.

**Financial Impact:** The contractor has moved their equipment to the work site but has made little or no progress in completing the contracted work due to the weather. Approval of the change order has no effect upon the previously approved cost.

**Recommendation:** It is recommend that the change order be approved by adoption of Resolution 2016-119.

**Attachments:**

1. Recreational Complex Bid Consideration Agenda Report
2. Resolution 2016-105 Approving the Recreational Complex Bids and Awarding the work to Crawford Contracting.
3. Crawford Contracting Change Order One (Completion Date).
4. Resolution 2016-119.

## AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission  
FROM: Ken Hibl, City Manager  
DATE: September 6, 2016  
RE: Recreation Complex Bids

For the Agenda of September 6, 2016

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**Background:** In order to ensure that we have soccer fields available for the City's soccer program next year, it is imperative that we plant grass seed on the newly prepared fields this year (by end-September) to allow the grass to take root and mature sufficiently to allow use next summer and fall. Consequently, we solicited bids to clear the peripheral area around the fields for the recreation trail system at the new complex (must be completed prior to planting the seed to preclude damaging the fields once grass has germinated); for preparing the fields for seeding; for seeding the fields; and for removing top soil from the parking, playground, concession, & restroom area, and redistributing the clay that was removed to prepare the recreation fields.

We received two bids (*see copy of att'd GFA Letter & Bid Sheet*) for these work items on the project. As reflected on the bid sheet, we requested line-item bids to allow us to segregate the work to continue work on the project while allowing ourselves latitude to attempt to find alternatives for those work items we felt were too costly or that we could do separately. As reflected in the GFA letter, we are recommending that the City Commission approve the bids and award the work to Crawford Contracting for four items of work: mobilization; clearing, grubbing, tree removal, & topsoil removal; trail grading; and complete the stone trail. We will then formulate alternatives and present them to the City Commission at the Sep 19<sup>th</sup> meeting for seeding the fields and other work that needs to be accomplished this year.

**Issues & Questions Specified:** Should the City Commission approve the bids and award the work for the four line item work tasks reflected above to Crawford Contracting?

**Alternatives:**

1. Approve the bids and award the four line item work tasks to Crawford Contracting.
2. Approve the bids and award the four line item work tasks to Robbin Harsh Excavating.
3. Direct solicitation of new bids.
4. Set aside decision regarding this matter to a later date.

**Financial Impact:** The cost of completing the four tasks is \$54,650; we have bond proceeds in the amount of \$350K that must be used for this project.

**Recommendation:** I recommend that the City Commission approve the bids and award the work for the four line item work tasks reflected above to Crawford Contracting by adoption of Resolution 2016-105 (*copy attached*).

**Attachments:**

1. GFA Letter
2. Resolution 2016-105.

**RESOLUTION 2016-105**

**A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING THE BIDS AND AWARDING THE WORK FOR A PORTION OF THE NEW RECREATION SPORTS COMPLEX.**

**WHEREAS**, the City is in the process of constructing a new 26-acre sports complex; and

**WHEREAS**, a significant amount (valued in excess of \$500,000) of the earth excavation and sports complex athletic complex fields preparatory work were donated by Operator's Union 324 of Howell, Michigan this past summer; and

**WHEREAS**, the remainder of the work is beyond the capability of the City's crews, thus bids were solicited to complete the work necessary to seed the athletic fields of the complex this year to ensure they are available to use for the 2017 athletic season; and

**WHEREAS**, two bids were received; and

**WHEREAS**, said bids were solicited on a line item work task format to allow the City to select those items that were considered essential and necessary to complete for a reasonable cost in 2016; and

**WHEREAS**, Gourdie-Fraser, the City's engineer for this project, recommended that the City approve the bids and select four of the line item work tasks (mobilization; clearing, grubbing, tree removal, & topsoil removal; trail grading; and complete the stone trail) by awarding this work to Crawford Contracting, the significantly lower bidder of said project; and

**WHEREAS**, the City Commission has considered said recommendation and deems it reasonable and prudent to accept said recommendation.

**NOW THEREFORE BE IT RESOLVED THAT**, the Clare City Commission hereby approves the bids and awards the work to complete four of the line item work tasks (mobilization; clearing, grubbing, tree removal, & topsoil removal; trail grading; and complete the stone trail) to Crawford Contracting.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

The Resolution was introduced by Commissioner \_\_\_\_\_ and supported by Commissioner \_\_\_\_\_. The Resolution declared adopted by the following roll call vote:

**YEAS:**

**NAYS:**

**ABSENT:**

Resolution approved for adoption on this 6<sup>th</sup> day of September 2016.

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Diane Lyon, Clare City Clerk

## CONTRACT CHANGE ORDER #1 SUMMARY

DATE OF ISSUANCE: September 20, 2016  
 OWNER: City of Clare  
 CONTRACTOR: Crawford Contracting, Inc.  
 Project Name: Grading Trail, Seed & Mulch for Clare Recreation Complex (Items 1-3)  
 Project No: 14253  
 ENGINEER: GFA

You are directed to make the following changes in the Contract Documents:

Description: Adjusted completion date since seeding and mulching was revised from original scope.

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price:  <b>\$54,650.00</b>	Original Contract Times: Substantial Completion: <u>09/30/2016</u> Ready for Final Payment: <u>09/30/2016</u> (days or dates)
Net Increase (Decrease) from Previous: Change Orders _____ To _____	Contract Times prior to this Change Order: Substantial Completion: <u>09/30/2016</u> Ready for Final Payment: <u>09/30/2016</u> (days or dates)
Contract Price Prior to this Change Order:	Net Increase this Change Order: Substantial Completion: <u>10/30/2016</u> Ready for Final Payment: <u>10/30/2016</u> (days or dates)
Net Increase (Decrease) of this Change Order:	Contract Times with all Approved Change Orders: Substantial Completion: <u>10/30/2016</u> Ready for Final Payment: <u>10/30/2016</u> (days or dates)
Contract Price with all Approved Change Order:  <b>\$54,650.00</b>	

RECOMMENDED:

By: 

ENGINEER (Authorized Signature)

Date: 09/22/2016

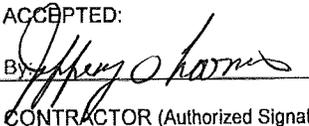
APPROVED:

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

OWNER (Authorized Signature)

Date: \_\_\_\_\_

ACCEPTED:

By: 

CONTRACTOR (Authorized Signature)

Date: \_\_\_\_\_

APPROVED:

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

CO-OWNER (Authorized Signature)

Date: \_\_\_\_\_

**RESOLUTION 2016-119**

**A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING CHANGE ORDER NUMBER ONE FROM CRAWFORD CONTRACTING FOR THE SOUTH MULTI-PURPOSE RECREATIONAL AND YOUTH SPORTS COMPLEX PHASE ONE SITE WORK.**

**WHEREAS**, the City of Clare has been working towards the creation of a new multi-purpose recreational and youth sports complex for several years; and

**WHEREAS**, in 2012 the City purchased 26 acres of property and began the process to develop the new park; and

**WHEREAS**, during the late spring and summer months of 2016 Operator's Union 324 of Howell, Michigan donated significant manpower and use of their heavy earth moving equipment to complete a significant portion of the required earthwork at an estimated value in excess of \$500,000; and

**WHEREAS**, prior to completion of the earthwork the Operator's Union needed to move their equipment and personnel to another location leaving some perimeter earthwork to be completed; and

**WHEREAS**, the City solicited and received bids to complete portions of the earthwork necessary to be completed prior to the seeding of the complex and awarded the work to Crawford Contracting; and

**WHEREAS**, the Clare area has experienced a fairly significant amount of rain since the awarding of the contract with Crawford Contract and as a result they have requested an extension of the completion date to October 31st by the submission of Change Order Number One to their contract with the City.

**NOW THEREFORE BE IT RESOLVED THAT**, the Clare City Commission hereby approves Change Order Number One requested by Crawford Contracting for this work extending the project completion date to October 31, 2016.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

**The Resolution was introduced by Commissioner \_\_\_\_\_ and supported by Commissioner \_\_\_\_\_ . The Resolution declared adopted by the following roll call vote:**

**YEAS:**

**NAYS:**

**ABSENT:**

Resolution approved for adoption on this 3<sup>rd</sup> day of October 2016.

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Diane Lyon, Clare City Clerk

## AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission  
FROM: Steven J. Kingsbury, MBA, CPFA, MiCPT  
Acting City Manager, Treasurer, Finance and Technology Director  
DATE: September 28, 2016  
RE: Michigan Municipal League (MML) Liability & Property Pool  
Board of Directors Election

For the Agenda of October 3, 2016

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**Background:** We have received notice (*copy att'd*) of the upcoming annual MML Liability & Property Board of Directors election. The City Commission is asked to approve the proposed slate provided by the MML Nominating Committee or direct that a write-in candidate(s) be designated.

**Issues & Questions:** Should the City Commission approve the proposed slate of nominees?

**Alternatives:**

1. Approve the proposed slate.
2. Direct the designation of a write-in candidate.
3. Set the decision aside to a subsequently scheduled public meeting.

**Financial Impact:** N/A.

**Recommendation:** Recommend that the City Commission advise the City Clerk of its desires in respect to the ballot proposal and authorize her to submit the ballot accordingly by adoption of attached Resolution 2016-120.

**Attachments:**

1. Letter and Ballot.
2. Resolution 2016-120.



michigan municipal league

## Liability & Property Pool

1675 Green Road  
Ann Arbor, MI 48105

TEL 734.662.3246 800.653.2483  
FAX 734.662.8083  
WEB [www.mml.org](http://www.mml.org)

to	Members of the MML Liability and Property Pool	from	Michael J. Forster, Pool Administrator
cc		date	September 12, 2016
		subject	2017 Pool Director Election

Dear Pool Member:

Enclosed is your ballot for this year's Board of Directors election. Two (2) incumbent Directors have agreed to seek re-election. You also may write in one or more candidates if you wish.

A brief biographical sketch of each candidate is provided for your review.

I hope you will affirm the work of the Nominating Committee by returning your completed ballot in the enclosed return envelope, no later than November 8. You may also submit your ballot online by going to [www.mml.org](http://www.mml.org). Click on *Insurance*, then *Liability and Property Pool*; the official ballot is located in the left navigation bar under *Online Forms*:

The MML Liability & Property Pool is owned and controlled by its members. Your comments and suggestions on how we can serve you better are very much appreciated. Thank you again for your membership in the Pool, and for participating in the election of your governing board.

Sincerely,

Michael J. Forster  
Pool Administrator

[mforster@mml.org](mailto:mforster@mml.org)

**THE CANDIDATES**  
**Three-year terms beginning January 1, 2017**



*Penny Hill, Assistant City Manager, Traverse City*

Penny has been a municipal government official since 1988, serving at various times as Clerk, Treasurer, and Manager. She currently serves as Traverse City's Assistant Manager. Penny is an active member of the Michigan Municipal League, having served on its Board of Directors, and as Vice-Chairperson of Region 6. Penny is also an active member of the Michigan Municipal Executives (formerly Michigan Local Government Manager's Association), serving as its President in 2013. She is a member of the Board of Directors for the Grand Traverse Regional Community Foundation. Penny is seeking re-election to her fourth term as director.



*Jean Stegeman, Mayor, City of Menominee*

Jean has more than six years of experience as a municipal official, currently serving as Mayor in the City of Menominee. She was a member of and served as chair of the Menominee planning commission for several years prior to becoming mayor. She is also active in several local civic organizations. Jean is seeking re-election to her second term as director.

Michigan Municipal League  
Liability & Property Pool

OFFICIAL BALLOT - 2016

Vote for two Directors by marking the line to  
the left of the name for three year terms  
beginning January 1, 2017.

\_\_\_\_ Penny Hill, Incumbent  
Assistant City Manager, Traverse City

\_\_\_\_ Jean Stegeman, Incumbent  
Mayor, City of Menominee

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Write-in Candidate

I hereby certify that:

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(Municipality/Agency)

by action of its governing body, has  
authorized its vote to be cast for the above  
persons to serve as Director of the Michigan  
Municipal League Liability and Property Pool.

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Official Signature

Date:

**Ballot deadline:  
November 8, 2016**

**RESOLUTION 2016-120**

**A RESOLUTION OF THE CLARE CITY COMMISSION AUTHORIZING ITS VOTE TO BE CAST FOR THE MICHIGAN MUNICIPAL LEAGUE LIABILITY & PROPERTY INSURANCE POOL BOARD OF DIRECTORS.**

**WHEREAS**, the City of Clare has been a voting member of the Michigan Municipal League (MML) and a paying member of the Liability & Property Insurance Pool of the League for many decades; and

**WHEREAS**, said membership qualifies the City to annually cast its vote for the Board of Directors of said Pool; and

**WHEREAS**, the MML has forwarded to the City the proposed ballot listing the slate of individuals recommended by the Nominating Committee for election or reelection to the Liability & Property Insurance Pool Board of Directors; and

**WHEREAS**, the City Commission has reviewed said slate and made a decision regarding said ballot.

**NOW THEREFORE BE IT RESOLVED THAT**, the Clare City Commission hereby authorizes its vote to be cast for the individuals listed on the ballot.

**BE IT FURTHER RESOLVED THAT** the City Commission hereby directs its City Clerk to submit its ballot for the election of the Board of Directors of the MML Liability & Property Insurance Pool on its behalf.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

**The Resolution was introduced by Commissioner \_\_\_\_\_ and supported by Commissioner \_\_\_\_\_. The Resolution declared adopted by the following roll call vote:**

**YEAS:**

**NAYS:**

**ABSENT:**

Resolution approved for adoption on this 3<sup>rd</sup> day of October 2016.

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Diane Lyon, Clare City Clerk

## AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission  
FROM: Steven J. Kingsbury, MBA, CPFA, MiCPT  
Acting City Manager, Treasurer, Finance and Technology Director  
DATE: September 30, 2016  
RE: Natural Gas Purchasing through Volunteer Energy

For the Agenda of October 3, 2016

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**Background:** For the past few years the City of Clare has purchased our natural gas through Volunteer Energy with delivery and billing being provided by DTE Energy. The relationship has for the most part been a beneficial one for the City of Clare saving the City considerable expense, particularly in the early years. There was a timeframe in early 2014 where consumption exceeded the contract and as a result we had to pay market rates which was quite expensive. In 2015 and 2016 the relationship has not been as beneficial for the City which historically has been the case with natural gas provider relationships when the price is falling as it has been over the past couple of years.

Enclosed for the Commission's reference is a historical comparison of the price that we have paid Volunteer Energy and the market rates of DTE Energy. The primary question is what will happen with natural gas consumption and pricing in the future which is impacted by the weather and other factors outside of everyone's control. Also enclosed is a ten-year history of natural gas prices.

The City's contractual agreement with Volunteer Energy for the purchase of natural gas is expiring today, September 30th. We have received two proposed contracts from Volunteer Energy to continue purchasing our natural gas from them. The first is based upon the New York Mercantile Exchange (NYMEX) index and the second is a variable month-to-month rate that is guaranteed to be 3% lower than the price from DTE Energy. Volunteer Energy has provided us a one-year historical proforma of the NYMEX rate compared to the DTE Energy rate for the period of September 2015 through September 2016 which reflects a fairly consistent and significant savings.

**Issues & Questions:** Should the City Commission approve entering into a new contract with Volunteer Energy for the purchase of our natural gas and if so which of the two available options would be most beneficial?

**Alternatives:**

1. Approve one of the two natural gas purchasing contracts.
2. Don't approve either of the contracts.
3. Set the decision aside to a subsequently scheduled public meeting.

**Financial Impact:** Entering into a contractual agreement with Volunteer Energy has the potential to save the City some expense as compared to the principal other natural gas provider for our area depending upon the option chosen and future market pricing.

**Recommendation:** Though there are potential benefits to either of the contracts offered to the city by Volunteer Energy at this time the one-year NYMEX Plus contract provides more potential for savings. Therefore the recommendation is to approve the NYMEX Plus contract for the purchase of natural gas from Volunteer Energy for the next year by adoption of resolution 2016-121.

**Attachments:**

1. Historical Comparison of Natural Gas Pricing from Volunteer Energy and DTE.
2. Natural Gas Ten Year Pricing History and Background.
3. Volunteer Energy One-Year NYMEX Plus Natural Gas Contract.
4. DTE Energy Rate Comparison to Volunteer Energy's NYMEX Rate
5. Volunteer Energy Month-to-Month Variable Rate Contract
6. Resolution 2016-121.

**Natural Gas Cost Comparison  
Volunteer Energy to DTE Energy  
June 2012 through August 2016**

	<u>Volunteer Per CCF</u>	<u>DTE Energy Per CCF</u>	<u>Per CCF Cost Savings</u>	<u>Per CCF Savings</u>
Jun - Jul 2012	0.3480	0.5180	0.1700	48.85%
Jul - Aug 2012	0.4690	0.5180	0.0490	10.45%
Aug - Sep 2012	0.3990	0.5180	0.1190	29.82%
Sep - Oct 2012	0.3990	0.5180	0.1190	29.82%
Oct - Nov 2012	0.4620	0.5180	0.0560	12.12%
Nov - Dec 2012	0.4620	0.5180	0.0560	12.12%
Dec 2012 - Jan 2013	0.4590	0.5180	0.0590	12.85%
	<u>0.4283</u>	<u>0.5180</u>	<b>0.0897</b>	<u>22.29%</u>
Jan - Feb 2013	0.4690	0.4720	0.0030	0.64%
Feb - Mar 2013	0.4690	0.4720	0.0030	0.64%
Mar - Apr 2013	0.4928	0.4740	-0.0188	-3.81%
Apr - May 2013	0.5290	0.4770	-0.0520	-9.83%
May - Jun 2013	0.4770	0.4770	0.0000	0.00%
Jun - Jul 2013	0.4670	0.4770	0.0100	2.14%
Jul - Aug 2013	0.4640	0.4740	0.0100	2.16%
Aug - Sep 2013	0.4590	0.4740	0.0150	3.27%
Sep - Oct 2013	0.4590	0.4740	0.0150	3.27%
Oct - Nov 2013	0.4590	0.4740	0.0150	3.27%
Nov - Dec 2013	0.4690	0.4740	0.0050	1.07%
Dec 2013 - Jan 2014	0.4610	0.4710	0.0100	2.17%
	<u>0.4729</u>	<u>0.4742</u>	<b>0.0013</b>	<u>0.41%</u>
Jan - Feb 2014	0.6490	0.4740	-0.1750	-26.96%
Feb - Mar 2014	1.3990	0.4800	-0.9190	-65.69%
Mar - Apr 2014	0.5990	0.4560	-0.1430	-23.87%
Apr - May 2014	0.5990	0.4210	-0.1780	-29.72%
May - Jun 2014	0.4240	0.4240	0.0000	0.00%
Jun - Jul 2014	0.5490	0.4240	-0.1250	-22.77%
Jul - Aug 2014	0.5030	0.5030	0.0000	0.00%
Aug - Sep 2014	0.4890	0.4970	0.0080	1.64%
Sep - Oct 2014	0.4770	0.4970	0.0200	4.19%
Oct - Nov 2014	0.4770	0.4970	0.0200	4.19%
Nov - Dec 2014	0.4770	0.4970	0.0200	4.19%
Dec 2014 - Jan 2015	0.4770	0.4970	0.0200	4.19%
	<u>0.5933</u>	<u>0.4723</u>	<b>-0.1210</b>	<u>-12.55%</u>

**Natural Gas Cost Comparison  
 Volunteer Energy to DTE Energy  
 June 2012 through August 2016**

	<u>Volunteer Per CCF</u>	<u>DTE Energy Per CCF</u>	<u>Per CCF Cost Savings</u>	<u>Per CCF Savings</u>
Jan - Feb 2015	0.4770	0.4400	-0.0370	-7.76%
Feb - Mar 2015	0.4770	0.4070	-0.0700	-14.68%
Mar - Apr 2015	0.4770	0.4070	-0.0700	-14.68%
Apr - May 2015	0.4770	0.4070	-0.0700	-14.68%
May - Jun 2015	0.4770	0.4070	-0.0700	-14.68%
Jun - Jul 2015	0.4770	0.4070	-0.0700	-14.68%
Jul - Aug 2015	0.4770	0.4070	-0.0700	-14.68%
Aug - Sep 2015	0.4770	0.4070	-0.0700	-14.68%
Sep - Oct 2015	0.4990	0.4070	-0.0920	-18.44%
Oct - Nov 2015	0.3990	0.4070	0.0080	2.01%
Nov - Dec 2015	0.3990	0.4070	0.0080	2.01%
Dec 2015 - Jan 2016	0.3990	0.4070	0.0080	2.01%
	<u>0.4593</u>	<u>0.4098</u>	<b>-0.0496</b>	-10.24%
Jan - Feb 2016	0.3990	0.3700	-0.0290	-7.27%
Feb - Mar 2016	0.3990	0.3700	-0.0290	-7.27%
Mar - Apr 2016	0.3990	0.3700	-0.0290	-7.27%
Apr - May 2016	0.3990	0.3440	-0.0550	-13.78%
May - Jun 2016	0.3990	0.3440	-0.0550	-13.78%
Jun - Jul 2016	0.3990	0.3440	-0.0550	-13.78%
Jul - Aug 2016	0.3990	0.3440	-0.0550	-13.78%
Aug - Sep 2016			0.0000	
Sep - Oct 2016			0.0000	
Oct - Nov 2016			0.0000	
Nov - Dec 2016			0.0000	
Dec 2016 - Jan 2017			0.0000	
	<u>0.3990</u>	<u>0.3551</u>	<b>-0.0439</b>	-10.99%

## Natural gas 1990-2016 | Data | Chart | Calendar | Forecast | News

Natural gas decreased 0.015 USD/MMBtu or 0.50% to 2.96 on Friday September 30 from 2.97 in the previous trading session. Natural gas changed -0.67% during the last week, +2.82% during the last month and +21.50% during the last year. Historically, Natural gas reached an all time high of 15.39 in December of 2005 and a record low of 1.02 in January of 1992.



