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**BOYNE CITY
LOCAL DEVELOPMENT FINANCE AUTHORITY**

Monday, July 21, 2014-following the EDC meeting at Precision Edge
1448 LexaMar Drive, Boyne City, MI 49712

- 1. CALL MEETING TO ORDER**
- 2. ROLL CALL**
Excused Absences
- 3. READING AND APPROVAL OF MINUTES**
Approval of the May 12, 2014 meeting minutes
- 4. HEARING CITIZENS PRESENT (ON NON-AGENDA ITEMS)**
- 5. CORRESPONDENCE**
- 6. REPORTS OF OFFICERS, BOARDS, AND STANDING COMMITTEES**
- 6. UNFINISHED BUSINESS**
 - a. Drainage Study Update
 - b. Board Vacancy
- 7. NEW BUSINESS**
 - a. Audit Results
 - b. TIF Funding
 - c. 2015-16 Budget
 - d. Adoption of 2015 meeting calendar
 - e. Other
- 8. GOOD OF THE ORDER**
- 9. ANNOUNCEMENT**
The next regular meeting is scheduled for January 12, 2015
- 10. ADJOURNMENTS**

*Individuals with disabilities requiring auxiliary aids or services in order to participate in municipal meetings may contact Boyne City Hall for assistance:
Cindy Grice, City Clerk/Treasurer, 319 North Lake Street, Boyne City, Michigan 49712. (231) 582-0334*



Approved: _____

MEETING OF
May 12, 2014

MINUTES OF THE BOYNE CITY LOCAL DEVELOPMENT FINANCE
AUTHORITY MEETING DULY CALLED AND HELD ON MONDAY, MAY 12, 2014

Chair Gillette called the meeting to order at 12:01 p.m.

CALL TO ORDER

ROLL CALL

Present: Kelly Bellant, Michael Cain, Michelle Cortright, Pete Friedrich,
and Ralph Gillett
Absent: Pat Anzell, Richard Copeland, and Josette Lory

MEETING ATTENDANCE

Staff: Planning/Zoning Administrator Scott McPherson, DPW Supervisor Andy
Kovolski and Recording Secretary Karen Seeley
Public: Seven

EXCUSED ABSENCES

MOTION

Cortright moved, Bellant seconded **PASSED UNANIMOUSLY** to excuse Pat Anzell,
Richard Copeland, and Josette Lory

APPROVAL OF
MINUTES

MOTION

Cain moved Friedrich seconded, **PASSED UNANIMOUSLY** to approve the March 14, 2014
minutes as presented.

UNFINISHED BUSINESS

Cain moved Friedrich seconded **PASSED UNANIMOUSLY** to move 7a to the beginning
of the meeting, so the students may return to school.

NEW BUSINESS

Boyne City Robotic
Presentation

MOTION

Katlin Skornia and Jacob Brewer gave the board an overview of the history of the robotic
team. There are 278 robotic teams in Michigan. Part of their mission statement is to foster a
variety of valuable life skills, such as innovation, self confidence, leadership, inspiration and
communication - the same skills needed to become the creative scientific and technological
leaders of the future. After board discussion Friedrich moved Bellant seconded **PASSED
UNANIMOUSLY** to support a \$1000 yearly contribution to the Boyne City Robotic Team
with an extra \$500 if they qualify for states.

UNFINISHED BUSINESS

Drainage study update

MOTION

Drainage study update: Larry Fox of C2AE talked with the board regarding about the three
phases of the project. The estimated cost of the whole project is 825,000 with a 10%
contingency. As the board had not received any material on the project at this time, it was
decided to at least get the project started. Friedrich moved Cortright second **PASSED
UNANIMOUSLY** to retain C2AE and approve the design phase of 44,800.

Resignation

MOTION

Gillette read a letter of resignation from Richard Copeland. Cain moved Friedrich
seconded **PASSED UNANIMOUSLY** to accept the letter of resignation from Richard
Copeland with regret.

Board Member Application

The item was tabled; waiting for additional applications to be submitted.

Fab Lab update The Fab Lab has held two functions at North Central Michigan College, with their training lab, and has been utilized at Precision Edge and the high school. It is available to any business to utilize for training. It will be rolled out to the public at an upcoming Stroll the Streets.

GOOD OF THE ORDER None

NEXT MEETING The next meeting of the Local Development Finance Authority is scheduled for Monday, July 7, 2014.

ADJOURNMENT The May 12, 2014 Local Development Finance Authority meeting was adjourned at 1:09 p.m.