Actual	Previous	Highest	Lowest	Dates	Unit	Frequency
2.96	2.97	15.39	1.02	1990 - 2016	USD/MMBtu	Daily

Natural gas accounts for almost a quarter of United States energy consumption, and the NYMEX Division natural gas futures contract is widely used as a national benchmark price. The futures contract trades in units of 10,000 million British thermal units (mmBtu). The price is based on delivery at the Henry Hub in Louisiana, the nexus of 16 intra- and interstate natural gas pipeline systems that draw supplies from the region's prolific gas deposits. The pipelines serve markets throughout the U.S. East Coast, the Gulf Coast, the Midwest, and up to the Canadian border. This page provides - Natural gas - actual values, historical data, forecast, chart, statistics, economic calendar and news. Natural gas - actual data, historical chart and calendar of releases - was last updated on September of 2016.



VolunteerEnergy  
**COMMERCIAL GAS CUSTOMER CHOICE CONTRACT**  
 NYMEX Plus (\$0.065 )  
 Acceptance Form

Execution of the Gas Customer Choice Contract signifies my desire to be a customer of Volunteer Energy Services, Inc. (VE). I agree to the ENERGY SUPPLY TERMS AND CONDITIONS that are incorporated herein by reference. I appoint VE as my agent and authorize VE to obtain usage history from my utility company.

- Small Commercial (500 Mcf or below):** I acknowledge that I am the account holder or Legally Authorized Person to execute a contract and legally bind the business in this contract. I understand that by signing this contract, I am switching the gas Supplier for this commercial account to VE. I understand that gas purchased for this commercial account by VE will be delivered through DTE Gas Company's delivery system. The legally authorized person to execute a contract and legally bind the business in this contract has 30-days after today to cancel this contract for any reason through written or verbal notification to VE.
- Large Commercial (Above 500 Mcf):** I acknowledge that I am the account holder or Legally Authorized Person to execute a contract and legally bind the business in this contract. I understand that by signing this contract, I am switching the gas Supplier for this commercial account to VE. I understand that gas purchased for this commercial account by VE will be delivered through DTE Gas Company's delivery system. The Legally Authorized Person to execute a contract and legally bind the business in this contract has 14-days after today to cancel this contract for any reason through written or verbal notification to VE. I may waive this right of cancellation by affirmatively agreeing to this waiver on the contract. If you terminated your contract today, and if the unconditional cancellation period did not apply, based on current gas prices and your historical usage, a good-faith estimate of your Termination Fee would be one hundred dollars (\$100.00). This Termination Fee is subject to change as your usage and the market price of gas fluctuate.

I affirmatively agree to waive my 14 day right of cancellation provided to me on the contract. I agree to waive the right to cancel and direct VE to enter my enrollment without delay. cust. initial \_\_\_\_\_ date \_\_\_\_\_

City of Clare \_\_\_\_\_

Customer Name as it appears on utility bill \_\_\_\_\_

Date \_\_\_\_\_

Account Holder/Legally Authorized Person Signature \_\_\_\_\_

Print Name (if legally authorized person, what is your relationship to the account holder) \_\_\_\_\_

Title \_\_\_\_\_

Service Address 307 Maple St \_\_\_\_\_

City Clare \_\_\_\_\_

State MI \_\_\_\_\_

Zip 48617 \_\_\_\_\_

Phone 989-386-7541 \_\_\_\_\_

Fax \_\_\_\_\_

E-Mail \_\_\_\_\_

***A Confirmation Letter will be sent via mail, fax, or email to you within 7 days from today.***

GAS UTILITY:

DTE (12 digits)

4	5	7	3	4	9	3	0	0	0	2	2
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For Office Use Only

Agent: CSB - Joe Drolett \_\_\_\_\_

VE Rep: \_\_\_\_\_

Price Code: \_\_\_\_\_

NYMEX Plus \$ 0.065 until October 31, 2017 then goes to variable

Termination Fee of \$100.00

Rev 8/15



VolunteerEnergy  
COMMERCIAL GAS CUSTOMER CHOICE CONTRACT  
NYMEX Plus (\$0.065 )  
**Terms and Conditions**

These Terms & Conditions contain important information regarding your natural gas contract with Volunteer Energy Services, Inc. ("VE"). VE is an Ohio corporation licensed as an alternative gas supplier and operating under the guidelines set up by Michigan Public Service Commission and Michigan's various natural gas utilities. As a supply customer of VE, your signature on this contract binds you to the terms and conditions contained herein.

- 1. Natural Gas Service** – VE shall supply 100% of the customer's necessary natural gas supply needs. If the customer requires assistance with any matter regarding delivery of gas, meter reading, billing and other traditional utility functions, they will continue to contact their respective utility. In the event of an emergency or loss of service, the customer should contact their utility. The customer will continue to pay their bill to their gas utility.
- 2. Term** – The term of this contract shall commence from the later to occur of November 1, 2016 or acceptance of your enrollment by DTE Gas Company and shall continue through October 31, 2017 (the "Initial Period"). Upon expiration, service will then continue on a month-to-month variable rate basis cancelable at any time without penalty.
- 3. Pricing** – During the Initial Period, customer will be billed at NYMEX Settlement Plus \$ 0.065 per Ccf. The NYMEX Settlement Rate used for rate calculation will coincide with Utility billing rate submission deadline. After the Initial Period, all supplied natural gas to the customer will be billed at a **monthly variable rate**, exclusive of sales tax. The price will be based upon an approved Index or the NYMEX market plus an adder for basis, transportation, fuel shrinkage, storage, pooling and balancing fees plus any associated costs for redelivery to the customers burner tip. e.g., VE buys gas at \$0.400 per Ccf plus a fluctuating adder (based on market conditions and costs), which can change monthly. An adder might be \$0.099, making your gas costs \$0.499, or, depending on market conditions, \$0.199 making your gas costs \$0.599. VE works hard to keep the adder as low as possible, but as in these examples, it does fluctuate monthly.
- 4. Cancellation/Termination** – Small Commercial customers have a 30-day unconditional right to cancel the contract without penalty following the date the customer signs this contract. **Large and Small Commercial Customers, if you terminate within the Initial Period there is an early Termination Fee of one hundred dollars (\$100.00).** A customer may change suppliers one time in any 12-month period at no cost to the customer; however, if you return to the utility you must remain for 12 months. A switching fee of \$10 will be required and charged by the utility for each additional change of supplier within the same 12-month period. The customer may cancel this contract by written or verbal notice at any time.
- 5. Billing & Payment** – The customer will receive a single bill from the utility, which must be paid according to the payment terms established by the utility. VE reserves the right to terminate this contract upon fourteen (14) days notice for failure to pay the bill or to meet any agreed upon payment arrangement.
- 6. Office Locations and Hours** – Volunteer Energy Services office is located at 790 Windmill Drive, Pickerington, Ohio 43147 and is open from 08:00 AM to 05:00 PM EST, Monday through Friday. VE can be reached toll free at 800-977-VESI or at fax 614-856-3301. Telephone service hours are the same as office hours. VE can be reached online at <http://www.volunteerenergy.com>. The Customer can contact the Michigan Public Service Commission at 1-800-292-9555 or [www.michigan.gov/mpsc](http://www.michigan.gov/mpsc).
- 7. Credit** – VE may verify the customer's credit history with a credit-reporting agency upon the customer's application for service with VE. Determination of credit worthiness will be made by generally accepted business practices.

Cust. Initial \_\_\_\_\_

NYMEX Plus \$ 0.065 until October 31, 2017 then goes to variable  
Termination Fee of \$100.00 Rev 8/15



VolunteerEnergy  
COMMERCIAL GAS CUSTOMER CHOICE CONTRACT  
NYMEX Plus (\$0.065)  
**Terms and Conditions**  
**(cont'd)**

8. **Notices** – Communications that are required or allowed under the terms of this contract will be considered officially delivered when given in person, emailed, faxed, or received two (2) business days after being mailed through the United States Postal Service to one of the addresses provided by either party herein.
9. **Force Majeure** – For the purpose of this contract, Force Majeure shall include VE's right to cancel this contract if the State of Michigan, Michigan Public Service Commission or the applicable gas utility makes material changes to the gas choice programs.
10. **Miscellaneous** – The terms of this contract extend to any successors or assignees of either party. Customer may not assign this contract without written consent by VE. This contract represents the entire contract, and both the customer and VE must approve any changes or amendments. This contract supersedes any prior contract between the customer and VE.
11. **Limitation on Liability** - IN NO EVENT SHALL VE BE LIABLE TO THE CUSTOMER OR TO ANY THIRD PARTY FOR ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES ARISING OUT OF OR RELATING TO THIS CONTRACT. VE'S MAXIMUM AGGREGATE LIABILITY FOR ANY REASON OR CAUSE OF ACTION SHALL BE THE PRICE PAID BY THE CUSTOMER.

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Cust. Initials \_\_\_\_\_

NYMEX Plus \$ 0.065 until October 31, 2017 then goes to variable  
Termination Fee of \$100.00 Rev 8/15

Volunteer Energy Nymex plus \$0.065 program

Month/Year	DTE	VE
September-15	\$0.4070	\$0.3495
October-15	\$0.4070	\$0.3219
November-15	\$0.4070	\$0.3504
December-15	\$0.4070	\$0.2926
January-16	\$0.3700	\$0.2561
February-16	\$0.3700	\$0.2808
March-16	\$0.3700	\$0.2428
April-16	\$0.3440	\$0.2456
May-16	\$0.3440	\$0.2713
June-16	\$0.3440	\$0.2637
July-16	\$0.3440	\$0.3348
August-16	\$0.3510	\$0.3397
September-16	\$0.3510	\$0.3411



VolunteerEnergy  
 Commercial Gas Customer Choice Contract  
 Variable Rate  
 Acceptance Form

Execution of the Gas Customer Choice Contract signifies my desire to be a customer of Volunteer Energy Services, Inc. (VE). I agree to the ENERGY SUPPLY TERMS AND CONDITIONS that are incorporated herein by reference. I appoint VE as my agent and authorize VE to obtain usage history from my utility company.

**Small Commercial (500 Mcf or below):** I acknowledge that I am the account holder or Legally Authorized Person to execute a contract and legally bind the business in this contract. I understand that by signing this contract, I am switching the gas Supplier for this commercial account to VE. I understand that gas purchased for this commercial account by VE will be delivered through DTE Gas Company's delivery system. The legally authorized person to execute a contract and legally bind the business in this contract has 30-days after today to cancel this contract for any reason through written or verbal notification to VE.

**Large Commercial (Above 500 Mcf):** I acknowledge that I am the account holder or Legally Authorized Person to execute a contract and legally bind the business in this contract. I understand that by signing this contract, I am switching the gas Supplier for this commercial account to VE. I understand that gas purchased for this commercial account by VE will be delivered through DTE Gas Company's delivery system. The Legally Authorized Person to execute a contract and legally bind the business in this contract has 14-days after today to cancel this contract for any reason through written or verbal notification to VE. I may waive this right of cancellation by affirmatively agreeing to this waiver on the contract.

I affirmatively agree to waive my 14 day right of cancellation provided to me on the contract. I agree to waive the right to cancel and direct VE to enter my enrollment without delay. cust. initial X date 1

\* There is no termination fee for this contract.

City of Clare

Customer Name as it appears on utility bill

Y  
Date

Account Holder/Legally Authorized Person Signature

X  
Print Name (if legally authorized person, what is your relationship to the account holder)

Y  
Title

Service Address 307 Maple St

City Clare State MI Zip 48617

Phone 989-386-7541 Fax 989-386-4508

E-Mail \_\_\_\_\_

*A Confirmation Letter will be sent via mail, fax, or email to you within 7 days from today.*

GAS UTILITY:

DTE (12 digits)

4	5	7	3	4	9	3	0	0	0	2	2
---	---	---	---	---	---	---	---	---	---	---	---

For Office Use Only

Agent: CSB - Joe Drolett

VE Rep: \_\_\_\_\_

3% Guaranteed Savings Program off the DTE GCR no cancellation penalty.

Rev 04/16



VolunteerEnergy  
**COMMERCIAL GAS CUSTOMER CHOICE CONTRACT**  
**Variable Rate**  
**Terms and Conditions**

These Terms & Conditions contain important information regarding your natural gas contract with Volunteer Energy Services, Inc. ("VE"). VE is an Ohio corporation licensed as an alternative gas supplier and operating under the guidelines set up by Michigan Public Service Commission and Michigan's various natural gas utilities. As a supply customer of VE, your signature on this contract binds you to the terms and conditions contained herein.

- 1. Natural Gas Service** – VE shall supply 100% of the customer's necessary natural gas supply needs. If the customer requires assistance with any matter regarding delivery of gas, meter reading, billing and other traditional utility functions, they will continue to contact their respective utility. In the event of an emergency or loss of service, the customer should contact their utility. The customer will continue to pay their bill to their gas utility.
- 2. Term** – The term of this contract shall commence when acceptance of your enrollment by DTE Gas Company and shall continue on a month-to-month variable rate basis cancelable at any time without penalty.
- 3. Pricing** – All natural gas supplied to the customer will be billed at a **monthly variable rate** that will vary from month to month. VE guarantees that Customer will save at least three percent (3%) over what Customer would have paid for natural gas to their local gas utility (the "Guaranteed Savings Program") for that month. In the event that VE is unable to provide the customer with the Guaranteed Savings Program, VE will provide to customer a thirty (30) days written notice of the discontinuance of the Guaranteed Savings Program before the pricing changes from the Guaranteed Savings Program. Customer will have the right to cancel through written or verbal notification to VE within the thirty (30) days written notice period provided by VE. Those who do not cancel within that thirty (30) day period, you will be billed at the standard **monthly variable rate**, exclusive of sales tax. It will be based upon the lowest market price VE can obtain for natural gas for the month. The price will be based upon an approved Index or the NYMEX market plus an adder for basis, transportation, fuel shrinkage, storage, pooling and balancing fees plus any associated costs for redelivery to the customers burner tip. e.g., VE buys gas at \$4.00 per mcf plus a fluctuating adder (based on market conditions and costs), which can change monthly. An adder might be \$0.99, making your gas costs \$4.99, or, depending on market conditions, \$1.99 making your gas costs \$5.99. VE works hard to keep the adder as low as possible, but as in these examples, it does fluctuate monthly
- 4. Billing & Payment** – The customer will receive a single bill from the utility, which must be paid according to the payment terms established by the utility. VE reserves the right to terminate this contract upon fourteen (14) days notice for failure to pay the bill or to meet any agreed upon payment arrangement.
- 5. Cancellation/Termination** – Small Commercial customers have a 30-day unconditional right to cancel the contract without penalty following the date the customer signs this contract. Additionally, Small and Large Commercial customers may choose to cancel this contract at any time without a termination fee. A customer may change suppliers one time in any 12-month period at no cost to the customer; however, if you return to the utility you must remain for 12 months. A fee of \$10 will be required for each additional change of Supplier within the same 12-month period. The customer may cancel this Contract by written or verbal notice at any time.
- 6. Office Locations and Hours** – Volunteer Energy Services, Inc.'s office is located at 790 Windmill Drive, Pickerington, Ohio 43147 and is open from 08:00 AM to 05:00 PM EST, Monday through Friday. VE can be reached toll free at 800-977-VESI or at fax 614-856-3301. Telephone service hours are the same as office hours. VE can be reached online at <http://www.volunteerenergy.com>. The Customer can contact the Michigan Public Service Commission at 1-800-292-9555 or [www.michigan.gov/mpsc](http://www.michigan.gov/mpsc).

Cust. Initial           

3% Guaranteed Savings Program off the DTE GCR no cancellation penalty.

Rev 04/16



VolunteerEnergy  
COMMERCIAL GAS CUSTOMER CHOICE CONTRACT  
Variable Rate  
**Terms and Conditions**  
**(cont'd)**

7. **Credit** – VE may verify the customer's credit history with a credit-reporting agency upon the customer's application for service with VE. Determination of credit worthiness will be made by generally accepted business practices.
8. **Notices** – Communications that are required or allowed under the terms of this contract will be considered officially delivered when given in person, emailed, faxed, or received two (2) business days after being mailed through the United States Postal Service to one of the addresses provided by either party herein.
9. **Force Majeure** – For the purpose of this contract, Force Majeure shall include VE's right to cancel this contract if the State of Michigan, Michigan Public Service Commission or the applicable gas utility makes material changes to the gas choice programs.
10. **Miscellaneous** – The terms of this contract extend to any successors or assignees of either party. Customer may not assign this contract without written consent by VE. This contract represents the entire contract, and both the customer and VE must approve any changes or amendments. This contract supersedes any prior contract between the customer and VE.
11. **Limitation on Liability** - IN NO EVENT SHALL VE BE LIABLE TO THE CUSTOMER OR TO ANY THIRD PARTY FOR ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES ARISING OUT OF OR RELATING TO THIS CONTRACT. VE'S MAXIMUM AGGREGATE LIABILITY FOR ANY REASON OR CAUSE OF ACTION SHALL BE THE PRICE PAID BY THE CUSTOMER.

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Cust. Initials   X  

3% Guaranteed Savings Program off the DTE GCR no cancellation penalty.

Rev 04/16

**RESOLUTION 2016-121**

**A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING A ONE-YEAR CONTRACT WITH VOLUNTEER ENERGY FOR THE PURCHASE OF THE CITY'S NATURAL GAS.**

**WHEREAS**, the City of Clare has maintained a contractual relationship with Volunteer Energy for the purchase of our natural gas needs for the past few years; and

**WHEREAS**, the price savings from Volunteer Energy has for most time periods been beneficial for the City; and

**WHEREAS**, the City's current contract with Volunteer Energy is expiring and they have offered a new contract for the purchase of natural gas; and

**WHEREAS**, after careful historical review of natural gas pricing, the savings experienced, analysis of future market conditions and the two options offered to the City entering into a new one-year contract with Volunteer Energy based upon the NYMEX is deemed to be a prudent decision that will yield continued savings.

**NOW THEREFORE BE IT RESOLVED THAT**, the Clare City Commission hereby approves entering into a one-year contract with Volunteer Energy for the purchase of natural gas using the NYMEX Plus contract pricing.

**BE IT FURTHER RESOLVED THAT** the City Commission hereby further approves and directs that either the City Manager or the Finance Director complete and sign the required contractual documents for this purchasing agreement.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

**The Resolution was introduced by Commissioner \_\_\_\_\_ and supported by Commissioner \_\_\_\_\_. The Resolution declared adopted by the following roll call vote:**

**YEAS:**

**NAYS:**

**ABSENT:**

Resolution approved for adoption on this 3<sup>rd</sup> day of October 2016.

---

Diane Lyon, Clare City Clerk

**To: Mayor Pat Humphrey and the Clare City Commission**  
**From: Steven J. Kingsbury, MBA, CPFA, MiCPT**  
**Treasurer, Finance Director and**  
**Director of Information Technology**  
**Date: September 28, 2016**  
**Reference: Treasurer's Report for October 3, 2016**

**Quarterly Investment Report:** Enclosed the Commission will find a complete listing of the investments held by the City of Clare as of September 30, 2016. For comparisons I've included the same report from 2015 and summarized in the table below. Fluctuations from one year to the next are largely attributable to capital improvement projects.

COMPARATIVE BALANCE SHEET FOR CITY OF CLARE INVESTMENT BALANCES BY FUND REPORT AS OF SEPTEMBER 30, 2015 AND 2016		
FUND	PERIOD ENDED 09/30/2015	PERIOD ENDED 09/30/2016
GENERAL FUND	\$ 1,150,000.00	\$ 1,080,000.00
CEMETERY PERPETUAL CARE FUND	225,000.00	260,000.00
MAJOR STREETS FUND	140,000.00	85,000.00
LOCAL STREETS FUND	-	20,000.00
FIRE FUND	235,000.00	175,000.00
PARKS & RECREATION FUND	-	280,000.00
SEWER SYSTEM FUND	250,000.00	330,000.00
WATER SYSTEM FUND	300,000.00	170,000.00
<b>TOTAL - ALL FUNDS</b>	<b>\$ 2,300,000.00</b>	<b>\$ 2,400,000.00</b>

**Upcoming GASB Statements:** Enclosed for the City Commission's reference you will find summary statements and status updates of GASB Statements 77, 80 and 82 which will be required to be implemented by the City. Also enclosed for reference you will find a listing of all of the GASB Statements issued to date with brief descriptions and required implementation dates of each.

**Personal Property Tax Reform Update:** Enclosed for the Commission's reference you will find the presentation slides for a webinar I "attended" this week on the subject of Personal Property Tax Revenue Loss Reimbursement. The webinar was hosted by the Michigan Municipal League and presented by Howard Heideman from the Michigan Treasury.

**City of Clare**  
**Schedule of Investments**  
**As of September 30, 2016**

<b>NUMBER</b>	<b>ISSUED</b>	<b>AMOUNT</b>	<b>MATURITY</b>	<b>RATE</b>
6020220726	04/05/16	100,000.00	10/04/16	0.20%
6020220734	04/19/16	100,000.00	10/18/16	0.20%
6020220742	05/03/16	100,000.00	11/01/16	0.20%
6020220759	05/17/16	100,000.00	11/15/16	0.20%
6550404723	05/31/16	100,000.00	11/29/16	0.20%
6550406554	06/14/16	100,000.00	12/13/16	0.45%
6550408618	06/28/16	100,000.00	12/27/16	0.45%
6550411133	07/22/16	100,000.00	01/10/17	0.45%
6550411141	07/22/16	100,000.00	01/24/17	0.45%
6550411513	07/26/16	100,000.00	02/07/17	0.45%
6020220163	08/09/16	100,000.00	02/21/17	0.45%
6020220171	08/23/16	100,000.00	03/07/17	0.45%
6020220189	09/06/16	100,000.00	03/21/17	0.45%
6550417940	09/14/16	100,000.00	04/04/17	0.45%
6550417932	09/14/16	100,000.00	04/18/17	0.45%
6550418278	09/16/16	100,000.00	05/02/17	0.45%
6550418237	09/16/16	100,000.00	05/16/17	0.45%
6550418260	09/16/16	100,000.00	05/30/17	0.45%
6550418229	09/16/16	100,000.00	06/13/17	0.50%
6550418252	09/16/16	100,000.00	06/27/17	0.50%
6550418211	09/16/16	100,000.00	07/11/17	0.50%
6550418245	09/16/16	100,000.00	07/25/17	0.50%
6550418203	09/16/16	100,000.00	08/08/17	0.50%
6020220718	09/20/16	100,000.00	08/22/17	0.50%

**Total**                      \$ 2,400,000.00

Average =                      0.41%

**All of the above investments are in the form of short-term (one-year or less) Repurchase Agreements placed through Chemical Bank and are collateralized with United States Government Securities (Treasury Bills, Bonds or Agency**

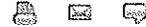
**City of Clare**  
**Schedule of Investments**  
**As of September 30, 2015**

<b>NUMBER</b>	<b>ISSUED</b>	<b>AMOUNT</b>	<b>MATURITY</b>	<b>RATE</b>
4569	02/13/15	100,000.00	09/22/15	0.30%
4570	02/24/15	100,000.00	10/06/15	0.30%
4571	03/10/15	100,000.00	10/20/15	0.30%
4572	03/10/15	100,000.00	11/03/15	0.30%
4573	03/24/15	100,000.00	11/17/15	0.30%
4574	04/07/15	100,000.00	12/01/15	0.30%
4575	04/21/15	100,000.00	12/15/15	0.30%
4576	05/05/15	100,000.00	12/29/15	0.30%
4577	05/19/15	100,000.00	01/12/16	0.30%
4578	06/30/15	100,000.00	01/26/16	0.30%
4579	08/11/15	100,000.00	02/09/16	0.20%
4580	08/25/15	100,000.00	02/23/16	0.20%
4581	09/08/15	100,000.00	03/08/16	0.20%
4582	09/16/15	100,000.00	03/22/16	0.20%
4583	09/16/15	100,000.00	04/05/16	0.20%
4584	09/16/15	100,000.00	04/19/16	0.30%
4585	09/16/15	100,000.00	05/03/16	0.30%
4586	09/16/15	100,000.00	05/17/16	0.30%
4587	09/16/15	100,000.00	05/31/16	0.30%
4588	09/16/15	100,000.00	06/14/16	0.30%
4589	09/16/15	100,000.00	06/28/16	0.30%
4590	09/16/15	100,000.00	07/12/16	0.30%
4591	09/16/15	100,000.00	07/26/16	0.30%
	<b>Total</b>	<b><u>\$ 2,300,000.00</u></b>		

Average = 0.28%

**All of the above investments are in the form of short-term (one-year or less) Repurchase Agreements placed through Chemical Bank and are collateralized with United States Government Securities (Treasury Bills, Bonds or Agency Bonds).**

# SUMMARY - STATEMENT NO. 77



## SUMMARIES / STATUS

SUMMARY OF STATEMENT NO. 77  
TAX ABATEMENT DISCLOSURES

(ISSUED 08/15)

Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time.

Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. For financial reporting purposes, this Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

Although many governments offer tax abatements and provide information to the public about them, they do not always provide the information necessary to assess how tax abatements affect their financial position and results of operations, including their ability to raise resources in the future. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

### STANDARDS & GUIDANCE

Pronouncements

Implementation Guides (Pre-Statement 76)

GARS Online

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements
- The specific taxes being abated
- The gross dollar amount of taxes abated during the period.

#### **EFFECTIVE DATE AND TRANSITION**

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

#### **HOW THE CHANGES IN THIS STATEMENT IMPROVE FINANCIAL REPORTING**

The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.

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Unless otherwise specified, pronouncements of the GASB apply to financial reports of all state and local governmental entities, including general purpose governments; public benefit corporations and authorities; public employee retirement systems; and public utilities, hospitals and other healthcare providers, and colleges and universities. Paragraph 3 discusses the applicability of this Statement.

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## STATUS OF STATEMENT NO. 77



### SUMMARIES / STATUS

STATUS OF STATEMENT NO. 77  
*TAX ABATEMENT DISCLOSURES*

#### Status

Issued: August 2015

Effective date:

For reporting periods beginning after December 15, 2015

Affects:

Amends NCGAI 6, ¶5

Affected by: No other pronouncements

Other Interpretive Literature: GASB Implementation Guide 2016-1

Primary Codification Section Reference: T10

#### Abbreviations for Accounting Pronouncements

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## SUMMARY - STATEMENT NO. 80



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## SUMMARIES / STATUS

### SUMMARY OF STATEMENT NO. 80

#### BLENDING REQUIREMENTS FOR CERTAIN COMPONENT UNITS—AN AMENDMENT OF GASB STATEMENT NO. 14

(ISSUED 01/16)

The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*.

This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.

#### HOW THE CHANGES IN THIS STATEMENT WILL IMPROVE FINANCIAL REPORTING

The requirements of this Statement enhance the comparability of financial statements among governments. Greater comparability improves the decision-usefulness of information reported in financial statements and enhances its value for assessing government accountability.

Unless otherwise specified, pronouncements of the GASB apply to financial reports of all state and local governmental entities, including general purpose governments; public benefit corporations and authorities; public employee retirement systems; and public utilities, hospitals and other healthcare providers, and colleges and universities. Paragraph 2 discusses the applicability of this Statement.

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# STATUS OF STATEMENT NO. 80



## SUMMARIES / STATUS

STATUS OF STATEMENT NO. 80

*BLENDING REQUIREMENTS FOR CERTAIN COMPONENT UNITS*

### Status

Issued: January 2016

Effective date:

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.

Affects:

Amends GASBS 14, ¶153

Amends GASBIG 2015-1, Q4.30.1

Affected by: No other pronouncements

Primary Codification Section Reference: 2600

### Abbreviations for Accounting Pronouncements

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## SUMMARY - STATEMENT NO. 82



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## SUMMARIES / STATUS

### SUMMARY OF STATEMENT NO. 82

#### PENSION ISSUES—AN AMENDMENT OF GASB STATEMENTS NO. 67, NO. 68, AND NO. 73

(ISSUED 03/16)

The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

#### PRESENTATION OF PAYROLL-RELATED MEASURES IN REQUIRED SUPPLEMENTARY INFORMATION

Prior to the issuance of this Statement, Statements 67 and 68 required presentation of covered-employee payroll, which is the payroll of employees that are provided with pensions through the pension plan, and ratios that use that measure, in schedules of required supplementary information. This Statement amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure.

#### SELECTION OF ASSUMPTIONS

This Statement clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statement 67, Statement 68, or Statement 73 for the selection of assumptions used in determining the total pension liability and related measures.

#### CLASSIFICATION OF EMPLOYER-PAID MEMBER CONTRIBUTIONS

This Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for

example, as salaries and wages or as fringe benefits).

#### EFFECTIVE DATE

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

#### HOW THE CHANGES IN THIS PROPOSED STATEMENT WILL IMPROVE FINANCIAL REPORTING

The requirements of this Statement will improve financial reporting by enhancing consistency in the application of financial reporting requirements to certain pension issues.

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Unless otherwise specified, pronouncements of the GASB apply to financial reports of all state and local governmental entities, including general purpose governments; public benefit corporations and authorities; public employee retirement systems; and public utilities, hospitals and other healthcare providers, and colleges and universities. Paragraph 3 discusses the applicability of this Statement.

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# STATUS OF STATEMENT NO. 82



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## SUMMARIES / STATUS

### STATUS OF STATEMENT NO. 82

#### *PENSION ISSUES—AN AMENDMENT OF GASB STATEMENTS NO. 67, NO. 68, AND NO. 73*

#### Status

Issued: March 2016

Effective date:

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

#### Affects:

- Amends GASBS 67, ¶132 and ¶151, and fn2
- Amends GASBS 68, ¶15, ¶146, ¶181, and ¶139, and fn2
- Amends GASBS 73, fn2
- Supersedes GASBIG 2015-1, Q5.75.1, Q5.154.1, and Q5.192.2
- Amends GASBIG 2015-1, Q5.97.2, Q5.154.2, Q5.192.1, and Q5.192.3

Affected by: No other pronouncements

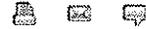
Primary Codification Section References: P20, P22, Pe5

#### Abbreviations for Accounting Pronouncements

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**GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73***

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

(Issued 03/16)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**GASB Statement No. 81, *Irrevocable Split-Interest Agreements***

Effective Date: The requirements of this Statement are effective for periods beginning after December 15, 2016. Earlier application is encouraged.

(Issued 03/16)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**GASB Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14***

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.

(Issued 01/16)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**GASB Statement No. 79, *Certain External Investment Pools and Pool Participants***

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23-26, and 40, which are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

(Issued 12/15)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans***

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

(Issued 12/15)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**GASB Statement No. 77, *Tax Abatement Disclosures***

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

(Issued 08/15)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments***

Effective Date: The provisions in Statement 76 are effective for reporting periods beginning after June 15, 2015. Earlier application is encouraged.

(Issued 06/15)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 75**

***Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions***

Effective Date: The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

(Issued 06/15)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 74**

***Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans***

Effective Date: The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

(Issued 06/15)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 73**

***Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68***

Effective Date: The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

(Issued 06/15)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 72**

***Fair Value Measurement and Application***

Effective Date: The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. Earlier application is encouraged.

(Issued 02/15)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 71**

***Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68***

Effective Date: The provisions of this Statement should be applied simultaneously with the provisions

of Statement 68.

(Issued 11/13)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

#### **Statement No. 70**

##### ***Accounting and Financial Reporting for Nonexchange Financial Guarantees***

Effective Date: The provisions of Statement 70 are effective for financial statements for reporting beginning after June 15, 2013. Earlier application is encouraged.

(Issued 04/13)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

#### **Statement No. 69**

##### ***Government Combinations and Disposals of Government Operations***

Effective Date: The provisions of Statement 69 are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis. Early application is encouraged.

(Issued 01/13)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

#### **Statement No. 68**

##### ***Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27***

Effective Date: The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. Earlier application is encouraged.

(Issued 06/12)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

#### **Statement No. 67**

##### ***Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25***

Effective Date: The provisions of Statement 67 are effective for financial statements for fiscal years beginning after June 15, 2013. Earlier application is encouraged.

(Issued 06/12)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

#### **Statement No. 66**

##### ***Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62***

Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged.

(Issued 03/12)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

#### **Statement No. 65**

##### ***Items Previously Reported as Assets and Liabilities***

Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged.

(Issued 03/12)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

#### **Statement No. 64**

##### ***Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53***

Effective Date: The provisions of Statement 64 are effective for financial statements for periods beginning after June 15, 2011, with earlier application encouraged.

(Issued 06/11)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 63*****Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position***

Effective Date: The provisions of Statement 63 are effective for financial statements for periods beginning after December 15, 2011, with earlier application encouraged.

(Issued 06/11)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 62*****Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements***

Effective Date: The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented.

(Issued 12/10)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 61*****The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34***

Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Earlier application is encouraged.

(Issued 11/10)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 60*****Accounting and Financial Reporting for Service Concession Arrangements***

Effective Date: For financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented.

(Issued 11/10)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 59*****Financial Instruments Omnibus***

Effective date: For periods beginning after June 15, 2010. Earlier application is encouraged.

(Issued 06/10)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 58*****Accounting and Financial Reporting for Chapter 9 Bankruptcies***

Effective date: For periods beginning after June 15, 2009. Retroactive application is required for all prior periods presented during which a government was in bankruptcy.

(Issued 12/09)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 57*****OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans***

Effective date: The provisions of Statement 57 related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in

OPEB plan financial statements for periods beginning after June 15, 2011.

(Issued 12/09)

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**Statement No. 56**

***Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards***

Effective date: Effective upon issuance

(Issued 03/09)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 55**

***The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments***

Effective date: Effective upon issuance

(Issued 03/09)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 54**

***Fund Balance Reporting and Governmental Fund Type Definitions***

Effective date: For periods beginning after June 15, 2010

(Issued 02/09)

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**Statement No. 53**

***Accounting and Financial Reporting for Derivative Instruments***

Effective date: For periods beginning after June 15, 2009

(Issued 06/08)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 52**

***Land and Other Real Estate Held as Investments by Endowments***

Effective date: For periods beginning after June 15, 2008

(Issued 11/07)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 51**

***Accounting and Financial Reporting for Intangible Assets***

Effective Date: For periods beginning after June 15, 2009

(Issued 06/07)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 50**

***Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27***

Effective date: For periods beginning after June 15, 2007, except for requirements related to the use of the entry age actuarial cost method for the purpose of reporting surrogate funded status and funding progress information for plans that use the aggregate actuarial cost method, which are effective for periods for which the financial statements and required supplementary information contain information resulting from actuarial valuations as of June 15, 2007, or later.

(Issued 05/07)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 49*****Accounting and Financial Reporting for Pollution Remediation Obligations***

Effective date: For periods beginning after December 15, 2007

(Issued 11/06)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 48*****Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues***

Effective date: For periods beginning after December 15, 2006

(Issued 09/06)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 47*****Accounting for Termination Benefits***

Effective date: For periods beginning after June 15, 2005

(Issued 06/05)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 46*****Net Assets Restricted by Enabling Legislation—an amendment of GASB Statement No.*****34**

Effective date: For periods beginning after June 15, 2005. Earlier application is encouraged.

(Issued 12/04)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 45*****Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions***

Effective date: The requirements of this Statement are effective in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999:

- Governments that were phase 1 governments for the purpose of implementation of Statement 34—those with annual revenues of \$100 million or more—are required to implement this Statement in financial statements for periods beginning after December 15, 2006.
- Governments that were phase 2 governments for the purpose of implementation of Statement 34—those with total annual revenues of \$10 million or more but less than \$100 million—are required to implement this Statement in financial statements for periods beginning after December 15, 2007.
- Governments that were phase 3 governments for the purpose of implementation of Statement 34—those with total annual revenues of less than \$10 million—are required to implement this Statement in financial statements for periods beginning after December 15, 2008.

Earlier application of this Statement is encouraged. All component units should implement the requirements of this Statement no later than the same year as their primary government.

(Issued 6/04)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 44*****Economic Condition Reporting: The Statistical Section—an amendment of NCGA Statement 1***

Effective date: Statistical sections prepared for periods beginning after June 15, 2005

(Issued 5/04)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 43*****Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans***

Effective date: The requirements of this Statement for OPEB plan reporting are effective *one year prior* to the effective date of the related Statement for the employer (single-employer plan) or for the largest participating employer in the plan (multiple-employer plan). The requirements of the related Statement are effective in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999:

- Plans in which the sole or largest employer is a phase 1 government—with annual revenues of \$100 million or more—are required to implement this Statement in financial statements for periods beginning after December 15, 2005.
- Plans in which the sole or largest employer is a phase 2 government—with total annual revenues of \$10 million or more but less than \$100 million—are required to implement this Statement in financial statements for periods beginning after December 15, 2006.
- Plans in which the sole or largest employer is a phase 3 government—with total annual revenues of less than \$10 million—are required to implement this Statement in financial statements for periods beginning after December 15, 2007.

If comparative financial statements are presented, restatement of prior-period financial statements is required. Early implementation is encouraged.

(Issued 4/04)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 42*****Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries***

Effective date: For periods beginning after December 15, 2004

(Issued 11/03)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 41*****Budgetary Comparison Schedules—Perspective Differences—an amendment of GASB Statement No. 34***

Effective date: This Statement should be implemented simultaneously with Statement 34. For governments that have implemented Statement 34 prior to the issuance of this Statement, the requirements of this Statement are effective for financial statements for periods beginning after June 15, 2002

(Issued 5/03)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 40*****Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3***

Effective Date: For periods beginning after June 15, 2004

(Issued 3/03)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 39*****Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No. 14***

Effective Date: For periods beginning after June 15, 2003

(Issued 5/02)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Important Notice—[Error Correction](#) for Statement No. 39**

**Statement No. 38*****Certain Financial Statement Note Disclosures***

Effective Date: Coincides with the effective date of GASB Statement 34 for the reporting government. That is, the requirements of this Statement are effective in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999:

- Phase 1 governments—with total annual revenues of \$100 million or more—should implement paragraphs 6 through 11 for fiscal periods beginning after June 15, 2001. These governments should implement paragraphs 12 through 15 for fiscal periods beginning after June 15, 2002.
- Phase 2 governments—with total annual revenues of \$10 million or more but less than \$100 million—should apply this Statement for fiscal periods beginning after June 15, 2002.
- Phase 3 governments—with total annual revenues of less than \$10 million—should apply this Statement for fiscal periods beginning after June 15, 2003.

Earlier application is encouraged. However, paragraphs 6, 14, and 15 should be implemented only if Statement 34 has also been implemented.

(Issued 6/01)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 37*****Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus—an amendment of GASB Statements No. 21 and No. 34***

Effective Date: Coincides with the effective date of GASB Statement 34 for the reporting government. That is, the requirements of this Statement are effective in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999:

- Phase 1 governments—with total annual revenues of \$100 million or more—should apply the requirements of this Statement in financial statements for periods beginning after June 15, 2001.
- Phase 2 governments—with total annual revenues of \$10 million or more but less than \$100 million—should apply the requirements of this Statement in financial statements for periods beginning after June 15, 2002.
- Phase 3 governments—with total annual revenues of less than \$10 million—should apply the requirements of this Statement in financial statements for periods beginning after June 15, 2003.

This Statement should be simultaneously implemented with Statement 34. Earlier application is encouraged, if done in conjunction with early adoption of Statement 34.

(Issued 6/01)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 36*****Recipient Reporting for Certain Shared Nonexchange Revenues—an amendment of GASB Statement No. 33***

Effective date: Simultaneously with Statement 33, for periods beginning after June 15, 2000

(Issued 4/00)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 35*****Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities—an amendment of GASB Statement No. 34***

Effective Date: In three phases based on a public institution's total annual revenues, beginning with periods beginning after June 15, 2001 and continuing through periods beginning after June 15, 2003.

Public institutions that are component units of a primary government should implement this standard at the same time as that primary government.

(Issued 11/99)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

#### **Statement No. 34**

##### ***Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments***

Effective dates:

- Phase 1—Financial statements for periods beginning after June 15, 2001, for governments with total annual revenues of \$100 million or more in the first fiscal year ending after June 15, 1999. Different provisions apply for reporting general infrastructure assets at transition.
- Phase 2—Financial statements for periods beginning after June 15, 2002, for governments with total annual revenues of \$10 million or more but less than \$100 million in the first fiscal year ending after June 15, 1999. Different provisions apply for reporting general infrastructure assets at transition.
- Phase 3—Financial statements for periods beginning after June 15, 2003, for governments with total annual revenues of less than \$10 million in the first fiscal year ending after June 15, 1999. Different provisions apply for reporting general infrastructure assets at transition.

(Issued 6/99)

[\[Full Text\]](#) [\[Preface & Summary\]](#) [\[Status\]](#)

#### **Statement No. 33**

##### ***Accounting and Financial Reporting for Nonexchange Transactions***

Effective date beginning after: June 15, 2000

(Issued 12/98)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

#### **Statement No. 32**

##### ***Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—a rescission of GASB Statement No. 2 and an amendment of GASB Statement No. 31***

Effective date beginning after: December 31, 1998 or when plan assets are held in trust under the requirements of IRC Section 457, subsection (g), if sooner.

(Issued 10/97)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

#### **Statement No. 31**

##### ***Accounting and Financial Reporting for Certain Investments and for External Investment Pools***

Effective date beginning after: June 15, 1997

(Issued 3/97)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

#### **Statement No. 30**

##### ***Risk Financing Omnibus—an amendment of GASB Statement No. 10***

Effective date beginning after: June 15, 1996

(Issued 2/96)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 29*****The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities***

Effective date beginning after: Dec. 15, 1993 (with exceptions)

(Issued 8/95)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 28*****Accounting and Financial Reporting for Securities Lending Transactions***

Effective date beginning after: Dec. 15, 1997

(Issued 5/95)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 27*****Accounting for Pensions by State and Local Governmental Employers***

Effective date beginning after: June 15, 1997

(Issued 11/94)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 26 (Superseded)*****Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans***

Effective date beginning after: June 15, 1996

(Issued 11/94)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 25*****Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans***

Effective date beginning after: June 15, 1996

(Issued 11/94)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 24*****Accounting and Financial Reporting for Certain Grants and Other Financial Assistance***

Effective date beginning after: June 15, 1995

(Issued 6/94)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 23*****Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities***

Effective date beginning after: June 15, 1994

(Issued 12/93)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 22 (Superseded)*****Accounting for Taxpayer-Assessed Tax Revenues in Governmental Funds***

Effective date beginning after: June 15, 1994

(Issued 12/93)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 21*****Accounting for Escheat Property***

Effective date beginning after: June 15, 1994

(Issued 10/93)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 20 (Superseded)*****Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting***

Effective date beginning after: Dec. 15, 1993

(Issued 9/93)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 19 (Superseded)*****Governmental College and University Omnibus Statement—an amendment of GASB Statements No. 10 and 15***

Effective date beginning after: Various

(Issued 9/93)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 18*****Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs***

Effective date beginning after: June 15, 1993

(Issued 8/93)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 17*****Measurement Focus and Basis of Accounting—Governmental Fund Operating Statements: Amendment of the Effective Dates of GASB Statement No. 11 and Related Statements—an amendment of GASB Statements No. 10, 11, and 13***

Effective date on issuance: June 1993

(Issued 6/93)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 16*****Accounting for Compensated Absences***

Effective date beginning after: June 15, 1993

(Issued 11/92)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 15 (Superseded)*****Governmental College and University Accounting and Financial Reporting Models***

Effective date beginning after: June 15, 1992

(Issued 10/91)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 14*****The Financial Reporting Entity***

Effective date beginning after: Dec. 15, 1992

(Issued 6/91)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 13*****Accounting for Operating Leases with Scheduled Rent Increases***

Effective date beginning after: Various

(Issued 5/90)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 12 (Superseded)*****Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers***

Effective date beginning after: June 15, 1990

(Issued 5/90)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 11 (Superseded)*****Measurement Focus and Basis of Accounting—Governmental Fund Operating Statements***

Effective date ending after: Deferred

(Issued 5/90)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 10*****Accounting and Financial Reporting for Risk Financing and Related Insurance Issues***

Effective date ending after: Various

(Issued 11/89)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 9*****Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting***

Effective date beginning after: Dec. 15, 1989

(Issued 9/89)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 8 (Superseded)*****Applicability of FASB Statement No. 93, "Recognition of Depreciation by Not-for-Profit Organizations," to Certain State and Local Governmental Entities***

Effective date on issuance: Jan. 1988

(Issued 1/88)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 7*****Advance Refundings Resulting in Defeasance of Debt***

Effective date beginning after: Dec. 15, 1986

(Issued 3/87)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 6*****Accounting and Financial Reporting for Special Assessments***

Effective date beginning after: June 15, 1987

(Issued 1/87)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Statement No. 5 (Superseded)*****Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers***

Effective date beginning after: Dec. 15, 1986

(Issued 11/86)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 4 (Superseded)**

***Applicability of FASB Statement No. 87, "Employers' Accounting for Pensions," to State and Local Governmental Employers***

Effective date on issuance: Sept. 1986

(Issued 9/86)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 3**

***Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements***

Effective date ending after: Dec. 15, 1986

(Issued 4/86)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 2 (Superseded)**

***Financial Reporting of Deferred Compensation Plans Adopted under the Provisions of Internal Revenue Code Section 457***

Effective date ending after: Dec. 15, 1986

(Issued 1/86)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Statement No. 1**

***Authoritative Status of NCGA Pronouncements and AICPA Industry Audit Guide***

Effective date on issuance: July 1984

(Issued 7/84)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

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**Concepts Statement No. 6**

***Measurement of Elements of Financial Statements***

Effective date: None stated

(Issued 03/14)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Concepts Statement No. 5**

***Service Efforts and Accomplishments Reporting—an amendment of GASB Concepts Statement No. 2***

Effective date: None stated

(Issued 11/08)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Concepts Statement No. 4**

***Elements of Financial Statements***

Effective date: None stated

(Issued 06/07)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

**Concepts Statement No. 3*****Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements***

Effective date: None stated

(Issued 04/05)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Concepts Statement No. 2*****Service Efforts and Accomplishments Reporting—as amended by GASB Concepts Statements No. 3 and 5***

Effective date: None stated

(Issued 11/08)

[\[Full Text\]](#)**Concepts Statement No. 2*****Service Efforts and Accomplishments Reporting***

Effective date: None stated

(Issued 04/94)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Concepts Statement No. 1*****Objectives of Financial Reporting***

Effective date: None stated

(Issued 05/87)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)**Interpretation No. 6*****Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements—an interpretation of NCGA Statements 1, 4, and 5; NCGA Interpretation 8; and GASB Statements No. 10, 16, and 18***

Effective date:

Coincides with the effective date of Statement 34 for the reporting government. That is, the requirements of this Interpretation are effective in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999:

- Phase 1 governments—with annual revenues of \$100 million or more—should apply the requirements of this Interpretation in financial statements for periods beginning after June 15, 2001.
- Phase 2 governments—with total annual revenues of \$10 million or more but less than \$100 million—should apply the requirements of this Interpretation in financial statements for periods beginning after June 15, 2002.
- Phase 3 governments—with total annual revenues of less than \$10 million—should apply the requirements of this Interpretation in financial statements for periods beginning after June 15, 2003.