Pete Friedrich, LDFA Secretary

Karen Seeley, Recording Secretary

CITY OF BOYNE CITY
CHARLEVIOX COUNTY, MICHIGAN
ANNUAL FINANCIAL REPORT
YEAR ENDED APRIL 30, 2014



City of Boyne City
Combining Statement of Net Position
Component Units
April 30, 2014

	Downtown Development Authority	Local Development Finance Authority	Boyne City Housing Commission 9/30/2013	Total Component Units
ASSETS				
<i>Current Assets</i>				
Cash & Cash Equivalents	\$ 121,605	\$ 994,480	\$ 118,427	\$ 1,234,512
Accounts Receivable	--	--	12,311	12,311
Inventories	--	--	15,621	15,621
Prepaid Items	--	--	12,154	12,154
Total Current Assets	121,605	994,480	158,513	1,274,598
<i>Noncurrent Assets</i>				
Capital Assets not being Depreciated	--	291,419	796,267	1,087,686
Capital Assets being Depreciated	1,880,742	1,312,374	583,758	3,776,874
Total Assets	2,002,347	2,598,273	1,538,538	6,139,158
LIABILITIES				
<i>Current Liabilities</i>				
Accounts Payable	5,867	--	12,318	18,185
Payroll Liabilities	532	--	59,972	60,504
Customer Deposits	--	--	24,082	24,082
Accrued Interest	--	--	68	68
Unearned Revenue	--	--	1,471	1,471
Current Portion of Long-term Debt	6,235	47,961	15,190	69,386
Total Current Liabilities	12,634	47,961	113,101	173,696
<i>Noncurrent Liabilities</i>				
Long-term Debt	20,360	--	54,866	75,226
Compensated Absences	--	--	6,426	6,426
Total Liabilities	32,994	47,961	174,393	255,348
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	--	--	9,700	9,700
Total Deferred Inflows of Resources	--	--	9,700	9,700
NET POSITION				
Net Investment in Capital Assets	1,854,147	1,555,832	1,309,969	4,719,948
<i>Restricted for:</i>				
Housing Commission	--	--	2,583	2,583
<i>Unrestricted</i>	115,206	994,480	41,893	1,151,579
Total Net Position	\$ 1,969,353	\$ 2,550,312	\$ 1,354,445	\$ 5,874,110

The Notes to the Financial Statements are an integral part of these Financial Statements

City of Boyne City
Combining Statement of Activities
Component Units
For the Year Ended April 30, 2014

	Downtown Development Authority	Local Development Finance Authority	Boyne City Housing Commission 9/30/2013	Total Component Units
Expenses				
Health & Welfare	\$ --	\$ --	\$ 590,245	\$ 590,245
Community & Economic Development	287,591	57,522	--	345,113
Interest Expense	1,095	2,827	--	3,922
Depreciation Expense	126,959	42,149	104,354	273,462
Total Expenses	<u>415,645</u>	<u>102,498</u>	<u>694,599</u>	<u>1,212,742</u>
Program Revenues				
Charges for services	89,705	--	236,637	326,342
Operating Grants and Contributions	11,532	--	350,921	362,453
Capital Grants and Contributions	--	--	--	--
Total Program Revenues	<u>101,237</u>	<u>--</u>	<u>587,558</u>	<u>688,795</u>
Net Program Revenues (Expenses)	<u>(314,408)</u>	<u>(102,498)</u>	<u>(107,041)</u>	<u>(523,947)</u>
General Revenue				
Property Taxes	278,319	225,698	--	504,017
Investment Income (Loss)	2	--	(1,584)	(1,582)
Interest	--	--	64,086	64,086
Total General Revenues	<u>278,321</u>	<u>225,698</u>	<u>62,502</u>	<u>566,521</u>
Change in Net Position	<u>(36,087)</u>	<u>123,200</u>	<u>(44,539)</u>	<u>42,574</u>
Position at Beginning of Period	2,005,440	2,427,112	1,651,466	6,084,018
Corporation Period Adjustment (See Housing Commission Report)	--	--	(252,482)	(252,482)
Position at Beginning of Period - Restated	2,005,440	2,427,112	1,398,984	5,831,536
Position at End of Period	<u>\$ 1,969,353</u>	<u>\$ 2,550,312</u>	<u>\$ 1,354,445</u>	<u>\$ 5,874,110</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

City of Boyne City
 Combining Statement of Net Position / Balance Sheet
 Component Units
 April 30, 2014

	Governmental Activities					
	Downtown Development Authority	Adjustments	Statement of Net Position	Local Development Finance Authority	Adjustments	Statement of Net Position
ASSETS						
<i>Current Assets</i>						
Cash & Cash Equivalents	\$ 121,605	\$ --	\$ 121,605	\$ 994,480	\$ --	\$ 994,480
Accounts Receivable	--	--	--	--	--	--
Inventories	--	--	--	--	--	--
Prepaid Expenditures	--	--	--	--	--	--
Total Current Assets	121,605	--	121,605	994,480	--	994,480
<i>Noncurrent Assets</i>						
Capital Assets not being Depreciated	--	--	--	--	291,419	291,419
Capital Assets being Depreciated	--	1,880,742	1,880,742	--	1,312,374	1,312,374
Total Assets	121,605	1,880,742	2,002,347	994,480	1,603,793	2,598,273
LIABILITIES						
<i>Current Liabilities</i>						
Accounts Payable	5,867	--	5,867	--	--	--
Payroll Liabilities	532	--	532	--	--	--
Customer Deposits	--	--	--	--	--	--
Accrued Interest	--	--	--	--	--	--
Unearned Revenue	--	--	--	--	--	--
Current Portion of Long-term Debt	--	6,235	6,235	--	47,961	47,961
Total Current Liabilities	6,399	6,235	12,634	--	47,961	47,961
<i>Noncurrent Liabilities</i>						
Long-term Debt	--	20,360	20,360	--	--	--
Compensated Absences	--	--	--	--	--	--
Total Liabilities	6,399	20,360	32,994	--	47,961	47,961
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	--	--	--	--	--	--
Total Deferred Inflows of Resources	--	--	--	--	--	--
NET POSITION / FUND BALANCE						
Net Investment in Capital Assets	--	1,854,147	1,854,147	--	1,555,832	1,555,832
<i>Restricted for:</i>						
Housing Commission	--	--	--	--	--	--
Unrestricted	115,206	--	115,206	994,480	--	994,480
Total Net Position / Fund Balance	115,206	1,854,147	1,969,353	994,480	1,555,832	2,550,312