This Interpretation should be simultaneously implemented with Statement 34. Earlier

application is encouraged, if done in conjunction with early adoption of Statement 34.

(Issued 03/00)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

#### **Interpretation No. 5**

##### ***Property Tax Revenue Recognition in Governmental Funds—an interpretation of NCGA Statement 1 and an amendment of NCGA Interpretation 3***

Effective date beginning after: June 15, 2000

(Issued 11/97)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

#### **Interpretation No. 4**

##### ***Accounting and Financial Reporting for Capitalization Contributions to Public Entity Risk Pools—an interpretation of GASB Statements No. 10 and 14***

Effective date beginning after: June 15, 1996

(Issued 02/96)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

#### **Interpretation No. 3**

##### ***Financial Reporting for Reverse Repurchase Agreements—an interpretation of GASB Statement No. 3***

Effective date beginning after: December 15, 1995

(Issued 01/96)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

#### **Interpretation No. 2**

##### ***Disclosure of Conduit Debt Obligations—an interpretation of NCGA Statement 1***

Effective date beginning after: December 15, 1995

(Issued 08/95)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

#### **Interpretation No. 1**

##### ***Demand Bonds Issued by State and Local Governmental Entities—an interpretation of NCGA Statement 1 and NCGA Interpretation 9***

Effective date ending after: June 15, 1985 (with exceptions)

(Issued 12/84)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

#### **Technical Bulletin No. 2008-1**

##### ***Determining the Annual Required Contribution Adjustment for Postemployment Benefits***

Effective Date: For pensions, financial statements for periods ending after December 15, 2008. For OPEB, simultaneously with Statement 45.

(Issue 11/08)

[\[Full Text\]](#) [\[Status\]](#)

#### **Technical Bulletin No. 2006-1**

##### ***Accounting and Financial Reporting by Employers and OPEB Plans for Payments from the Federal Government Pursuant to the Retiree Drug Subsidy Provisions of Medicare Part D***

Effective Date: Upon issuance, except for provisions related to GASBS 45. For provisions related to

GASBS 45, simultaneously with that Statement.

(Issued 06/06)

[\[Full Text\]](#) [\[Status\]](#)

**Technical Bulletin No. 2004-2**

***Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers***

Effective Date: For pensions, December 15, 2004. For OPEB, simultaneously with Statement 45.

(Issued 12/04)

[\[Full Text\]](#) [\[Status\]](#)

**Technical Bulletin No. 2004-1**

***Tobacco Settlement Recognition and Financial Reporting Entity Issues***

Effective Date: June 15, 2004

(Issued 04/04)

[\[Full Text\]](#) [\[Status\]](#)

**Technical Bulletin No. 2003-1 (Superseded)**

***Disclosure Requirements for Derivatives Not Reported at Fair Value on the Statement of Net Assets***

Effective Date: Financial statements issued after June 15, 2003

(Issued 06/03)

[\[Full Text\]](#) [\[Status\]](#)

**Technical Bulletin No. 2000-1**

***Disclosures about Year 2000 Issues—a rescission of GASB Technical Bulletins 98-1 and 99-1***

Effective Date: Financial statements issued after February 22, 2000

(Issued 02/00)

[\[Full Text\]](#) [\[Status\]](#)

**Technical Bulletin No. 99-1 (Superseded)**

***Disclosures about Year 2000 Issues—an amendment of Technical Bulletin 98-1***

Effective Date: On issuance

(Issued 03/99)

[\[Full Text\]](#) [\[Status\]](#)

**Technical Bulletin No. 98-1 (Superseded)**

***Disclosures about Year 2000 Issues***

Effective Date: Financial statements on which the auditor's report is dated after October 15, 1998

(Issued 10/98)

[\[Full Text\]](#) [\[Status\]](#)

**Technical Bulletin No. 97-1 (Superseded)**

***Classification of Deposits and Investments into Custodial Credit Risk Categories for Certain Bank Holding Company Transactions***

Effective Date: Financial statements for periods beginning after December 15, 1997

(Issued 11/97)

[\[Full Text\]](#) [\[Status\]](#)

**Technical Bulletin No. 96-1 (Superseded)**

***Application of Certain Pension Disclosure Requirements for Employers Pending Implementation of GASB Statement 27***

Effective Date: On issuance

(Issued 08/96)

[\[Full Text\]](#) [\[Status\]](#)

**Technical Bulletin No. 94-1 (Superseded)**

***Disclosures about Derivatives and Similar Debt and Investment Transactions***

Effective Date: December 15, 1994

(Issued 12/94)

[\[Full Text\]](#) [\[Status\]](#)

**Technical Bulletin No. 92-1 (Superseded)**

***Display of Governmental College and University Compensated Absences Liabilities***

Effective Date: On issuance

(Issued 10/92)

[\[Full Text\]](#) [\[Status\]](#)

**Technical Bulletin No. 87-1 (Superseded)**

***Applying Paragraph 68 of GASB Statement 3***

Effective Date: On issuance

(Issued 01/87)

[\[Full Text\]](#) [\[Status\]](#)

**Technical Bulletin No. 84-1**

***Purpose and Scope of GASB Technical Bulletins and Procedures for Issuance***

Effective Date: None stated

(Issued 10/84)

[\[Full Text\]](#) [\[Status\]](#)

**Implementation Guide No. 2016-1, *Implementation Guidance Update—2016***

Effective Date: The requirements of this Implementation Guide are effective for reporting periods beginning after June 15, 2016.

(Issued 03/16)

[\[Full Text\]](#) [\[Status\]](#)

**Implementation Guide No. 2015-1**

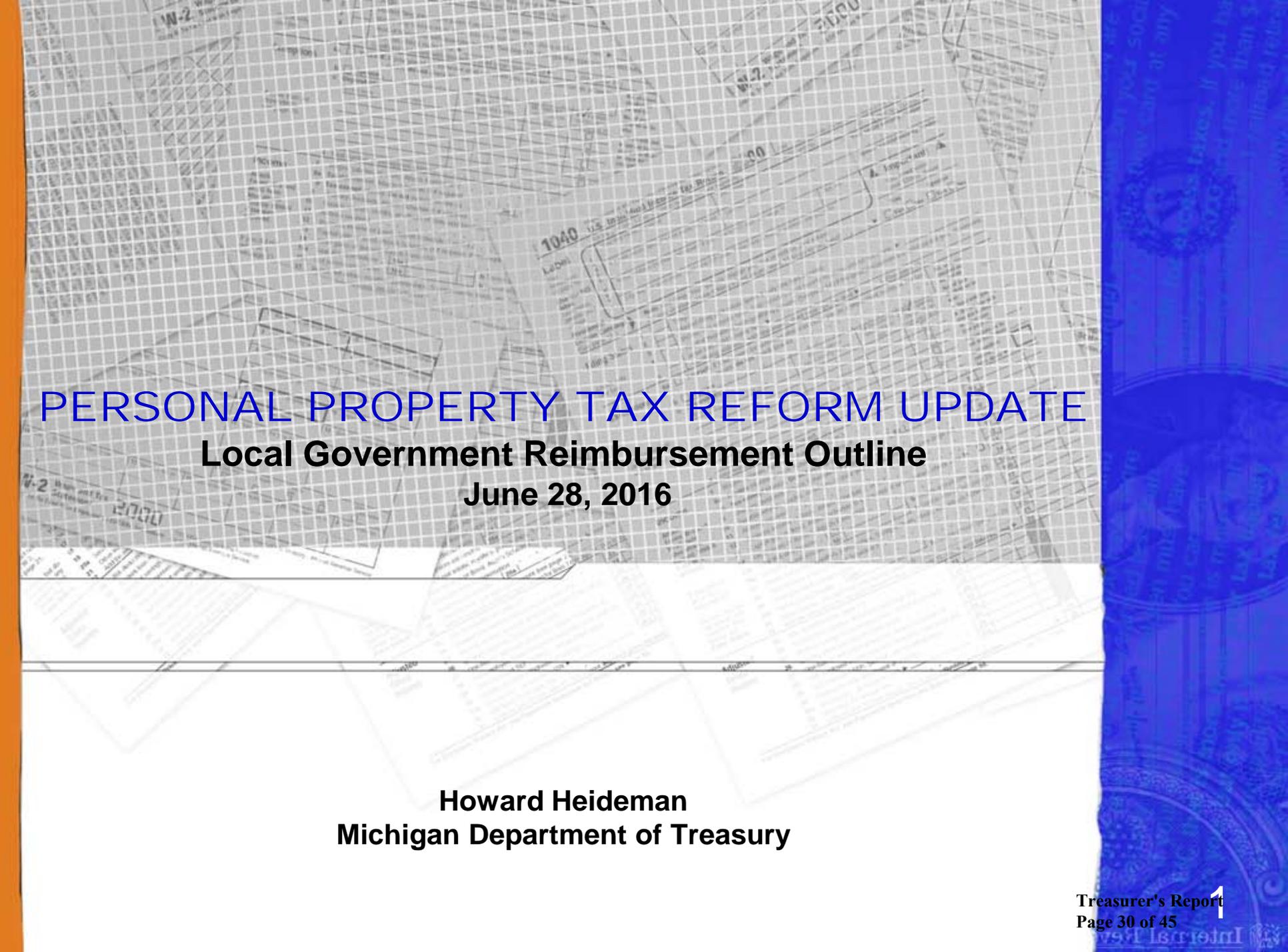
Effective Date: The requirements of this Implementation Guide should be applied simultaneously with the requirements in Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is effective for reporting periods beginning after June 15, 2015.

(Issued 06/15)

[Full Text]:

- [\[Q&A1-Q&A6\]](#)
- [\[Q&A7-Q&AZ\]](#)
- [\[Appendix A-Appendix B6-3\]](#)
- [\[Appendix B7-1-B8-8\]](#)
- [\[Appendix B9-2-B9-3\]](#)
- [\[Appendix B10-2-BZ-2\]](#)
- [\[Appendix C\]](#)

[\[Status\]](#)



**PERSONAL PROPERTY TAX REFORM UPDATE**  
**Local Government Reimbursement Outline**  
**June 28, 2016**

**Howard Heideman**  
**Michigan Department of Treasury**

# PERSONAL PROPERTY TAX LEGISLATION

- In 2012, legislation was passed providing personal property exemptions for small taxpayers (starting in 2014) and Eligible Manufacturing Personal Property (phase-in starting in 2016). Laws revised in 2013 - 2016
- Reimbursement is provided through a share of the 6% Use Tax levied by the Local Community Stabilization Authority.
- August 2014 voter approval of Proposal 1 allowed laws to take effect

# REIMBURSEMENT FOR 2016+

- Beginning for 2016, there is an estimated 100% reimbursement for all millages.
- Reimbursements for most millage will be calculated using millage rates available to Treasury and personal property exemption loss amounts reported by county equalization directors. Taxing units will not have to claim reimbursement.
- Local school districts and ISDs will continue to report debt millage levied.

# OTHER REIMBURSEMENT DETAILS

- Beginning for 2016, loss from personal property exemptions will be calculated by subtracting current year commercial personal (CP) TV and industrial personal (IP) TV from 2013 CP TV and IP TV.
- Calculations include IFT property (new facilities at 50%).
- Calculations exclude property classified as either IP or CP in one year but classified as real property or utility personal in other.

# OTHER REIMBURSEMENT PROVISIONS

- Except for local school/ISD debt millage, reimbursements are calculated using each taxing unit's sum of the lowest rate of each individual millage levied between 2012 and the immediately preceding year.
- Treasury reports rates by May 1 of each year. Millage rates posted at [http://www.michigan.gov/taxes/0,4676,7-238-43535\\_72736-358296--,00.html](http://www.michigan.gov/taxes/0,4676,7-238-43535_72736-358296--,00.html)
- Beginning in 2016, school/ISD debt rates must be reported to Treasury by August 15 on Form 5451.

# OTHER REIMBURSEMENT DETAILS CY 2016 THROUGH CY 2018

- Tier I Reimbursements:
  - Local school district and ISD loss
  - Essential services loss, including loss from expiring tax exemptions (see slide 12)
  - Tax increment financing loss, including any loss from increased captured value
  - Small taxpayer exemption loss

# OTHER REIMBURSEMENT DETAILS CY 2016 THROUGH CY 2018

- Tier II Reimbursements:
  - None
- Tier III Reimbursements:
  - Reimbursement for all other losses, based on each taxing unit's share of the total losses and available \$ after Tier I payments
- Available funds are estimated to be sufficient to provide 100% reimbursement.

# OTHER REIMBURSEMENT DETAILS AFTER CY 2018

- For 2019 5% of the funds otherwise available for Tier III are distributed under Tier II based on each taxing unit's share of EMPP tax loss calculated using modified acquisition cost of EMPP.
- That percentage is increased by 5% each year for 20 years, until no funds are distributed under Tier III.

# FY 2017 BUDGET PREPARATION

- In estimating FY 17 revenues, for the millage rates being reimbursed, local units should assume that their FY 17 property tax revenues from industrial/commercial personal property, including LCSA reimbursement, will equal their FY 14 property tax revenue from industrial/commercial personal property.
- Millage increases after 2012 will not be reimbursed.

# TIMING OF REIMBURSEMENT

- County allocated millage: by September 20 (November 20, 2016).
- Other county millage, township millage, and other millage levied 100% in December: the following February 20.
- All other millage: October 20 (November 20, 2016).
- Treasury to advance to Authority the funds necessary to make timely payments.

# OTHER REIMBURSEMENT PROVISIONS—PRIOR YEAR ADJUSTS

- Except for debt losses and essential services loss, reimbursements for a year are adjusted to reflect the final court order related to any prior year calculation.
- Adjustment made only if changes in prior-year taxable value can be calculated from taxable values reported by county treasurers to MI Department of Education.

# MILLAGE USED FOR ESSENTIAL SERVICES

- Reimbursement for essential service millage (used for police, fire, ambulance, jails) is calculated separately from reimbursement for other mills and includes reimbursement for loss from expiring tax exemptions.
- Assessors must report loss from expiring tax exemptions on Form 5403 and Form 5429.
- Form 5448 calculates the percentage of general operating mills used for essential services.
- The form divides FY 12 general fund adjusted essential services expenditures by FY 12 adjusted total general fund expenditures.

# TIF PLAN REIMBURSEMENT

- Beginning for 2014, TIF plans will be reimbursed for PPT loss. (TIF plans file Form 5176, 5176BR, or 5176 ICV.)
- Beginning for 2016, PPT loss includes the loss of increased captured value, which means:
  - Anticipated revenue from expiring tax exemptions
  - Revenue from anticipated future investment
  - Seven tests must be met for increased captured value
- Beginning in 2016, reimbursements for TIF losses are Tier I reimbursements.

# USE TAX \$ TO AUTHORITY FOR REIMBURSEMENTS

FY 16	\$96.4 million*
FY 17	\$380.9 million*
FY 18	\$410.8 million*
FY 19	\$438.0 million*
FY 20	\$465.9 million
FY 21	\$491.5 million
FY 22	\$521.3 million
FY 23	\$548.0 million
FY 24	\$561.7 million

\* Up to \$0.3 million for administration

# EST. STATE USE TAX \$ TO SCHOOL AID FUND FOR PPT CUTS

FY 14	\$9.9 million
FY 15	\$19.9 million
FY 16	\$30.9 million
FY 17	\$42.0 million

After FY 17, estimated 1% annual increase

# CONTACTS FOR REIMBURSEMENT QUESTIONS

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## AGENDA REPORT

To: Mayor Pat Humphrey and the Clare City Commission  
From: Steven J. Kingsbury, MBA, CPFA, MiCPT  
Acting City Manager, Treasurer  
Finance and Technology Director  
Date: September 30, 2016  
Regarding: City Manager's Report

For the Agenda of October 3, 2016

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**MEDC ICE Grant.** On Wednesday, September 28th Mr. James Espinoza from the Michigan Economic Development Corporation (MEDC) presented the \$509,039 Infrastructure Capacity Enhancement Grant to the City of Clare. State Senator Judy Emmons, Mayor Pat Humphrey, Mayor Pro Tem Jean McConnell and Commissioner Karla Swanson took part in the presentation along with Brandon Fewins from Senator Stabenow's office, Sarah Brooks from Representative Moolenaar's office and Al Jessup representing the City's Department of Public Works.



During the grant presentation on behalf of Representative Moolenaar Sarah Brooks presented the enclosed Certificate of Special Congressional Recognition to the City for its efforts in improving the water distribution system of the City.

**Railroad Depot Restoration.** At the beginning of this week we received confirmation of receipt of a \$25,000 donation from the Rollin M. Gerstacker Foundation to assist the City in our restoration efforts of the Historic Clare Railroad Depot. These funds will go a long way in helping the City complete this wonderful project. A copy of the letter is enclosed.

**Consumers Energy Tree Grant.** On September 29th we were notified by Consumers Energy that the City of Clare's grant application for the replacement/planting of trees was approved in the amount of \$2,500. The City's Tree Advocacy Board has been notified and will continue their work along with the DPW over the next few weeks to finalize the purchase of the allowed 25 trees (\$100 per tree). Ten of the trees will be planted within local streets right of ways, ten will be planted within City Parks and the remaining five will be planted in the Cherry Grove Cemetery.

**Dead Tree Removals.** As the Commission is aware our state has experienced the loss of thousands of ash trees to the emerald ash borer and that the City of Clare has experienced this same problem to a fairly significant extent. The City's DPW has this week been working with Davey's Tree Service, who is contracted by Consumers Energy to trim and remove trees from electrical power lines, to remove seventeen dead trees throughout the City. These removals follow the fourteen that were removed with Davey's assistance last year and the 37 trees that our DPW removed without assistance during the past two years. At this point we have addressed the most pressing tree removals that needed to be done and have prioritized the approximately two dozen trees that still at this time need to be removed.

**Bridge Inspections.** Historically the City of Clare has contracted every other year with licensed engineers to conduct inspections of the six bridges that are owned and operated by the City within our public road system. With the increased awareness throughout the country of the critical nature of bridges and the potential of bridge failures an increased focus has been placed on all bridges throughout the state by the Michigan Department of Transportation. Because the bridges in Clare are older and there are some signs of age MDOT increased the frequency of inspection for our bridges to annually. During this year's inspections which are currently in process the Woodlawn Bridge was found to have some deterioration that resulted in a lowering of the structural condition rating and placing a load restriction on the bridge. There is no threat to public safety with the lowered rating, however it does pose some challenges to everyday in that particular neighborhood as heavy trucks will not be allowed to cross the bridge. We are currently working with structural engineers from Gourdie-Fraser to implement both an interim solution as well as cost efficient repairs to the bridge.

**Attachments.**

1. Rolland M. Gerstacker Foundation \$25,000 Donation Letter
2. MEDC ICE Grant Ceremonial Check
3. Certificate of Special Recognition from Representative Moolenaar

**ROLLIN M. GERSTACKER FOUNDATION**

P.O. BOX 1945  
MIDLAND, MICHIGAN 48641-1945

September 22, 2016

Ms Jill Sutton  
Executive Director  
Mid Michigan Community Action Agency  
1574 E. Washington Road  
P. O. Box 768  
Farwell, Michigan 48622-0769

Dear Ms Sutton:

I am pleased to report that the trustees have approved a grant in the amount of \$25,000 to support the final phase of the Historic Clare Railroad Depot Restoration and Relocation Project. Our check for the full amount is enclosed.

By endorsing and depositing this check, you warrant that there has been no change in your I.R.S. tax classification as an organization described in Internal Revenue Service Code Sections 501(c)(3) and 509(a)(1), (2) and (3).

Please provide us with a receipt or other acknowledgment of this gift.

We are delighted to provide this support.

Sincerely,



E. N. Brandt  
Vice President

cc: Mr. Ken Hibel, Manager, City of Clare

Enclosure: Check No. 11333

**M E D C**

MICHIGAN ECONOMIC  
DEVELOPMENT CORPORATION

Date September 28, 2016

Pay to the  
Order of

*City of Clare*

\$ 509,039

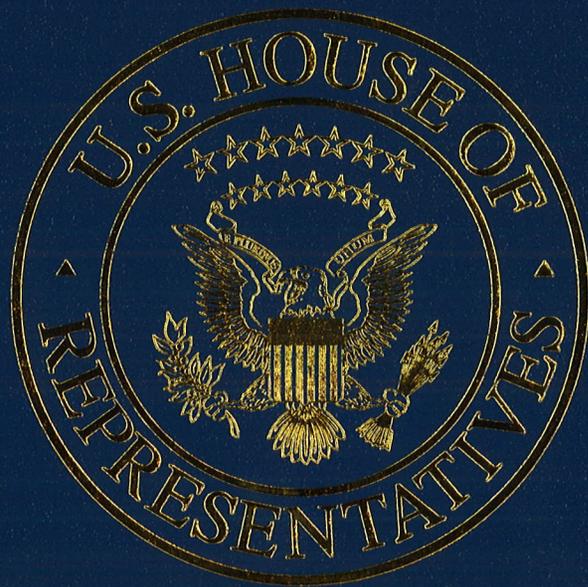
*Five hundred nine thousand thirty nine*

Dollars

NON-NEGOTIABLE

Memo Infrastructure Capacity Enhancement (ICE) Grant

*Michigan Economic Development Corporation*  
Michigan Economic Development Corporation





*Certificate of Special  
Congressional Recognition*

*Presented to  
City of Clare*

*Today, I congratulate the City of Clare upon being awarded an Infrastructure Capacity Enhancement Grant through the Michigan Strategic Fund. This award will allow for water main improvements and is an important investment in the future of the city. Again, I applaud the City of Clare on its efforts to improve its local infrastructure and wish the city continued success.*

  
JOHN MOOLENAAR  
Member of Congress

September 28, 2016  
WASHINGTON, DC  
114<sup>TH</sup> Congress, Second Session

## AGENDA REPORT

TO: Mayor & City Commissioners  
FROM: Diane Lyon, City Clerk  
DATE: September 30, 2016  
RE: \*Communications

For the Agenda of October 3, 2016

**\*Note: This is a Consent Agenda item and is considered as routine by the City Commission. As such, this matter shall be automatically enacted by one motion with all other Consent Agenda items unless a Commissioner or citizen requests this item be individually discussed, in which event it shall be removed from the Consent Agenda and considered and acted upon in its designated sequence on the approved Clare City Commission agenda of October 3, 2016.**

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The following major items of correspondence were either received by or transmitted by the City since the last regularly scheduled City Commission meeting:

Charter Channel Line-up. Charter Communications has announced another change to their channel line-up.

House Bill 4209. We have received notice of a State of Michigan Legislative change, PA 281, related to marihuana licensing and regulation.

FEMA Notification of Approval. We have received notice from the Department of Homeland Security FEMA office that the Clare County Hazard Mitigation Plan met the criteria for multi-jurisdiction. The plan is now approved for the City of Clare and Freeman Township.

Attachments. As outlined above.



September 12, 2016



T2 P1 249 \*\*\*\*\*AUTO\*\*3-DIGIT 486  
City of Clare  
202 W. Fifth Street  
Clare, MI 48617-1490

Dear Franchise Official:

This letter is to inform you of a channel replacement to our line-up taking effect on or after October 12, 2016.

The new channel, Cuba Play, is a network that delivers top Cuban entertainment through a wide variety of movies, novelas, shows, music, documentaries & series, as well as the best titles from Latin America. Cuba Play will be available on the Latino View channel 308, replacing Cable Noticias.

Charter Communications customers in your community are already receiving information regarding this new addition.

If you have any questions related to this change, please do not hesitate to contact me at (906) 553-7866 or via email at [Joan.Movrich@Charter.com](mailto:Joan.Movrich@Charter.com).

Sincerely,

A handwritten signature in blue ink that reads "Joan Movrich".

Joan Movrich  
Franchise Administrator, State Government Affairs, Michigan  
Charter Communications

Act No. 281  
Public Acts of 2016  
Approved by the Governor  
September 21, 2016  
Filed with the Secretary of State  
September 21, 2016  
EFFECTIVE DATE: December 20, 2016

**STATE OF MICHIGAN  
98TH LEGISLATURE  
REGULAR SESSION OF 2016**

**Introduced by Reps. Callton, Kivela, Howrylak, Durhal, Lyons, Pettalia, Hovey-Wright, Dianda, Chang, Neeley, Irwin, Pscholka, Bumstead, Yonker, Canfield, Kelly, Lucido, Maturen, Schor, Brinks, Faris, Banks, Byrd, Garrett, Gay-Dagnogo, Hoadley, Kesto, Kosowski, LaVoy, Love, Phelps, Potvin, Robinson, Runestad, Singh, Tedder and Webber**

# **ENROLLED HOUSE BILL No. 4209**

AN ACT to license and regulate medical marihuana growers, processors, provisioning centers, secure transporters, and safety compliance facilities; to provide for the powers and duties of certain state and local governmental officers and entities; to create a medical marihuana licensing board; to provide for interaction with the statewide monitoring system for commercial marihuana transactions; to create an advisory panel; to provide immunity from prosecution for marihuana-related offenses for persons engaging in marihuana-related activities in compliance with this act; to prescribe civil fines and sanctions and provide remedies; to provide for forfeiture of contraband; to provide for taxes, fees, and assessments; and to require the promulgation of rules.

*The People of the State of Michigan enact:*

## **PART 1. GENERAL PROVISIONS**

Sec. 101. This act shall be known and may be cited as the “medical marihuana facilities licensing act”.

Sec. 102. As used in this act:

(a) “Advisory panel” or “panel” means the marihuana advisory panel created in section 801.

(b) “Affiliate” means any person that controls, is controlled by, or is under common control with; is in a partnership or joint venture relationship with; or is a co-shareholder of a corporation, a co-member of a limited liability company, or a co-partner in a limited liability partnership with a licensee or applicant.

(c) “Applicant” means a person who applies for a state operating license. With respect to disclosures in an application, or for purposes of ineligibility for a license under section 402, the term applicant includes an officer, director, and managerial employee of the applicant and a person who holds any direct or indirect ownership interest in the applicant.

(d) “Board” means the medical marihuana licensing board created in section 301.

(e) “Department” means the department of licensing and regulatory affairs.

(f) “Grower” means a licensee that is a commercial entity located in this state that cultivates, dries, trims, or cures and packages marihuana for sale to a processor or provisioning center.

(g) “Licensee” means a person holding a state operating license.

(h) “Marihuana” means that term as defined in section 7106 of the public health code, 1978 PA 368, MCL 333.7106.

(i) “Marihuana facility” means a location at which a license holder is licensed to operate under this act.

(j) “Marihuana plant” means any plant of the species *Cannabis sativa* L.

(k) “Marihuana-infused product” means a topical formulation, tincture, beverage, edible substance, or similar product containing any usable marihuana that is intended for human consumption in a manner other than smoke inhalation. Marihuana-infused product shall not be considered a food for purposes of the food law, 2000 PA 92, MCL 289.1101 to 289.8111.

(l) “Michigan medical marihuana act” means the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.

(m) “Municipality” means a city, township, or village.

(n) “Paraphernalia” means any equipment, product, or material of any kind that is designed for or used in growing, cultivating, producing, manufacturing, compounding, converting, storing, processing, preparing, transporting, injecting, smoking, ingesting, inhaling, or otherwise introducing into the human body, marihuana.

(o) “Person” means an individual, corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited liability limited partnership, trust, or other legal entity.

(p) “Plant” means any living organism that produces its own food through photosynthesis and has observable root formation or is in growth material.

(q) “Processor” means a licensee that is a commercial entity located in this state that purchases marihuana from a grower and that extracts resin from the marihuana or creates a marihuana-infused product for sale and transfer in packaged form to a provisioning center.

(r) “Provisioning center” means a licensee that is a commercial entity located in this state that purchases marihuana from a grower or processor and sells, supplies, or provides marihuana to registered qualifying patients, directly or through the patients’ registered primary caregivers. Provisioning center includes any commercial property where marihuana is sold at retail to registered qualifying patients or registered primary caregivers. A noncommercial location used by a primary caregiver to assist a qualifying patient connected to the caregiver through the department’s marihuana registration process in accordance with the Michigan medical marihuana act is not a provisioning center for purposes of this act.

(s) “Registered primary caregiver” means a primary caregiver who has been issued a current registry identification card under the Michigan medical marihuana act.

(t) “Registered qualifying patient” means a qualifying patient who has been issued a current registry identification card under the Michigan medical marihuana act or a visiting qualifying patient as that term is defined in section 3 of the Michigan medical marihuana act, MCL 333.26423.

(u) “Registry identification card” means that term as defined in section 3 of the Michigan medical marihuana act, MCL 333.26423.

(v) “Rules” means rules promulgated under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, by the department in consultation with the board to implement this act.

(w) “Safety compliance facility” means a licensee that is a commercial entity that receives marihuana from a marihuana facility or registered primary caregiver, tests it for contaminants and for tetrahydrocannabinol and other cannabinoids, returns the test results, and may return the marihuana to the marihuana facility.

(x) “Secure transporter” means a licensee that is a commercial entity located in this state that stores marihuana and transports marihuana between marihuana facilities for a fee.

(y) “State operating license” or, unless the context requires a different meaning, “license” means a license that is issued under this act that allows the licensee to operate as 1 of the following, specified in the license:

(i) A grower.

(ii) A processor.

(iii) A secure transporter.

(iv) A provisioning center.

(v) A safety compliance facility.

(z) “Statewide monitoring system” or, unless the context requires a different meaning, “system” means an internet-based, statewide database established, implemented, and maintained by the department under the marihuana tracking act, that is available to licensees, law enforcement agencies, and authorized state departments and agencies on a 24-hour basis for all of the following:

(i) Verifying registry identification cards.

(ii) Tracking marihuana transfer and transportation by licensees, including transferee, date, quantity, and price.

(iii) Verifying in commercially reasonable time that a transfer will not exceed the limit that the patient or caregiver is authorized to receive under section 4 of the Michigan medical marihuana act, MCL 333.26424.

(aa) “Usable marihuana” means the dried leaves, flowers, plant resin, or extract of the marihuana plant, but does not include the seeds, stalks, and roots of the plant.

## PART 2. APPLICATION OF OTHER LAWS

Sec. 201. (1) Except as otherwise provided in this act, if a person has been granted a state operating license and is operating within the scope of the license, the licensee and its agents are not subject to any of the following for engaging in activities described in subsection (2):

(a) Criminal penalties under state law or local ordinances regulating marihuana.

(b) State or local criminal prosecution for a marihuana-related offense.

(c) State or local civil prosecution for a marihuana-related offense.

(d) Search or inspection, except for an inspection authorized under this act by law enforcement officers, the municipality, or the department.

(e) Seizure of marihuana, real property, personal property, or anything of value based on a marihuana-related offense.

(f) Any sanction, including disciplinary action or denial of a right or privilege, by a business or occupational or professional licensing board or bureau based on a marihuana-related offense.

(2) The following activities are protected under subsection (1) if performed under a state operating license within the scope of that license and in accord with this act, rules, and any ordinance adopted under section 205:

(a) Growing marihuana.

(b) Purchasing, receiving, selling, transporting, or transferring marihuana from or to a licensee, a licensee's agent, a registered qualifying patient, or a registered primary caregiver.

(c) Possessing marihuana.

(d) Possessing or manufacturing marihuana paraphernalia for medical use.

(e) Processing marihuana.

(f) Transporting marihuana.

(g) Testing, transferring, infusing, extracting, altering, or studying marihuana.

(h) Receiving or providing compensation for products or services.

(3) Except as otherwise provided in this act, a person who owns or leases real property upon which a marihuana facility is located and who has no knowledge that the licensee violated this act is not subject to any of the following for owning, leasing, or permitting the operation of a marihuana facility on the real property:

(a) Criminal penalties under state law or local ordinances regulating marihuana.

(b) State or local civil prosecution based on a marihuana-related offense.

(c) State or local criminal prosecution based on a marihuana-related offense.

(d) Search or inspection, except for an inspection authorized under this act by law enforcement officers, the municipality, or the department.

(e) Seizure of any real or personal property or anything of value based on a marihuana-related offense.

(f) Any sanction, including disciplinary action or denial of a right or privilege, by a business or occupational or professional licensing board or bureau.

(4) For the purposes of regulating the commercial entities established under this act, any provisions of the following acts that are inconsistent with this act do not apply to a grower, processor, secure transporter, provisioning center, or safety compliance facility operating in compliance with this act:

(a) The business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098.

(b) The nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192.

(c) 1931 PA 327, MCL 450.98 to 450.192.

(d) The Michigan revised uniform limited partnership act, 1982 PA 213, MCL 449.1101 to 449.2108.

(e) The Michigan limited liability company act, 1993 PA 23, MCL 450.4101 to 450.5200.

(f) 1907 PA 101, MCL 445.1 to 445.5.

(g) 1913 PA 164, MCL 449.101 to 449.106.

(h) The uniform partnership act, 1917 PA 72, MCL 449.1 to 449.48.

Sec. 203. A registered qualifying patient or registered primary caregiver is not subject to criminal prosecution or sanctions for purchasing marihuana from a provisioning center if the quantity purchased is within the limits established under the Michigan medical marihuana act. A registered primary caregiver is not subject to criminal prosecution or sanctions for any transfer of 2.5 ounces or less of marihuana to a safety compliance facility for testing.

Sec. 204. This act does not limit the medical purpose defense provided in section 8 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26428, to any prosecution involving marihuana.

Sec. 205. (1) A marihuana facility shall not operate in a municipality unless the municipality has adopted an ordinance that authorizes that type of facility. A municipality may adopt an ordinance to authorize 1 or more types of marihuana facilities within its boundaries and to limit the number of each type of marihuana facility. A municipality may adopt other ordinances relating to marihuana facilities within its jurisdiction, including zoning regulations, but shall not impose regulations regarding the purity or pricing of marihuana or interfering or conflicting with statutory regulations for licensing marihuana facilities. A municipality shall provide the following information to the board within 90 days after the municipality receives notification from the applicant that he or she has applied for a license under this act:

(a) A copy of the local ordinance that authorizes the marihuana facility.

(b) A copy of any zoning regulations that apply to the proposed marihuana facility within the municipality.

(c) A description of any violation of the local ordinance or zoning regulations included under subdivision (a) or (b) committed by the applicant, but only if those violations relate to activities licensed under this act or the Michigan medical marihuana act.

(2) The board may consider the information provided under subsection (1) in the application process. However, the municipality's failure to provide information to the board shall not be used against the applicant.

(3) A municipal ordinance may establish an annual, nonrefundable fee of not more than \$5,000.00 on a licensee to help defray administrative and enforcement costs associated with the operation of a marihuana facility in the municipality.

(4) Information a municipality obtains from an applicant related to licensure under this section is exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

Sec. 206. The department, in consultation with the board, shall promulgate rules and emergency rules as necessary to implement, administer, and enforce this act. The rules shall ensure the safety, security, and integrity of the operation of marihuana facilities, and shall include rules to do the following:

(a) Set appropriate standards for marihuana facilities and associated equipment.

(b) Subject to section 408, establish minimum levels of insurance that licensees must maintain.

(c) Establish operating regulations for each category of license to ensure the health, safety, and security of the public and the integrity of marihuana facility operations.

(d) Establish qualifications and restrictions for persons participating in or involved with operating marihuana facilities.

(e) Establish testing standards, procedures, and requirements for marihuana sold through provisioning centers.

(f) Provide for the levy and collection of fines for a violation of this act or rules.

(g) Prescribe use of the statewide monitoring system to track all marihuana transfers, as provided in the marihuana tracking act and this act and provide for a funding mechanism to support the system.

(h) Establish quality control standards, procedures, and requirements for marihuana facilities.

(i) Establish chain of custody standards, procedures, and requirements for marihuana facilities.

(j) Establish standards, procedures, and requirements for waste product disposal and storage by marihuana facilities.

(k) Establish chemical storage standards, procedures, and requirements for marihuana facilities.

(l) Establish standards, procedures, and requirements for securely and safely transporting marihuana between marihuana facilities.

(m) Establish standards, procedures, and requirements for the storage of marihuana by marihuana facilities.

(n) Establish labeling and packaging standards, procedures, and requirements for marihuana sold or transferred through provisioning centers, including a prohibition on labeling or packaging that is intended to appeal to or has the effect of appealing to minors.

(o) Establish daily purchasing limits at provisioning centers for registered qualifying patients and registered primary caregivers to ensure compliance with the Michigan medical marihuana act.

(p) Establish marketing and advertising restrictions for marihuana products and marihuana facilities.

(q) Establish maximum tetrahydrocannabinol levels for marihuana-infused products sold or transferred through provisioning centers.

(r) Establish health standards to ensure the safe preparation of products containing marihuana that are intended for human consumption in a manner other than smoke inhalation.

(s) Establish restrictions on edible marihuana-infused products to prohibit shapes that would appeal to minors.

Sec. 207. A licensee shall adopt and use a third-party inventory control and tracking system that is capable of interfacing with the statewide monitoring system to allow the licensee to enter or access information in the statewide monitoring system as required under this act and rules. The third-party inventory control and tracking system must

have all of the following capabilities necessary for the licensee to comply with the requirements applicable to the licensee's license type:

- (a) Tracking all marihuana plants, products, packages, patient and primary caregiver purchase totals, waste, transfers, conversions, sales, and returns that are linked to unique identification numbers.
- (b) Tracking lot and batch information throughout the entire chain of custody.
- (c) Tracking all products, conversions, and derivatives throughout the entire chain of custody.
- (d) Tracking marihuana plant, batch, and product destruction.
- (e) Tracking transportation of product.
- (f) Performing complete batch recall tracking that clearly identifies all of the following details relating to the specific batch subject to the recall:
  - (i) Sold product.
  - (ii) Product inventory that is finished and available for sale.
  - (iii) Product that is in the process of transfer.
  - (iv) Product being processed into another form.
  - (v) Postharvest raw product, such as product that is in the drying, trimming, or curing process.
  - (g) Reporting and tracking loss, theft, or diversion of product containing marihuana.
  - (h) Reporting and tracking all inventory discrepancies.
  - (i) Reporting and tracking adverse patient responses or dose-related efficacy issues.
  - (j) Reporting and tracking all sales and refunds.
  - (k) Electronically receiving and transmitting information as required under this act, the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430, and the marihuana tracking act.
  - (l) Receiving testing results electronically from a safety compliance facility via a secured application program interface into the system and directly linking the testing results to each applicable source batch and sample.
  - (m) Identifying test results that may have been altered.
  - (n) Providing the licensee with access to information in the tracking system that is necessary to verify that the licensee is carrying out the marihuana transactions authorized under the licensee's license in accordance with this act.
  - (o) Providing information to cross-check that product sales are made to a registered qualifying patient or a registered primary caregiver on behalf of a registered qualifying patient and that the product received the required testing.
  - (p) Providing the department and state agencies with access to information in the database that they are authorized to access.
  - (q) Providing law enforcement agencies with access to only the information in the database that is necessary to verify that an individual possesses a valid and current registry identification card.
  - (r) Providing licensees with access only to the information in the system that they are required to receive before a sale, transfer, transport, or other activity authorized under a license issued under this act.
  - (s) Securing the confidentiality of information in the database by preventing access by a person who is not authorized to access the statewide monitoring system or is not authorized to access the particular information.
  - (t) Providing analytics to the department regarding key performance indicators such as the following:
    - (i) Total daily sales.
    - (ii) Total marihuana plants in production.
    - (iii) Total marihuana plants destroyed.
    - (iv) Total inventory adjustments.

Sec. 208. A marihuana facility and all articles of property in that facility are subject to examination at any time by a local police agency or the department of state police.

### PART 3. MEDICAL MARIHUANA LICENSING BOARD

Sec. 301. (1) The medical marihuana licensing board is created within the department of licensing and regulatory affairs.

(2) The board consists of 5 members who are residents of this state, not more than 3 of whom are members of the same political party. The governor shall appoint the members. One of the members shall be appointed from 3 nominees submitted by the senate majority leader and 1 from 3 nominees submitted by the speaker of the house. The governor shall designate 1 of the members as chairperson.

(3) The members shall be appointed for terms of 4 years, except, of those who are first appointed, 1 member shall be appointed for a term of 2 years and 2 members shall be appointed for a term of 3 years. A member's term expires on December 31 of the last year of the member's term. If a vacancy occurs, the governor shall appoint a successor to fill the unexpired term in the manner of the original appointment.

(4) Each member of the board shall be reimbursed for all actual and necessary expenses and disbursements incurred in carrying out official duties.

(5) A board member shall not hold any other public office for which he or she receives compensation other than necessary travel or other incidental expenses.

(6) A person who is not of good moral character or who has been indicted for, charged with, or convicted of, pled guilty or nolo contendere to, or forfeited bail concerning any felony or a misdemeanor involving a controlled substance violation, theft, dishonesty, or fraud under the laws of this state, any other state, or the United States or a local ordinance in any state involving a controlled substance violation, dishonesty, theft, or fraud that substantially corresponds to a misdemeanor in that state is not eligible to serve on the board.

(7) The governor may remove any member of the board for neglect of duty, misfeasance, malfeasance, nonfeasance, or any other just cause.

(8) The department in conjunction with the board shall employ an executive director and other personnel as necessary to assist the board in carrying out its duties. The executive director shall devote his or her full time to the duties of the office and shall not hold any other office or employment.

(9) The board shall not appoint or employ an individual if any of the following circumstances exist:

(a) During the 3 years immediately preceding appointment or employment, the individual held any direct or indirect interest in, or was employed by, a person who is licensed to operate under this act or under a corresponding license in another jurisdiction or a person with an application for an operating license pending before the board or in any other jurisdiction. The board shall not employ an individual who has a direct or indirect interest in a licensee or a marihuana facility.

(b) The individual or his or her spouse, parent, child, child's spouse, sibling, or spouse of a sibling has an application for a license pending before the board or is a member of the board of directors of, or an individual financially interested in, any licensee or marihuana facility.