**Combining Statement of Activities / Statement of Revenues, Expenses and Changes in Fund Balance
Component Units
For the Year Ended April 30, 2014**

	Governmental Activities					
	Downtown Development Authority	Adjustments	Statement of Net Position	Local Development Finance Authority	Adjustments	Statement of Net Position
Expenses	\$	\$	\$	\$	\$	\$
Health & Welfare	287,591	--	287,591	57,522	--	57,522
Community & Economic Development	5,979	(5,979)	--	62,162	(62,162)	--
Debt Service - Principal	1,322	(227)	1,095	2,827	--	2,827
Debt Service - Interest	--	126,959	126,959	0	42,149	42,149
Depreciation Expense	294,892	120,753	415,645	122,511	(20,013)	102,498
Total Expenses						
Program Revenues	89,705	--	89,705	--	--	--
Charges for services	11,532	--	11,532	--	--	--
Operating grants and contributions	--	--	--	--	--	--
Capital grants and contributions	101,237	--	101,237	--	--	--
Total Program Revenues	(193,655)	(120,753)	(314,408)	(122,511)	20,013	(102,498)
Net Program Revenues (Expenses)						
General Revenue	278,319	--	278,319	225,698	--	225,698
Property Taxes	2	--	2	--	--	--
Investment Income (Loss)	--	--	--	--	--	--
Other	278,321	--	278,321	225,698	--	225,698
Total General Revenues	84,666	(120,753)	(36,087)	103,187	20,013	123,200
Change in Net Position / Fund Balance	30,540	1,974,900	2,005,440	891,293	1,535,819	2,427,112
<i>Net Position / Fund Balance at Beginning of Period</i>	--	--	--	--	--	--
<i>Prior Period Adjustment (See Housing Commission Report)</i>	30,540	1,974,900	2,005,440	891,293	1,535,819	2,427,112
<i>Net Position / Fund Balance at Beginning of Period - Restated</i>	115,206	1,854,147	1,969,353	994,480	1,555,832	2,550,312
Net Position / Fund Balance at End of Period						

DDA Transparency Legislation Introduced Today, In Committee Tomorrow

Posted on September 23, 2014 by Nikki Brown

Rep. Eileen Kowall has introduced legislation to require more transparency and limit some TIF fund operations of Downtown Development Authorities. HB 5856 (Kowall DDA Act Legislation (4)) is significantly different than Draft 1 we posted about last week. HB 5856 would do the following:

1. Definition of Public Services and states a DDA can spend money on increased levels of public services that the municipality is not providing within the downtown district.
2. Adds language stating the intent of the legislature in the DDA act of what a downtown is:
 - A. DDAs intended to revitalize and develop downtown areas with intensive private and public capital investment that are densely settled commercial cores that serve as social, economic and cultural centers.
 - B. Downtowns are multifunctional geographically contiguous spaces where residents can shop, dine, live, worship, access government, and be entertained, and that are compact and walkable and serve as a defining characteristic for the community's overall sense of place.
3. Adds abilities within a development district such as demolish, reconstruct, develop, redevelop, operate, repair, maintain, improve, etc. Also adds in environmental remediation of property as an eligible activity.
4. States all documents for the DDA (budget, audit, minutes, plans, etc) must be on either the DDAs website or the muni's website.
5. Requires an annual meeting of the DDA to which other taxing jurisdictions are invited to and allowed to speak on DDA specific issues.
6. TIF reports that are currently submitted to state must also be submitted to the other taxing jurisdictions.
7. Adds significant that must be a part of the TIF report including:
 - Value of projects
 - Number of businesses established and left area
 - Other funds aside from TIF used for projects
 - Job growth
 - Growth in creation of businesses and existing businesses
 - Vacancy rates
 - Residential growth

EDC/LDFA

Second Monday of every other Month
at NOON

2015 Calendar

January 2015						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February 2015						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

March 2015						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April 2015						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

May 2015						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June 2015						
Su	Mo	Tu	We	Th	Fr	Sa
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July 2015						
Su	Mo	Tu	We	Th	Fr	Sa
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August 2015						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September 2015						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October 2015						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November 2015						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December 2015						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	