(10) Each member of the board, the executive director, and each key employee as determined by the department shall file with the governor a financial disclosure statement listing all assets and liabilities, property and business interests, and sources of income of the member, executive director, and key employee and his or her spouse, if any, affirming that the member, executive director, and key employee are in compliance with subsection (9)(a) and (b). The financial disclosure statement shall be made under oath and filed at the time of employment and annually thereafter.

(11) Each employee of the board shall file with the board a financial disclosure statement listing all assets and liabilities, property and business interests, and sources of income of the employee and his or her spouse. This subsection does not apply to the executive director or a key employee.

(12) A member of the board, executive director, or key employee shall not hold any direct or indirect interest in, be employed by, or enter into a contract for services with an applicant, a board licensee, or a marihuana facility for a period of 4 years after the date his or her employment or membership on the board terminates. The department in consultation with the board shall define the term "direct or indirect interest" by rule.

(13) For 2 years after the date his or her employment with the board is terminated, an employee of the board shall not acquire any direct or indirect interest in, be employed by, or enter into a contract for services with any applicant, licensee, or marihuana facility.

(14) For 2 years after the termination of his or her office or employment with the board, a board member or an individual employed by the board shall not represent any person or party other than this state before or against the board.

(15) A business entity in which a former board member or employee or agent has an interest, or any partner, officer, or employee of the business entity, shall not make any appearance or represent a party that the former member, employee, or agent is prohibited from appearing for or representing. As used in this subsection, "business entity" means a corporation, limited liability company, partnership, limited liability partnership, association, trust, or other form of legal entity.

Sec. 302. The board has general responsibility for implementing this act. The board has the powers and duties specified in this act and all other powers necessary and proper to fully and effectively implement and administer this act for the purpose of licensing, regulating, and enforcing the licensing and regulation system established under this act for marihuana growth, processing, testing, and transporting. The board is subject to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. The board's duties include all of the following:

(a) Granting or denying each application for a state operating license within a reasonable time.

(b) Deciding all license applications in reasonable order.

(c) Conducting its public meetings in compliance with the open meetings act, 1976 PA 267, MCL 15.231 to 15.246.

(d) Consulting with the department in promulgating rules and emergency rules as necessary to implement, administer, and enforce this act. The board shall not promulgate a rule establishing a limit on the number or type of marihuana facility licenses that may be granted.

(e) Implementing and collecting the application fee described in section 401 and, in conjunction with the department of treasury, the tax described in section 601 and regulatory assessment described in section 603.

(f) Providing for the levy and collection of fines for a violation of this act or rules.

(g) Providing oversight of a marihuana facility through the board's inspectors, agents, and auditors and through the state police or attorney general for the purpose of certifying the revenue, receiving complaints from the public, or conducting investigations into the operation of the marihuana facility as the board considers necessary and proper to ensure compliance with this act and rules and to protect and promote the overall safety, security, and integrity of the operation of a marihuana facility.

(h) Providing oversight of marihuana facilities to ensure that marihuana-infused products meet health and safety standards that protect the public to a degree comparable to state and federal standards applicable to similar food and drugs.

(i) Reviewing and ruling on any complaint by a licensee regarding any investigative procedures of this state that are believed to be unnecessarily disruptive of marihuana facility operations. The need to inspect and investigate is presumed at all times. The board may delegate authority to hear, review, or rule on licensee complaints to a subcommittee of the board. To prevail on the complaint, a licensee must establish by a preponderance of the evidence that the procedures unreasonably disrupted its marihuana facility operations.

(j) Holding at least 2 public meetings each year. Upon 72 hours' written notice to each member, the chairperson or any 2 board members may call a special meeting. Three members of the board constitute a quorum, including when making determinations on an application for a license. Three votes are required in support of final determinations of the board on applications for licenses and all other licensing determinations, except that 4 votes are required in support of a determination to suspend or revoke a license. The board shall keep a complete and accurate record of all of its meetings and hearings. Upon order of the board, 1 of the board members or a hearing officer designated by the board may conduct any hearing provided for under this act or by rules and may recommend findings and decisions to the board. The board member or hearing officer conducting the hearing has all powers and rights regarding the conduct of hearings granted to the board under this act. The record made at the time of the hearing shall be reviewed by the board or a majority of the board, and the findings and decision of the majority of the board are the order of the board in the case.

(k) Maintaining records that are separate and distinct from the records of any other state board. The records shall be made available for public inspection subject to the limitations of this act and shall accurately reflect all board proceedings.

(l) Reviewing the patterns of marihuana transfers by the licensees under this act as recorded in a statewide database established for use in administering and enforcing this act and making recommendations to the governor and the legislature in a written annual report to the governor and the legislature and additional reports that the governor requests. The annual report shall be submitted by April 15 of each year and shall include the report required under section 702, a statement of receipts and disbursements by the board, the actions taken by the board, and any additional information and recommendations that the board considers appropriate or that the governor requests.

(m) Except as otherwise provided in this act, all information, records, interviews, reports, statements, memoranda, or other data supplied to or used by the board are subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, except for the following:

(i) Unless presented during a public hearing or requested by the licensee or applicant who is the sole subject of the data, all of the information, records, interviews, reports, statements, memoranda, or other data supplied to, created by, or used by the board related to background investigation of applicants or licensees and to trade secrets, internal controls, and security measures of the licensees or applicants.

(ii) All information, records, interviews, reports, statements, memoranda, or other data supplied to or used by the board that have been received from another jurisdiction or local, state, or federal agency under a promise of confidentiality or if the release of the information is otherwise barred by the statutes, rules, or regulations of that jurisdiction or agency or by an intergovernmental agreement.

(iii) All information in the statewide monitoring system.

Sec. 303. (1) The board has jurisdiction over the operation of all marihuana facilities. The board has all powers necessary and proper to fully and effectively oversee the operation of marihuana facilities, including the authority to do all of the following:

(a) Investigate applicants for state operating licenses, determine the eligibility for licenses, and grant licenses to applicants in accordance with this act and the rules.

(b) Investigate all individuals employed by marihuana facilities.

(c) At any time, through its investigators, agents, auditors, or the state police, without a warrant and without notice to the licensee, enter the premises, offices, facilities, or other places of business of a licensee, if evidence of compliance or noncompliance with this act or rules is likely to be found and consistent with constitutional limitations, for the following purposes:

(i) To inspect and examine all premises of marihuana facilities.

(ii) To inspect, examine, and audit relevant records of the licensee and, if the licensee fails to cooperate with an investigation, impound, seize, assume physical control of, or summarily remove from the premises all books, ledgers, documents, writings, photocopies, correspondence, records, and videotapes, including electronically stored records, money receptacles, or equipment in which the records are stored.

(iii) To inspect the person, and inspect or examine personal effects present in a marihuana facility, of any holder of a state operating license while that person is present in a marihuana facility.

(iv) To investigate alleged violations of this act or rules.

(d) Investigate alleged violations of this act or rules and take appropriate disciplinary action against a licensee.

(e) Consult with the department in adopting rules to establish appropriate standards for marihuana facilities and associated equipment.

(f) Require all relevant records of licensees, including financial or other statements, to be kept on the premises authorized for operation of the marihuana facility of the licensee or in the manner prescribed by the board.

(g) Require that each licensee of a marihuana facility submit to the board a list of the stockholders or other persons having a 1% or greater beneficial interest in the facility in addition to any other information the board considers necessary to effectively administer this act and rules, orders, and final decisions made under this act.

(h) Eject, or exclude or authorize the ejection or exclusion of, an individual from a marihuana facility if the individual violates this act, rules, or final orders of the board. However, the propriety of the ejection or exclusion is subject to a subsequent hearing by the board.

(i) Conduct periodic audits of marihuana facilities licensed under this act.

(j) Consult with the department as to appropriate minimum levels of insurance for licensees in addition to the minimum established under section 408 for liability insurance.

(k) Delegate the execution of any of its powers that are not specifically and exclusively reserved to the board under this act for the purpose of administering and enforcing this act and rules.

(l) Take disciplinary action as the board considers appropriate to prevent practices that violate this act and rules.

(m) Review a licensee if that licensee is under review or the subject of discipline by a regulatory body in any other jurisdiction for a violation of a controlled substance or marihuana law or regulation in that jurisdiction.

(n) Take any other reasonable or appropriate action to enforce this act and rules.

(2) The board may seek and shall receive the cooperation and assistance of the department of state police in conducting background investigations of applicants and in fulfilling its responsibilities under this act. The department of state police may recover its costs of cooperation under this subsection.

Sec. 305. (1) By January 31 of each year, each member of the board shall prepare and file with the governor's office and the board a disclosure form in which the member does all of the following:

(a) Affirms that the member or the member's spouse, parent, child, or child's spouse is not a member of the board of directors of, financially interested in, or employed by a licensee or applicant.

(b) Affirms that the member continues to meet any other criteria for board membership under this act or the rules promulgated by the board.

(c) Discloses any legal or beneficial interests in any real property that is or that may be directly or indirectly involved with operations authorized by this act.

(d) Discloses any other information as may be required to ensure that the integrity of the board and its work is maintained.

(2) By January 31 of each year, each employee of the board shall prepare and file with the board an employee disclosure form in which the employee does all of the following:

(a) Affirms the absence of financial interests prohibited by this act.

(b) Discloses any legal or beneficial interests in any real property that is or that may be directly or indirectly involved with operations authorized by this act.

(c) Discloses whether the employee or the employee's spouse, parent, child, or child's spouse is financially interested in or employed by a licensee or an applicant for a license under this act.

(d) Discloses such other matters as may be required to ensure that the integrity of the board and its work is maintained.

(3) A member, employee, or agent of the board who becomes aware that the member, employee, or agent of the board or his or her spouse, parent, or child is a member of the board of directors of, financially interested in, or employed by a licensee or an applicant shall immediately provide detailed written notice thereof to the chairperson.

(4) A member, employee, or agent of the board who within the previous 10 years has been indicted for, charged with, or convicted of, pled guilty or nolo contendere to, or forfeited bail concerning a misdemeanor involving controlled substances, dishonesty, theft, or fraud or a local ordinance in any state involving controlled substances, dishonesty, theft, or fraud that substantially corresponds to a misdemeanor in that state, or a felony under Michigan law, the laws of any other state, or the laws of the United States or any other jurisdiction shall immediately provide detailed written notice of the conviction or charge to the chairperson.

(5) Any member, employee, or agent of the board who is negotiating for, or acquires by any means, any interest in any person who is a licensee or an applicant, or any person affiliated with such a person, shall immediately provide written notice of the details of the interest to the chairperson. The member, employee, or agent of the board shall not act on behalf of the board with respect to that person.

(6) A member, employee, or agent of the board shall not enter into any negotiations for employment with any person or affiliate of any person who is a licensee or an applicant and shall immediately provide written notice of the details of any such negotiations or discussions in progress to the chairperson. The member, employee, or agent of the board shall not take action on behalf of the board with respect to that person.

(7) Any member, employee, or agent of the board who receives an invitation, written or oral, to initiate a discussion concerning employment or the possibility of employment with a person or affiliate of a person who is a licensee or an applicant shall immediately report that he or she received the invitation to the chairperson. The member, employee, or agent of the board shall not take action on behalf of the board with respect to the person.

(8) A licensee or applicant shall not knowingly initiate a negotiation for or discussion of employment with a member, employee, or agent of the board. A licensee or applicant who initiates a negotiation or discussion about employment shall immediately provide written notice of the details of the negotiation or discussion to the chairperson as soon as he or she becomes aware that the negotiation or discussion has been initiated with a member, employee, or agent of the board.

(9) A member, employee, or agent of the board, or former member, employee, or agent of the board, shall not disseminate or otherwise disclose any material or information in the possession of the board that the board considers confidential unless specifically authorized to do so by the chairperson or the board.

(10) A member, employee, or agent of the board or a parent, spouse, sibling, spouse of a sibling, child, or spouse of a child of a member, employee, or agent of the board shall not accept any gift, gratuity, compensation, travel, lodging, or anything of value, directly or indirectly, from any licensee or any applicant or affiliate or representative of a licensee or applicant, unless the acceptance conforms to a written policy or directive that is issued by the chairperson or the board. Any member, employee, or agent of the board who is offered or receives any gift, gratuity, compensation, travel, lodging, or anything of value, directly or indirectly, from any licensee or any applicant or affiliate or representative of an applicant or licensee shall immediately provide written notification of the details to the chairperson.

(11) A licensee or applicant, or an affiliate or representative of an applicant or licensee, shall not, directly or indirectly, give or offer to give any gift, gratuity, compensation, travel, lodging, or anything of value to any member, employee, or agent of the board that the member, employee, or agent of the board is prohibited from accepting under subsection (10).

(12) A member, employee, or agent of the board shall not engage in any conduct that constitutes a conflict of interest and shall immediately advise the chairperson in writing of the details of any incident or circumstances that would present the existence of a conflict of interest with respect to performing board-related work or duties.

(13) A member, employee, or agent of the board who is approached and offered a bribe as described in section 118 of the Michigan penal code, 1931 PA 328, MCL 750.118, or this act shall immediately provide written account of the details of the incident to the chairperson and to a law enforcement officer of a law enforcement agency having jurisdiction.

(14) A member, employee, or agent of the board shall disclose his or her past involvement with any marihuana enterprise in the past 5 years and shall not engage in political activity or politically related activity during the duration of his or her appointment or employment.

(15) A former member, employee, or agent of the board may appear before the board as a fact witness about matters or actions handled by the member, employee, or agent during his or her tenure as a member, employee, or agent of the board. The member, employee, or agent of the board shall not receive compensation for such an appearance other than a standard witness fee and reimbursement for travel expenses as established by statute or court rule.

(16) A licensee or applicant or any affiliate or representative of an applicant or licensee shall not engage in ex parte communications with a member of the board. A member of the board shall not engage in any ex parte communications with a licensee or an applicant or with any affiliate or representative of an applicant or licensee.

(17) Any board member, licensee, or applicant or affiliate or representative of a board member, licensee, or applicant who receives any ex parte communication in violation of subsection (16), or who is aware of an attempted communication in violation of subsection (16), shall immediately report details of the communication or attempted communication in writing to the chairperson.

(18) Any member of the board who receives an ex parte communication in an attempt to influence that member's official action shall disclose the source and content of the communication to the chairperson. The chairperson may investigate or initiate an investigation of the matter with the assistance of the attorney general and state police to determine if the communication violates subsection (16) or subsection (17) or other state law. The disclosure under this section and the investigation are confidential. Following an investigation, the chairperson shall advise the governor or the board, or both, of the results of the investigation and may recommend action as the chairperson considers appropriate. If the chairperson receives such an ex parte communication, he or she shall report the communication to the governor's office for appropriate action.

(19) A new or current employee or agent of the board shall obtain written permission from the executive director before continuing outside employment held at the time the employee begins to work for the board. Permission shall be denied, or permission previously granted shall be revoked, if the executive director considers the nature of the work to create a possible conflict of interest or if it would otherwise interfere with the duties of the employee or agent for the board.

(20) An employee or agent of the board granted permission for outside employment shall not conduct any business or perform any activities, including solicitation, related to outside employment on premises used by the board or during the employee's working hours for the board.

(21) The chairperson shall report any action he or she has taken or proposes to take under this section with respect to an employee or agent or former employee or former agent to the board at the next meeting of the board. The board may direct the executive director to take additional or different action.

(22) Except as allowed under the Michigan medical marijuana act, a member, employee, or agent of the board shall not enter into any personal transaction involving marijuana with a licensee or applicant.

(23) If a licensee or applicant, or an affiliate or representative of a licensee or applicant, violates this section, the board may deny a license application, revoke or suspend a license, or take other disciplinary action as provided in section 407.

(24) Violation of this section by a member of the board may result in disqualification or constitute cause for removal under section 301(7) or other disciplinary action as recommended by the board to the governor.

(25) A violation of this section by an employee or agent of the board need not result in termination of employment if the board determines that the conduct involved does not violate the purpose of this act. However, all of the following apply:

(a) If, after being offered employment or beginning employment with the board, the employee or agent intentionally acquires a financial interest in a licensee or an applicant, or an affiliate or representative of a licensee or applicant, the offer or employment with the board shall be terminated.

(b) If a financial interest in a licensee or an applicant, or an affiliate or representative of a licensee or applicant, is acquired by an employee or agent that has been offered employment with the board, an employee of the board, or the employee's or agent's spouse, parent, or child, through no intentional action of the employee or agent, the individual shall have up to 30 days to divest or terminate the financial interest. Employment may be terminated if the interest has not been divested after 30 days.

(c) Employment shall be terminated if the employee or agent is a spouse, parent, child, or spouse of a child of a board member.

(26) Violation of this section does not create a civil cause of action.

(27) As used in this section:

(a) "Outside employment", in addition to employment by a third party, includes, but is not limited to, the following:

(i) Operation of a proprietorship.

(ii) Participation in a partnership or group business enterprise.

(iii) Performance as a director or corporate officer of any for-profit or nonprofit corporation or banking or credit institution.

(iv) Performance as a manager of a limited liability company.

(b) "Political activity" or "politically related activity" includes all of the following:

(i) Using his or her official authority or influence for the purpose of interfering with or affecting the result of an election.

(ii) Knowingly soliciting, accepting, or receiving a political contribution from any person.

(iii) Running for the nomination or as a candidate for election to a partisan political office.

(iv) Knowingly soliciting or discouraging the participation in any political activity of any person who is either of the following:

(A) Applying for any compensation, grant, contract, ruling, license, permit, or certificate pending before the board.

(B) The subject of or a participant in an ongoing audit, investigation, or enforcement action being carried out by the board.

#### PART 4. LICENSING

Sec. 401. (1) Beginning 360 days after the effective date of this act, a person may apply to the board for state operating licenses in the categories of class A, B, or C grower; processor; provisioning center; secure transporter; and safety compliance facility as provided in this act. The application shall be made under oath on a form provided by the board and shall contain information as prescribed by the board, including, but not limited to, all of the following:

(a) The name, business address, business telephone number, social security number, and, if applicable, federal tax identification number of the applicant.

(b) The identity of every person having any ownership interest in the applicant with respect to which the license is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a corporation, the names and addresses of all shareholders, officers, and directors; if a partnership or limited liability partnership, the names and addresses of all partners; if a limited partnership or limited liability limited partnership, the names of all partners, both general and limited; or if a limited liability company, the names and addresses of all members and managers.

(c) An identification of any business that is directly or indirectly involved in the growing, processing, testing, transporting, or sale of marijuana, including, if applicable, the state of incorporation or registration, in which an applicant or, if the applicant is an individual, the applicant's spouse, parent, or child has any equity interest. If an applicant is a corporation, partnership, or other business entity, the applicant shall identify any other corporation, partnership, or other business entity that is directly or indirectly involved in the growing, processing, testing, transporting, or sale of marijuana in which it has any equity interest, including, if applicable, the state of incorporation or registration. An applicant may comply with this subdivision by filing a copy of the applicant's registration with the Securities and Exchange Commission if the registration contains the information required by this subdivision.

(d) Whether an applicant has been indicted for, charged with, arrested for, or convicted of, pled guilty or nolo contendere to, forfeited bail concerning any criminal offense under the laws of any jurisdiction, either felony or controlled-substance-related misdemeanor, not including traffic violations, regardless of whether the offense has been reversed on appeal or otherwise, including the date, the name and location of the court, arresting agency, and prosecuting agency, the case caption, the docket number, the offense, the disposition, and the location and length of incarceration.

(e) Whether an applicant has ever applied for or has been granted any commercial license or certificate issued by a licensing authority in Michigan or any other jurisdiction that has been denied, restricted, suspended, revoked, or not renewed and a statement describing the facts and circumstances concerning the application, denial, restriction, suspension, revocation, or nonrenewal, including the licensing authority, the date each action was taken, and the reason for each action.

(f) Whether an applicant has filed, or been served with, a complaint or other notice filed with any public body, regarding the delinquency in the payment of, or a dispute over the filings concerning the payment of, any tax required under federal, state, or local law, including the amount, type of tax, taxing agency, and time periods involved.

(g) A statement listing the names and titles of all public officials or officers of any unit of government, and the spouses, parents, and children of those public officials or officers, who, directly or indirectly, own any financial interest in, have any beneficial interest in, are the creditors of or hold any debt instrument issued by, or hold or have any interest in any contractual or service relationship with an applicant. As used in this subdivision, public official or officer does not include a person who would have to be listed solely because of his or her state or federal military service.

(h) A description of the type of marijuana facility; anticipated or actual number of employees; and projected or actual gross receipts.

(i) Financial information in the manner and form prescribed by the board.

(j) A paper copy or electronic posting website reference for the ordinance or zoning restriction that the municipality adopted to authorize or restrict operation of 1 or more marijuana facilities in the municipality.

(k) A copy of the notice informing the municipality by registered mail that the applicant has applied for a license under this act. The applicant shall also certify that it has delivered the notice to the municipality or will do so by 10 days after the date the applicant submits the application for a license to the board.

(l) Any other information the department requires by rule.

(2) The board shall use information provided on the application as a basis to conduct a thorough background investigation on the applicant. A false application is cause for the board to deny a license. The board shall not consider an incomplete application but shall, within a reasonable time, return the application to the applicant with notification of the deficiency and instructions for submitting a corrected application. Information the board obtains from the background investigation is exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(3) An applicant must provide written consent to the inspections, examinations, searches, and seizures provided for in section 303(1)(c)(i) to (iv) and to disclosure to the board and its agents of otherwise confidential records, including tax records held by any federal, state, or local agency, or credit bureau or financial institution, while applying for or holding a license. Information the board receives under this subsection is exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(4) An applicant must certify that the applicant does not have an interest in any other state operating license that is prohibited under this act.

(5) A nonrefundable application fee must be paid at the time of filing to defray the costs associated with the background investigation conducted by the board. The department in consultation with the board shall set the amount of the application fee for each category and class of license by rule. If the costs of the investigation and processing the application exceed the application fee, the applicant shall pay the additional amount to the board. All information, records, interviews, reports, statements, memoranda, or other data supplied to or used by the board in the course of its review or investigation of an application for a license under this act shall be disclosed only in accordance with this act. The information, records, interviews, reports, statements, memoranda, or other data are not admissible as evidence or discoverable in any action of any kind in any court or before any tribunal, board, agency, or person, except for any action considered necessary by the board.

(6) By 10 days after the date the applicant submits an application to the board, the applicant shall notify the municipality by registered mail that it has applied for a license under this act.

Sec. 402. (1) The board shall issue a license to an applicant who submits a complete application and pays both the nonrefundable application fee required under section 401(5) and the regulatory assessment established by the board for the first year of operation, if the board determines that the applicant is qualified to receive a license under this act.

(2) An applicant is ineligible to receive a license if any of the following circumstances exist:

(a) The applicant has been convicted of or released from incarceration for a felony under the laws of this state, any other state, or the United States within the past 10 years or has been convicted of a controlled substance-related felony within the past 10 years.

(b) Within the past 5 years the applicant has been convicted of a misdemeanor involving a controlled substance, theft, dishonesty, or fraud in any state or been found responsible for violating a local ordinance in any state involving a controlled substance, dishonesty, theft, or fraud that substantially corresponds to a misdemeanor in that state.

(c) The applicant has knowingly submitted an application for a license under this act that contains false information.

(d) The applicant is a member of the board.

(e) The applicant fails to demonstrate the applicant's ability to maintain adequate premises liability and casualty insurance for its proposed marihuana facility.

(f) The applicant holds an elective office of a governmental unit of this state, another state, or the federal government; is a member of or employed by a regulatory body of a governmental unit in this state, another state, or the federal government; or is employed by a governmental unit of this state. This subdivision does not apply to an elected officer of or employee of a federally recognized Indian tribe or to an elected precinct delegate.

(g) The applicant, if an individual, has been a resident of this state for less than a continuous 2-year period immediately preceding the date of filing the application. The requirements in this subdivision do not apply after June 30, 2018.

(h) The board determines that the applicant is not in compliance with section 205(1).

(i) The applicant fails to meet other criteria established by rule.

(3) In determining whether to grant a license to an applicant, the board may also consider all of the following:

(a) The integrity, moral character, and reputation; personal and business probity; financial ability and experience; and responsibility or means to operate or maintain a marihuana facility of the applicant and of any other person that either:

(i) Controls, directly or indirectly, the applicant.

(ii) Is controlled, directly or indirectly, by the applicant or by a person who controls, directly or indirectly, the applicant.

(b) The financial ability of the applicant to purchase and maintain adequate liability and casualty insurance.

(c) The sources and total amount of the applicant's capitalization to operate and maintain the proposed marihuana facility.

(d) Whether the applicant has been indicted for, charged with, arrested for, or convicted of, pled guilty or nolo contendere to, forfeited bail concerning, or had expunged any relevant criminal offense under the laws of any jurisdiction, either felony or misdemeanor, not including traffic violations, regardless of whether the offense has been expunged, pardoned, or reversed on appeal or otherwise.

(e) Whether the applicant has filed, or had filed against it, a proceeding for bankruptcy within the past 7 years.

(f) Whether the applicant has been served with a complaint or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years.

(g) Whether the applicant has a history of noncompliance with any regulatory requirements in this state or any other jurisdiction.

(h) Whether at the time of application the applicant is a defendant in litigation involving its business practices.

(i) Whether the applicant meets other standards in rules applicable to the license category.

(4) Each applicant shall submit with its application, on forms provided by the board, a passport quality photograph and 1 set of fingerprints for each person having any ownership interest in the marihuana facility and each person who is an officer, director, or managerial employee of the applicant. The department may designate an entity or agent to collect the fingerprints, and the applicant is responsible for the cost associated with the fingerprint collection.

(5) The board shall review all applications for licenses and shall inform each applicant of the board's decision.

(6) A license shall be issued for a 1-year period and is renewable annually. Except as otherwise provided in this act, the board shall renew a license if all of the following requirements are met:

(a) The licensee applies to the board on a renewal form provided by the board that requires information prescribed in rules.

(b) The application is received by the board on or before the expiration date of the current license.

(c) The licensee pays the regulatory assessment under section 603.

(d) The licensee meets the requirements of this act and any other renewal requirements set forth in rules.

(7) The department shall notify the licensee by mail or electronic mail at the last known address on file with the board advising of the time, procedure, and regulatory assessment under section 603. The failure of the licensee to receive notice under this subsection does not relieve the licensee of the responsibility for renewing the license.

(8) If a license renewal application is not submitted by the license expiration date, the license may be renewed within 60 days after its expiration date upon application, payment of the regulatory assessment under section 603, and satisfaction of any renewal requirement and late fee set forth in rules. The licensee may continue to operate during the 60 days after the license expiration date if the license is renewed by the end of the 60-day period.

(9) License expiration does not terminate the board's authority to impose sanctions on a licensee whose license has expired.

(10) In its decision on an application for renewal, the board shall consider any specific written input it receives from an individual or entity within the local unit of government in which the applicant for renewal is located.

(11) A licensee must consent in writing to inspections, examinations, searches, and seizures that are permitted under this act and must provide a handwriting exemplar, fingerprints, photographs, and information as authorized in this act or by rules.

(12) An applicant or licensee has a continuing duty to provide information requested by the board and to cooperate in any investigation, inquiry, or hearing conducted by the board.

Sec. 403. If the board identifies a deficiency in an application, the board shall provide the applicant with a reasonable period of time to correct the deficiency.

Sec. 404. (1) The board shall issue a license only in the name of the true party of interest.

(2) For the following true parties of interest, information concerning the indicated individuals must be included in the disclosures required of an applicant or licensee:

(a) For an individual or sole proprietorship: the proprietor and spouse.

(b) For a partnership and limited liability partnership: all partners and their spouses. For a limited partnership and limited liability limited partnership: all general and limited partners and their spouses. For a limited liability company: all members, managers, and their spouses.

(c) For a privately held corporation: all corporate officers or persons with equivalent titles and their spouses and all stockholders and their spouses.

(d) For a publicly held corporation: all corporate officers or persons with equivalent titles and their spouses.

(e) For a multilevel ownership enterprise: any entity or person that receives or has the right to receive a percentage of the gross or net profit from the enterprise during any full or partial calendar or fiscal year.

(f) For a nonprofit corporation: all individuals and entities with membership or shareholder rights in accordance with the articles of incorporation or the bylaws and their spouses.

(3) For purposes of this section, “true party of interest” does not mean:

(a) A person or entity receiving reasonable payment for rent on a fixed basis under a bona fide lease or rental obligation, unless the lessor or property manager exercises control over or participates in the management of the business.

(b) A person who receives a bonus as an employee if the employee is on a fixed wage or salary and the bonus is not more than 25% of the employee’s prebonus annual compensation or if the bonus is based on a written incentive/bonus program that is not out of the ordinary for the services rendered.

Sec. 405. Subject to the laws of this state, before hiring a prospective employee, the holder of a license shall conduct a background check of the prospective employee. If the background check indicates a pending charge or conviction within the past 10 years for a controlled substance-related felony, a licensee shall not hire the prospective employee without written permission of the board.

Sec. 406. Each license is exclusive to the licensee, and a licensee or any other person must apply for and receive the board’s approval before a license is transferred, sold, or purchased. The attempted transfer, sale, or other conveyance of an interest of more than 1% in a license without prior board approval is grounds for suspension or revocation of the license or for other sanction considered appropriate by the board.

Sec. 407. (1) If an applicant or licensee fails to comply with this act or rules, if a licensee fails to comply with the marihuana tracking act, if a licensee no longer meets the eligibility requirements for a license under this act, or if an applicant or licensee fails to provide information the board requests to assist in any investigation, inquiry, or board hearing, the board may deny, suspend, revoke, or restrict a license. The board may suspend, revoke, or restrict a license and require the removal of a licensee or an employee of a licensee for a violation of this act, rules, the marihuana tracking act, or any ordinance adopted under section 205. The board may impose civil fines of up to \$5,000.00 against an individual and up to \$10,000.00 or an amount equal to the daily gross receipts, whichever is greater, against a licensee for each violation of this act, rules, or an order of the board. Assessment of a civil fine under this subsection is not a bar to the investigation, arrest, charging, or prosecution of an individual for any other violation of this act and is not grounds to suppress evidence in any criminal prosecution that arises under this act or any other law of this state.

(2) The board shall comply with the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, when denying, revoking, suspending, or restricting a license or imposing a fine. The board may suspend a license without notice or hearing upon a determination that the safety or health of patrons or employees is jeopardized by continuing a marihuana facility’s operation. If the board suspends a license under this subsection without notice or hearing, a prompt postsuspension hearing must be held to determine if the suspension should remain in effect. The suspension may remain in effect until the board determines that the cause for suspension has been abated. The board may revoke the license or approve a transfer or sale of the license upon a determination that the licensee has not made satisfactory progress toward abating the hazard.

(3) After denying an application for a license, the board shall, upon request, provide a public investigative hearing at which the applicant is given the opportunity to present testimony and evidence to establish its suitability for a license. Other testimony and evidence may be presented at the hearing, but the board’s decision must be based on the whole record before the board and is not limited to testimony and evidence submitted at the public investigative hearing.

(4) Except for license applicants who may be granted a hearing at the discretion of the board under subsection (3), any party aggrieved by an action of the board suspending, revoking, restricting, or refusing to renew a license, or imposing a fine, shall be given a hearing before the board upon request. A request for a hearing must be made to the board in writing within 21 days after service of notice of the action of the board. Notice of the action of the board must be served either by personal delivery or by certified mail, postage prepaid, to the aggrieved party. Notice served by certified mail is considered complete on the business day following the date of the mailing.

(5) The board may conduct investigative and contested case hearings; issue subpoenas for the attendance of witnesses; issue subpoenas duces tecum for the production of books, ledgers, records, memoranda, electronically retrievable data, and other pertinent documents; and administer oaths and affirmations to witnesses as appropriate to exercise and discharge the powers and duties of the board under this act. The executive director or his or her designee may issue subpoenas and administer oaths and affirmations to witnesses.

Sec. 408. (1) Before the board grants or renews any license under this act, the licensee or applicant shall file with the department proof of financial responsibility for liability for bodily injury to lawful users resulting from the manufacture, distribution, transportation, or sale of adulterated marihuana or adulterated marihuana-infused product in an amount not less than \$100,000.00. The proof of financial responsibility may be in the form of cash, unencumbered securities, a liability insurance policy, or a constant value bond executed by a surety company authorized to do business in this state. As used in this section:

(a) “Adulterated marihuana” means a product sold as marihuana that contains any unintended substance or chemical or biological matter other than marihuana that causes adverse reaction after ingestion or consumption.

(b) “Bodily injury” does not include expected or intended effect or long-term adverse effect of smoking, ingestion, or consumption of marihuana or marihuana-infused product.

(2) An insured licensee shall not cancel liability insurance required under this section unless the licensee complies with both of the following:

(a) Gives 30 days’ prior written notice to the department.

(b) Procures new proof of financial responsibility required under this section and delivers that proof to the department within 30 days after giving the department the notice under subdivision (a).

Sec. 409. A state operating license is a revocable privilege granted by this state and is not a property right. Granting a license does not create or vest any right, title, franchise, or other property interest. Each license is exclusive to the licensee, and a licensee or any other person must apply for and receive the board’s and municipality’s approval before a license is transferred, sold, or purchased. A licensee or any other person shall not lease, pledge, or borrow or loan money against a license. The attempted transfer, sale, or other conveyance of an interest in a license without prior board approval is grounds for suspension or revocation of the license or for other sanction considered appropriate by the board.

## PART 5. LICENSEES

Sec. 501. (1) A grower license authorizes the grower to grow not more than the following number of marihuana plants under the indicated license class for each license the grower holds in that class:

(a) Class A – 500 marihuana plants.

(b) Class B – 1,000 marihuana plants.

(c) Class C – 1,500 marihuana plants.

(2) A grower license authorizes sale of marihuana seeds or marihuana plants only to a grower by means of a secure transporter.

(3) A grower license authorizes sale of marihuana, other than seeds, only to a processor or provisioning center.

(4) A grower license authorizes the grower to transfer marihuana only by means of a secure transporter.

(5) To be eligible for a grower license, the applicant and each investor in the grower must not have an interest in a secure transporter or safety compliance facility.

(6) A grower shall comply with all of the following:

(a) Until December 31, 2021, have, or have as an active employee an individual who has, a minimum of 2 years’ experience as a registered primary caregiver.

(b) While holding a license as a grower, not be a registered primary caregiver and not employ an individual who is simultaneously a registered primary caregiver.

(c) Enter all transactions, current inventory, and other information into the statewide monitoring system as required in this act, rules, and the marihuana tracking act.

(7) A grower license does not authorize the grower to operate in an area unless the area is zoned for industrial or agricultural uses or is unzoned and otherwise meets the requirements established in section 205(1).

Sec. 502. (1) A processor license authorizes purchase of marihuana only from a grower and sale of marihuana-infused products or marihuana only to a provisioning center.

(2) A processor license authorizes the processor to transfer marihuana only by means of a secure transporter.

(3) To be eligible for a processor license, the applicant and each investor in the processor must not have an interest in a secure transporter or safety compliance facility.

(4) A processor shall comply with all of the following:

(a) Until December 31, 2021, have, or have as an active employee an individual who has, a minimum of 2 years’ experience as a registered primary caregiver.

(b) While holding a license as a processor, not be a registered primary caregiver and not employ an individual who is simultaneously a registered primary caregiver.

(c) Enter all transactions, current inventory, and other information into the statewide monitoring system as required in this act, rules, and the marihuana tracking act.

Sec. 503. (1) A secure transporter license authorizes the licensee to store and transport marihuana and money associated with the purchase or sale of marihuana between marihuana facilities for a fee upon request of a person with legal custody of that marihuana or money. It does not authorize transport to a registered qualifying patient or registered primary caregiver.

(2) To be eligible for a secure transporter license, the applicant and each investor with an interest in the secure transporter must not have an interest in a grower, processor, provisioning center, or safety compliance facility and must not be a registered qualifying patient or a registered primary caregiver.

(3) A secure transporter shall enter all transactions, current inventory, and other information into the statewide monitoring system as required in this act, rules, and the marihuana tracking act.

(4) A secure transporter shall comply with all of the following:

(a) Each driver transporting marihuana must have a chauffeur's license issued by this state.

(b) Each employee who has custody of marihuana or money that is related to a marihuana transaction shall not have been convicted of or released from incarceration for a felony under the laws of this state, any other state, or the United States within the past 5 years or have been convicted of a misdemeanor involving a controlled substance within the past 5 years.

(c) Each vehicle shall be operated with a 2-person crew with at least 1 individual remaining with the vehicle at all times during the transportation of marihuana.

(d) A route plan and manifest shall be entered into the statewide monitoring system, and a copy shall be carried in the transporting vehicle and presented to a law enforcement officer upon request.

(e) The marihuana shall be transported in 1 or more sealed containers and not be accessible while in transit.

(f) A secure transporting vehicle shall not bear markings or other indication that it is carrying marihuana or a marihuana-infused product.

(5) A secure transporter is subject to administrative inspection by a law enforcement officer at any point during the transportation of marihuana to determine compliance with this act.

Sec. 504. (1) A provisioning center license authorizes the purchase or transfer of marihuana only from a grower or processor and sale or transfer to only a registered qualifying patient or registered primary caregiver. All transfers of marihuana to a provisioning center from a separate marihuana facility shall be by means of a secure transporter.

(2) A provisioning center license authorizes the provisioning center to transfer marihuana to or from a safety compliance facility for testing by means of a secure transporter.

(3) To be eligible for a provisioning center license, the applicant and each investor in the provisioning center must not have an interest in a secure transporter or safety compliance facility.

(4) A provisioning center shall comply with all of the following:

(a) Sell or transfer marihuana to a registered qualifying patient or registered primary caregiver only after it has been tested and bears the label required for retail sale.

(b) Enter all transactions, current inventory, and other information into the statewide monitoring system as required in this act, rules, and the marihuana tracking act.

(c) Before selling or transferring marihuana to a registered qualifying patient or to a registered primary caregiver on behalf of a registered qualifying patient, inquire of the statewide monitoring system to determine whether the patient and, if applicable, the caregiver hold a valid, current, unexpired, and unrevoked registry identification card and that the sale or transfer will not exceed the daily purchasing limit established by the medical marihuana licensing board under this act.

(d) Not allow the sale, consumption, or use of alcohol or tobacco products on the premises.

(e) Not allow a physician to conduct a medical examination or issue a medical certification document on the premises for the purpose of obtaining a registry identification card.

Sec. 505. (1) In addition to transfer and testing authorized in section 203, a safety compliance facility license authorizes the facility to receive marihuana from, test marihuana for, and return marihuana to only a marihuana facility.

(2) A safety compliance facility must be accredited by an entity approved by the board by 1 year after the date the license is issued or have previously provided drug testing services to this state or this state's court system and be a vendor in good standing in regard to those services. The board may grant a variance from this requirement upon a finding that the variance is necessary to protect and preserve the public health, safety, or welfare.

(3) To be eligible for a safety compliance facility license, the applicant and each investor with any interest in the safety compliance facility must not have an interest in a grower, secure transporter, processor, or provisioning center.

(4) A safety compliance facility shall comply with all of the following:

(a) Perform tests to certify that marihuana is reasonably free of chemical residues such as fungicides and insecticides.

(b) Use validated test methods to determine tetrahydrocannabinol, tetrahydrocannabinol acid, cannabidiol, and cannabidiol acid levels.

(c) Perform tests that determine whether marihuana complies with the standards the board establishes for microbial and mycotoxin contents.

(d) Perform other tests necessary to determine compliance with any other good manufacturing practices as prescribed in rules.

(e) Enter all transactions, current inventory, and other information into the statewide monitoring system as required in this act, rules, and the marihuana tracking act.

- (f) Have a secured laboratory space that cannot be accessed by the general public.
- (g) Retain and employ at least 1 staff member with a relevant advanced degree in a medical or laboratory science.

## PART 6. TAXES AND FEES

Sec. 601. (1) A tax is imposed on each provisioning center at the rate of 3% of the provisioning center's gross retail receipts. By 30 days after the end of the calendar quarter, a provisioning center shall remit the tax for the preceding calendar quarter to the department of treasury accompanied by a form prescribed by the department of treasury that shows the gross quarterly retail income of the provisioning center and the amount of tax due, and shall submit a copy of the form to the department. If a law authorizing the recreational or nonmedical use of marihuana in this state is enacted, this section does not apply beginning 90 days after the effective date of that law.

(2) The taxes imposed under this section shall be administered by the department of treasury in accordance with 1941 PA 122, MCL 205.1 to 205.31, and this act. In case of conflict between the provisions of 1941 PA 122, MCL 205.1 to 205.31, and this act, the provisions of this act prevail.

Sec. 602. (1) The medical marihuana excise fund is created in the state treasury.

(2) Except for the application fee under section 401, the regulatory assessment under section 603, and any local licensing fees, all money collected under section 601 and all other fees, fines, and charges, imposed under this act shall be deposited in the medical marihuana excise fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(3) Money in the medical marihuana excise fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(4) The state treasurer shall be the administrator of the medical marihuana excise fund for auditing purposes.

(5) The money in the medical marihuana excise fund shall be allocated, upon appropriation, as follows:

(a) 25% to municipalities in which a marihuana facility is located, allocated in proportion to the number of marihuana facilities within the municipality.

(b) 30% to counties in which a marihuana facility is located, allocated in proportion to the number of marihuana facilities within the county.

(c) 5% to counties in which a marihuana facility is located, allocated in proportion to the number of marihuana facilities within the county. Money allocated under this subdivision shall be used exclusively to support the county sheriffs and shall be in addition to and not in replacement of any other funding received by the county sheriffs.

(d) 30% to this state for the following:

(i) Until September 30, 2017, for deposit in the general fund of the state treasury.

(ii) Beginning October 1, 2017, for deposit in the first responder presumed coverage fund created in section 405 of the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.405.

(e) 5% to the Michigan commission on law enforcement standards for training local law enforcement officers.

(f) 5% to the department of state police.

Sec. 603. (1) A regulatory assessment is imposed on certain licensees as provided in this section. All of the following shall be included in establishing the total amount of the regulatory assessment established under this section:

(a) The department's costs to implement, administer, and enforce this act, except for the costs to process and investigate applications for licenses supported with the application fee described in section 401.

(b) Expenses of medical-marihuana-related legal services provided to the department by the department of attorney general.

(c) Expenses of medical-marihuana-related services provided to the department by the department of state police.

(d) Expenses of medical-marihuana-related services provided by the department of treasury.

(e) \$500,000.00 to be allocated to the department for expenditures of the department for licensing substance use disorder programs.

(f) An amount equal to 5% of the sum of the amounts provided for under subdivisions (a) to (d) to be allocated to the department of health and human services for substance-abuse-related expenditures including, but not limited to, substance use disorder prevention, education, and treatment programs.

(g) Expenses related to the standardized field sobriety tests administered in enforcing the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

(h) An amount sufficient to provide for the administrative costs of the Michigan commission on law enforcement standards.

(2) The regulatory assessment is in addition to the application fee described in section 401, the tax described in section 601, and any local licensing fees.

(3) The regulatory assessment shall be collected annually from licensed growers, processors, provisioning centers, and secure transporters. The regulatory assessment for a class A grower license shall not exceed \$10,000.00.

(4) Beginning in the first year marihuana facilities are authorized to operate in this state, and annually thereafter, the department, in consultation with the board, shall establish the total regulatory assessment at an amount that is estimated to be sufficient to cover the actual costs and support the expenditures listed in subsection (1).

(5) On or before the date the licensee begins operating and annually thereafter, each grower, processor, provisioning center, and secure transporter shall pay to the state treasurer an amount determined by the department to reasonably reflect the licensee's share of the total regulatory assessment established under subsection (4).

Sec. 604. (1) The marihuana regulatory fund is created in the state treasury.

(2) The application fee collected under section 401 and the regulatory assessment collected under section 603 shall be deposited in the marihuana regulatory fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(3) Money in the marihuana regulatory fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(4) The department shall be the administrator of the marihuana regulatory fund for auditing purposes.

(5) Except as provided in section 603(1)(d) and (e), the department shall expend money from the marihuana regulatory fund, upon appropriation, only for implementing, administering, and enforcing this act.

Sec. 605. The department may use any money appropriated to it from the marihuana registry fund created in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426, for the purpose of funding the operations of the department and the board in the initial implementation and subsequent administration and enforcement of this act.

## PART 7. REPORTS

Sec. 701. By 30 days after the end of each state fiscal year, each licensee shall transmit to the board and to the municipality financial statements of the licensee's total operations. The financial statements shall be reviewed by a certified public accountant in a manner and form prescribed by the board. The certified public accountant must be licensed in this state under article 7 of the occupational code, 1980 PA 299, MCL 339.720 to 339.736. The compensation for the certified public accountant shall be paid directly by the licensee to the certified public accountant.

Sec. 702. The board shall submit with the annual report to the governor under section 302(k) and to the chairs of the legislative committees that govern issues related to marihuana facilities a report covering the previous year. The report shall include an account of the board actions, its financial position, results of operation under this act, and any recommendations for legislation that the board considers advisable.

## PART 8. MARIHUANA ADVISORY PANEL

Sec. 801. (1) The marihuana advisory panel is created within the department.

(2) The marihuana advisory panel shall consist of 17 members, including the director of state police or his or her designee, the director of this state's department of health and human services or his or her designee, the director of the department of licensing and regulatory affairs or his or her designee, the attorney general or his or her designee, the director of the department of agriculture and rural development or his or her designee, and the following members appointed by the governor:

(a) One registered medical marihuana patient or medical marihuana primary caregiver.

(b) One representative of growers.

(c) One representative of processors.

(d) One representative of provisioning centers.

(e) One representative of safety compliance facilities.

(f) One representative of townships.

(g) One representative of cities and villages.

(h) One representative of counties.

(i) One representative of sheriffs.

(j) One representative of local police.

(k) One physician licensed under article 15 of the public health code, 1978 PA 368, MCL 333.16101 to 333.18838.

(l) One representative of a secure transporter.

(3) The members first appointed to the panel shall be appointed within 3 months after the effective date of this act and shall serve at the pleasure of the governor. Appointed members of the panel shall serve for terms of 3 years or until a successor is appointed, whichever is later.

(4) If a vacancy occurs on the advisory panel, the governor shall make an appointment for the unexpired term in the same manner as the original appointment.

(5) The first meeting of the panel shall be called by the director of the department or his or her designee within 1 month after the advisory panel is appointed. At the first meeting, the panel shall elect from among its members a chairperson and any other officers it considers necessary or appropriate. After the first meeting, the panel shall meet at least 2 times each year, or more frequently at the call of the chairperson.

(6) A majority of the members of the panel constitute a quorum for the transaction of business. A majority of the members present and serving are required for official action of the panel.

(7) The business that the panel performs shall be conducted at a public meeting held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(8) A writing prepared, owned, used, in the possession of, or retained by the panel in the performance of an official function is subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(9) Members of the panel shall serve without compensation. However, members of the panel may be reimbursed for their actual and necessary expenses incurred in the performance of their official duties as members of the panel.

(10) The panel may make recommendations to the board concerning promulgation of rules and, as requested by the board or the department, the administration, implementation, and enforcement of this act and the marihuana tracking act.

(11) State departments and agencies shall cooperate with the panel and, upon request, provide it with meeting space and other necessary resources to assist it in the performance of its duties.

Enacting section 1. This act takes effect 90 days after the date it is enacted into law.

Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare.

Enacting section 3. This act does not take effect unless House Bill No. 4827 of the 98th Legislature is enacted into law.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

-----  
Governor



**FEMA**

Mr. Matt Schnepf  
State Hazard Mitigation Officer  
Michigan State Police  
Emergency Management and  
Homeland Security Division  
P.O. Box 30634  
Lansing, MI 48909

SEP 15 2016

Dear Mr. Schnepf:

Thank you for submitting the adoption documentation for the Clare County Hazard Mitigation Plan. The plan was reviewed based on the local plan criteria contained in 44 CFR Part 201, as authorized by the Disaster Mitigation Act of 2000. Clare County met the required criteria for a multi-jurisdiction hazard mitigation plan and the plan is now approved for the Township of Freeman and the City of Clare. Please submit the adoption resolutions for any remaining jurisdictions who participated in the planning process.

The approval of this plan ensures continued availability of the full complement of Hazard Mitigation Assistance (HMA) Grants. All requests for funding, however, will be evaluated individually according to the specific eligibility and other requirements of the particular program under which the application is submitted.

We encourage Clare County to follow the plan's schedule for monitoring and updating the plan, and continue their efforts to implement the mitigation measures. The expiration date of the Clare County Plan is five years from the date of this letter. In order to continue project grant eligibility, the plan must be reviewed, revised as appropriate, resubmitted, and approved no later than the plan expiration date.

Please pass on our congratulations to Clare County for this significant action. If you or the communities have any questions, please contact Christine Meissner at (312) 408-4460 or [christine.meissner@fema.dhs.gov](mailto:christine.meissner@fema.dhs.gov).

Sincerely,

A handwritten signature in black ink that reads "E.W. Stack" followed by a stylized flourish.

Christine Stack, Director  
Mitigation Division



**PAYABLES REPORT FOR COMMISSIONERS**

EXP CHECK RUN DATES 09/21/2016 - 10/17/2016 BOTH JOURNALIZED AND UNJOURNALIZED OPEN BANK CODE: CONSO

VENDOR	INVOICE #	DESCRIPTION	Entry Date	CK DATE	AMOUNT
1ST CHOICE OFFICE OUTLI	110612	MOUSE PAD/MISC.	09/27/16	10/04/16	5.99
1ST CHOICE OFFICE OUTLI	108531	GOLD CERTIFICATES	09/29/16	10/04/16	11.68
ACE HARDWARE	67481	UPS SHIPPING	09/27/16	10/04/16	16.48
ACE HARDWARE	67468	CAULK	09/27/16	10/04/16	8.09
ACE HARDWARE	67468	CAULK RETURN	09/27/16	10/04/16	-8.09
ACE HARDWARE	67406	KEYS	09/27/16	10/04/16	11.82
ALERT-ALL CORP	216091060	SCHOOL KITS	09/27/16	10/04/16	1,578.00
ANDY BREWER	2016-0921	REGISTRATION REIMBURSEMENT	09/27/16	10/04/16	30.00
APOLLO FIRE EQUIPMENT	93182	GLOVES	09/22/16	10/04/16	89.70
AWOL - ALWAYS WORKING (	2016-1004	CEMETERY GROUND MAINTENANCE F	09/20/16	10/04/16	2,820.00
AWOL - ALWAYS WORKING (	2016-1004	JANITORIAL SERVICES	09/20/16	10/04/16	2,366.67
BELL EQUIPMENT	122487	ROCKER SWITCH/FREIGHT	09/22/16	10/04/16	68.01
BILL CONNER	2016-0924	PARK DEPOSIT REFUND	09/27/16	10/04/16	50.00
BOLLE, RICHARD	09/22/2016	UB REFUND FOR: 604 VANGEE DAF	09/22/16	10/04/16	88.24
BOLLE, RICHARD	09/22/2016	UB REFUND FOR: 1007 MAPLE BRY	09/22/16	10/04/16	83.05
BREANNA KINGSLEY	2016-0921	REGISTRATION REIMBURSEMENT	09/27/16	10/04/16	35.00
BUCCILLI'S PIZZA	206-0910	POLICE DEPARTMENT PIZZA	09/22/16	10/04/16	53.49
CAL'S PAINTING	608109	PAINTING	09/29/16	10/04/16	1,825.00
CALEB ROWELL	2016-0921	REGISTRATION REIMBURSEMENT	09/27/16	10/04/16	35.00
CAPITAL EQUIPMENT	149717	ASPHALT/DUCTILE	09/29/16	10/04/16	159.90
CAPITAL EQUIPMENT	149069	FRONT WHEEL/GAUGE/WASHER/BUSH	09/27/16	10/04/16	909.28
CHARTER COMMUNICATIONS	2016-0917	CITY HALL SERV. 09/27-10/26/1	09/27/16	10/04/16	42.38
CHEMICAL BANK - MIDLANI	LOAN	LOAN PAYMENT ACCT#801252198	09/27/16	10/04/16	42,822.23
CHRIS JONES	2016-0921	REGISTRATION REIMBURSEMENT	09/27/16	10/04/16	35.00
CLARE AUTOMOTIVE SUPPL:	2-751037	WAX	09/27/16	10/04/16	7.40
CLARE AUTOMOTIVE SUPPL:	2-751198	HIGH BUILD/ CATALYST	09/27/16	10/04/16	45.38
CLARE AUTOMOTIVE SUPPL:	2-751048	MOUNTED FLAP	09/27/16	10/04/16	11.98
CLARE AUTOMOTIVE SUPPL:	2-750622	MED. REPLA BLAK	09/27/16	10/04/16	25.20
CLARE AUTOMOTIVE SUPPL:	2-750336	BATTERY RETURN	09/27/16	10/04/16	-150.00
CLARE AUTOMOTIVE SUPPL:	2-750723	MIX CUP/LIQUID HARD	09/27/16	10/04/16	7.71
CLARE AUTOMOTIVE SUPPL:	2-750937	MASKS	09/27/16	10/04/16	7.48
CLARE AUTOMOTIVE SUPPL:	2-750935	RELAY	09/27/16	10/04/16	42.42
CLARE HARDWARE	354683	NUTS/BOLTS	09/22/16	10/04/16	37.99
CLARE HARDWARE	354606	NITRILE DISP GLOVES	09/22/16	10/04/16	10.49
CLARE HARDWARE	354631	GALV NIPPLE	09/22/16	10/04/16	2.49
CLARE HARDWARE	354600	BRUSHES/CONTAINERS	09/20/16	10/04/16	44.02
COMMUNITY DEVELOPMENT	CITYCL16-11	INSPECTIONS AUGUST 2016	09/27/16	10/04/16	315.00
CONSUMERS ENERGY	201004617597	11175 S EBERHART	09/14/16	10/04/16	9,584.08
CONSUMERS ENERGY	201360301446	305 MAPLE SERVICE 8/9-9/7/16	09/19/16	10/04/16	3,991.82



**PAYABLES REPORT FOR COMMISSIONERS**

EXP CHECK RUN DATES 09/21/2016 - 10/17/2016 BOTH JOURNALIZED AND UNJOURNALIZED OPEN BANK CODE: CONSO

VENDOR	INVOICE #	DESCRIPTION	Entry Date	CK DATE	AMOUNT
CONSUMERS ENERGY	201182347613	40 CONSUMERS ENERGY PK A	09/27/16	10/11/16	30.07
CONSUMERS ENERGY	204653047824	700 SCHOOLCREST	09/27/16	10/14/16	26.00
CONSUMERS ENERGY	204831042402	203 W. 4TH STREET	09/27/16	10/14/16	31.57
CONSUMERS ENERGY	202962151425	500 BEECH STREET	09/27/16	10/14/16	26.87
CONSUMERS ENERGY	203051161515	601 W. 5TH STREET	09/27/16	10/14/16	28.58
CONSUMERS ENERGY	203051161512	207 W. 5TH STREET	09/27/16	10/14/16	1,091.71
CONSUMERS ENERGY	203051161511	202 W 5TH STREET	09/27/16	10/14/16	532.30
CONSUMERS ENERGY	207055504635	305 W. STATE STREET	09/27/16	10/14/16	24.30
CONSUMERS ENERGY	207055504630	1525 N MCEWAN	09/27/16	10/14/16	205.13
CONSUMERS ENERGY	207055504628	1603 N MCEWAN	09/27/16	10/14/16	75.34
CONSUMERS ENERGY	204920028349	221 WILCOX	09/27/16	10/14/16	58.57
CONSUMERS ENERGY	204920028347	231 WILCOX	09/27/16	10/14/16	35.71
CONSUMERS ENERGY	204208083467	396 SHAMROCK	09/27/16	10/14/16	23.00
CONSUMERS ENERGY	204653047829	500 SCHOOLCRESH	09/27/16	10/14/16	30.88
CONSUMERS ENERGY	204653047827	604 SCHOOLCRESH	09/27/16	10/14/16	31.42
CONSUMERS ENERGY	204653047825	820 SCHOOLCREST	09/27/16	10/14/16	130.71
CONSUMERS ENERGY	204119083167	610 W WHEATON	09/27/16	10/14/16	35.32
CONSUMERS ENERGY	202339211874	820 CEDAR	09/27/16	10/14/16	22.72
CONSUMERS ENERGY	203496137175	10242 S CLARE AVE	09/27/16	10/14/16	27.59
CONSUMERS ENERGY	203496137172	327 BROOKWOOD	09/27/16	10/14/16	63.43
CONSUMERS ENERGY	201360318181	507 S MCEWAN	09/27/16	10/14/16	25.86
CONSUMERS ENERGY	206432769469	405 MAPLE	09/27/16	10/14/16	422.61
CONSUMERS ENERGY	206432769439	813 INDUSTRIAL	09/27/16	10/14/16	22.57
CONSUMERS ENERGY	205542976967	315 W FIRST ST	09/27/16	10/14/16	280.82
CONSUMERS ENERGY	206432769612	510 N MCEWAN	09/27/16	10/14/16	48.27
CONSUMERS ENERGY	205009022063	501 FOREST	09/27/16	10/14/16	41.78
CONSUMERS ENERGY	204119083050	1532 N MCEWAN	09/27/16	10/14/16	171.59
CONSUMERS ENERGY	204653047772	696 POINT	09/27/16	10/14/16	34.28
CONSUMERS ENERGY	203229165197	332 WITBECK	09/27/16	10/14/16	34.28
CONSUMERS ENERGY	201182353429	3333 DUNLOP	09/27/16	10/14/16	361.92
CONSUMERS ENERGY	203051161501	202 W FOURHT ST	09/27/16	10/14/16	66.57
CONSUMERS ENERGY	203051161517	416 W 5TH ST	09/27/16	10/14/16	22.57
CONSUMERS ENERGY	201627255878	401 HOLLEY	09/27/16	10/14/16	909.53
CONTROLLED F.O.R.C.E.	7592	TRAINING DAVE SAAD	09/27/16	10/04/16	570.00
COUNTY WIDE SEPTIC, LLC	3135	OUT HOUSE PUMPS	09/29/16	10/04/16	380.00
COYNE OIL CORP	111487	DIESEL	09/29/16	10/04/16	13.50
COYNE OIL CORP	280214	EXHANGE PAIL FOR PAIL	09/27/16	10/04/16	13.50
DBI BUSINESS INTERIORS	03JG7996	WIPES	09/27/16	10/04/16	82.99
EVOQUA WATER TECHNOLOG	902791453	WATER TESTING	09/27/16	10/04/16	328.00



**PAYABLES REPORT FOR COMMISSIONERS**

EXP CHECK RUN DATES 09/21/2016 - 10/17/2016 BOTH JOURNALIZED AND UNJOURNALIZED OPEN BANK CODE: CONSO

VENDOR	INVOICE #	DESCRIPTION	Entry Date	CK DATE	AMOUNT
GALGOCI OIL	60725	DIESEL	09/22/16	10/04/16	412.08
GALGOCI OIL	60718	WWT DIESEL	09/20/16	10/04/16	564.00
GARY L TODD	09/20/2016	AIRPORT MANAGEMENT & PHONE ST	09/20/16	10/04/16	875.00
GEORGETTE RUSSELL	2016-0921	REGISTRATION REIMBURSEMENT	09/27/16	10/04/16	40.00
GLEN CAIN INC	BRINE - 2016-091	MAY 15, 2016- JUNE 4, 2016	09/20/16	10/04/16	340.00
HAMILTON ELECTRIC CO IN	48345	MATERIALS AND LABOR/ FANS	09/22/16	10/04/16	447.75
JAMES WINKLER	2016-0921	REGISTRATION REIMBURSEMENT X3	09/27/16	10/04/16	105.00
JAMIE MCCOY	2016-0921	REGISTRATION REIMBURSEMENT	09/27/16	10/04/16	40.00
JAMIE POLING	2016-0924	NON-RESIDENT CANCELLATION / F	09/27/16	10/04/16	50.00
JEREMY MCGRAW	2016-0923	TRANSPORT FOOD	09/27/16	10/04/16	17.13
JOANNA KRELL	2016-0825	SPOOKTACULAR EVENT	09/29/16	10/04/16	100.00
JOY SIMMER	2016-0912	MILEAGE	09/27/16	10/04/16	15.98
KALIE LEWIS	2016-0921	REGISTRATION REIMBURSEMENT	09/27/16	10/04/16	30.00
KEN HIBL	2016-0919	MILEAGE REIMBURSEMENT - MML P	09/22/16	10/04/16	244.52
KIM KUSHMUL	2016-0928	REFUND FOR SOCCER	09/29/16	10/04/16	35.00
MATT ALEXANDER	2016-0921	REGISTRATION REIMBURSEMENT	09/27/16	10/04/16	70.00
MATT CONNOR	2016-0921	REGISTRATION REIMBURSEMENT	09/27/16	10/04/16	30.00
MAURER'S TEXTILE RENTAI	1506651	PANT/SHIRT YODER	09/27/16	10/04/16	23.30
MAURER'S TEXTILE RENTAI	1510817	PANT/SHIRT YODER	09/29/16	10/04/16	23.30
MCKENNA ASSOCIATES, INC	2016-0908	PROJECT #21550 : CLARE MASTEF	09/22/16	10/04/16	1,610.00
MEAD & HUNT	263798	PROF. SERVICES 8/1/16-8/31/16	09/27/16	10/04/16	19,658.76
MICHIGAN LABOR LAW POS'	2099909	2017 3 YEAR PLAN MI	09/27/16	10/04/16	242.21
MICHIGAN METER #3650	3284	METERS	09/29/16	10/04/16	2,002.10
MID MICHIGAN URGENT CAI	2016-0905	DRUG/PHYSICAL	09/22/16	10/04/16	109.00
MID MICHIGAN URGENT CAI	2016-0906	DRUG/PHYSICAL	09/22/16	10/04/16	109.00
MID MICHIGAN URGENT CAI	2016-0906	DRUG/PHYSICAL	09/22/16	10/04/16	109.00
MIDLAND ENGINE, INC	CM00841	SWITCH PROX	09/29/16	10/04/16	160.52
MIDMICH MED CENTER CLAI	2016-0701	LABS	09/22/16	10/04/16	48.54
MIDMICH MED CENTER CLAI	2015-1201	LABORATORY	09/27/16	10/04/16	85.08
MIKE HILLIARD	2016-0921	REGISTRATION REIMBURSEMENT	09/27/16	10/04/16	35.00
NATIONAL HOSE TESTING :	45198	2016 AERIAL TESTING	09/20/16	10/04/16	450.00
PAT HUMPHREY	2016-1004	ELECTRONIC COMMUNICATION SERV	09/20/16	10/04/16	25.00
PEARSON DRILLING COMPAN	07002-3	INSTALL 8 GAS PROBES	09/27/16	10/04/16	5,010.00
PRYOR, ANNA B.	12 MONTHS/NO FEE	UB deposit refund for account	09/20/16	10/04/16	100.00
REBECCA COOK	2016-0917	PARK DEPOSIT REFUND	09/27/16	10/04/16	25.00
REIMOLD PRINTING CORPOI	45274	"BILL ENCLOSED" ENVS.	09/27/16	10/04/16	478.15
REIMOLD PRINTING CORPOI	45275	"BILL ENCLOSED" ENVELOPES WIN	09/27/16	10/04/16	568.87
RESOURCE RENTAL LLC	8469	DIAMOND BLADE	09/20/16	10/04/16	239.99
ROB NICHOLS	2016-0921	REGISTRATION REIMBURSEMENT	09/27/16	10/04/16	40.00



**PAYABLES REPORT FOR COMMISSIONERS**

EXP CHECK RUN DATES 09/21/2016 - 10/17/2016 BOTH JOURNALIZED AND UNJOURNALIZED OPEN BANK CODE: CONSO

VENDOR	INVOICE #	DESCRIPTION	Entry Date	CK DATE	AMOUNT
SCIENTIFIC BRAKE & EQU:	1262570019	PARTS AND LABOR	09/22/16	10/04/16	82.50
SHANE KELLY	2016-0921	REGISTRATION REIMBURSEMENT	09/27/16	10/04/16	35.00
STATE INDUSTRIAL PRODU	98750558	HORNET SPRAY	09/22/16	10/04/16	270.00
STATE OF MICHIGAN - MDC	591-8053206	AIRPORT LICENSE FEE	09/29/16	10/04/16	50.00
TERRY WARNER	2016-0921	REGISTRATION REIMBURSEMENT	09/27/16	10/04/16	35.00
TRI-CITY EQUIPMENT REN:	2-3646	ADJUSTED CABLES AND OILED LEV	09/27/16	10/04/16	38.09
USA BLUE BOOK	56363	HOSE FITTINGS/DISCHARGE FITTI	09/22/16	10/04/16	28.94
USA BLUE BOOK	062850	GREASE/TUBING/PERMIT FORMS	09/27/16	10/04/16	281.72
WEST SHORE FIRE, INC	12024	LARGE GLOVES	09/27/16	10/04/16	64.95
WITBECK'S FAMILY FOODS	267789	DISTILLED WATER/FILTERS/CUPS/	09/22/16	10/04/16	7.43
				Sub Total:	108,945.15



### PAYABLES REPORT FOR COMMISSIONERS

< RUN DATES 09/21/2016 - 10/03/2016 BOTH JOURNALIZED AND UNJOURNALIZED PAID BANK CODE: CONSO - CHECK TYPE: PAI

VENDOR	INVOICE #	DESCRIPTION	EXPECTED CK DATE	AMOUNT	STATUS
CITY OF CLARE	2016-0921	UTILI UTILITY PMTS DUE 10/01/16	09/21/16	1,913.15	Paid
NATIONAL INSURANCE SEV	1225317	OCTOBER 2016 LIFE INSURANCE	09/21/16	1,319.50	Paid
				3,232.65	

OPEN INVOICE TOTAL: 108,945.15

Grand Total: 112,177.80

COMMISSION APPROVAL:

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# October 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3 City Commission Meeting 6:00 pm Fire Dept Meeting 7:00 pm	4	5 Airport Meeting 7:30 pm	6 Dept Head Meeting 8:30 am	7 DDA Meeting 8 am	8
9	10	11	12 Planning Commission 6:30 pm	13	14	15
16	17 City Commission Meeting 6:00 pm	18	19	20 Dept Head Meeting 8:30 am Parks and Rec Meeting 5:30 pm	21	22
23	24	25	26	27	28	29
30	31 Trick or Treat hours 6-8 pm					

**HAPPY  
HALLOWEEN**

