



City Council Chamber
129 W. Emerson St
Ithaca, MI 48847

City Council
Regular Meeting Agenda
Tuesday, December 2, 2025 @ 5:30 PM

1. Call to Order
2. Pledge of Allegiance to the American Flag
3. Approval of Minutes: Regular Meeting November 18, 2025
4. Approval of Agenda (including the Consent Agenda)
5. City Council Organization
 - a. Excuse Councilpersons Rick Koppleberger and Alison Lombardi
 - b. Administer Oath of Office
 - i. Mayor Brett Baublitz
 - ii. Councilpersons Brandon Ester, Clark Hubbard, Brooke Vernon
 - c. Election for Mayor Pro-Tempore & Administer Oath of Office
 - d. Presentation of Resolution 2025-15: Recognition of Rick Koppleberger
 - e. Presentation of Resolution 2025-16: Recognition of Alison Lombardi
6. Public Comments (*General comments, including items on this Agenda*)
7. *Consent Agenda (Roll Call Vote)
 - a. City Manager's Written Report
 - b. Ithaca Unit Report – October 2025
 - c. Claims and Accounts
 - d. Correspondence (*none*)
8. Committee of the Whole: December 2, 2025
 - a. 2024-2025 Fiscal Year – Annual Financial Statement Audit
9. City Manager Comments
10. Unfinished Business (*none*)
11. New Business
 - a. Capital Asset Policy Revision
12. Public Comments
13. Announcements
14. Adjournment

Cathy Cameron
City Clerk

**All matters listed under Item 6, Consent Agenda, are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items. If discussion of an item is required, it will be removed from the consent agenda and considered separately.*

**CITY OF ITHACA
CITY COUNCIL MEETING
November 18, 2025
5:30 PM**

The regular meeting of the City of Ithaca City Council was called to order by Mayor Brett Baublitz at 5:30pm. and followed by the Pledge of Allegiance to the Flag.

Present were Mayor Brett Baublitz, Councilpersons James Andrew, Rob Endter, Clark Hubbard, Rick Koppleberger and Kristyn Roethlisberger. Staff present was City Manager Jamey Conn and City Clerk Cathy Cameron.

Audience in attendance was Brooke Vernon.

Moved by Andrew, second by Hubbard to approve the minutes of the regular meeting held November 4, 2025. Motion carried.

Moved by Koppleberger, second by Hubbard to excuse Councilperson Lombardi. Motion carried.

Mayor Baublitz asked for approval of the agenda and for any items to be removed from the Consent Agenda.

Moved by Koppleberger, second by Andrew to approve the Agenda including the Consent Agenda. Motion carried.

Public Comment

Mayor Baublitz asked for public comment. There was none.

Consent Agenda

Moved by Hubbard, second by Koppleberger to approve the consent agenda items as listed:

- **City Manager's written report included updates and information on Local Election Results, Union Street Meeting, Audit Adoption, Our Hometown Ithaca Christmas, Community Foundation Grant and Frontier.**
- **Financial Reports for October 2025.**
- **Claims submitted to the Ways and Means Committee by City Treasurer Klifman and recommended for payment: Accounts Payable Checks #51093-51123, and Payroll Checks #17137-17140, DD #3491-3509, EFT #2089-2093 as listed in the Check Register Book.**
- **Correspondence received was none.**

Motion carried by Roll Call Vote:

Ayes: (6) Roethlisberger, Andrew, Endter, Hubbard, Koppleberger, Baublitz

Nos: (0) None

Absent: (1) Lombardi

Committee/Department Reports

There was none.

City Manager Comments

Manager Conn reported that he, DPW Superintendent Smith and Water & Sewer Superintendent Waldron meet with Aaron Wendzel from ROWE, regarding Union Street. Consideration of narrowing the street to reduce costs was discussed. He is going to develop a new estimate based on the proposed changes to present to council.

Unfinished Business

Mayor Baublitz provided the opportunity for open discussion from councilpersons, to gather their input on the next steps towards providing city police services. Discussion was held. Manager Conn shared the DPW concern of vehicles parked on the streets overnight, which interferes with their salt spreading and snow plowing efforts. In the past a deputy would oversee the issue. Council suggested that the DPW crew take a picture of the vehicle, note the address and give it to Code Enforcement to manage. The consensus was to look into the possibility of having a full-time police chief that would focus on community policing. The Gratiot County Sheriff's Department will remain responsive to police matters within the city.

New Business

Manager Conn reported that he met onsite at Woodland Park with a representative from "We Build Fun, Inc.," a commercial playground company. He then created four different layouts and costs for our review. Discussion was held on the options and location of building the new playground. For security reasons and optimal view from the street, the front of Woodland Park beside the pavilion was a favorite choice. In addition to the playground, the possibility of recreating an ice rink was discussed.

Public Comment

Mayor Baublitz asked for public comments. There was none.

Announcements

There was none.

Moved by Hubbard, second by Andrew to adjourn. Motion carried.

The meeting adjourned at 6:59pm.

Cathy Cameron

Cathy Cameron, City Clerk

RESOLUTION 2025-15
Recognition of Service for Rick Koppleberger

WHEREAS, the City Council, on behalf of the residents of the City of Ithaca, desires to express sincere appreciation for the contributions made to the citizens of Ithaca by Rick Koppleberger, who has served the City of Ithaca as Councilperson from November 2013 through November 2025; while concurrently serving as Mayor Pro-Tempore during five of those years; and

WHEREAS, Rick Koppleberger has served to make the City of Ithaca a stronger community through his commitment to the success of intergovernmental collaboration, supporting the development of the Gratiot Emergency Services Authority and the St. Louis Ithaca Pine River Transportation Authority; and

WHEREAS, during his tenure, Rick Koppleberger, helped the city to become a strong, vibrant, and attractive community for growth and development in Commercial Rehabilitation of downtown buildings, including new second floor residential apartments; and

WHEREAS, Rick Koppleberger has been instrumental with the success of economic development and growth by fostering agreements and projects to bring in agricultural business, like Zeeland Farm Services of Ithaca LLC, and Ellen's Equipment of Ithaca; and

WHEREAS, Rick Koppleberger has served with dedication, distinction, compassion and concern for the welfare of the City of Ithaca, envisioning, leading and planning for the future and benefit of the citizens of the city.

NOW, THEREFORE BE IT RESOLVED, that the City Council, City Staff, and the Citizens of the City of Ithaca hereby convey to RICK KOPPLEBERGER sincere gratitude and appreciation for serving as Councilperson and Mayor Pro-Tempore for the City of Ithaca, and a copy of this resolution be entered in the permanent records of the City of Ithaca.

Dated this 2nd day of December, 2025.

 Brett Baublitz, Mayor

 Jamey Conn, City Manager

 Cathy Cameron, City Clerk

RESOLUTION 2025-16
Recognition of Service for Alison Lombardi

WHEREAS, the City Council, on behalf of the residents of the City of Ithaca, desires to express sincere appreciation for the contributions made to the citizens of Ithaca by Alison Lombardi who has served the City of Ithaca as Councilperson from November 2021 through November 2025; and

WHEREAS, Alison Lombardi has demonstrated commitment on behalf of the citizens by representing their concerns, making decisions with their best interest in mind, while being fiscally responsible; and

WHEREAS, Alison Lombardi, helped to make the City of Ithaca a better community through the success of economic development and growth by fostering agreements and intergovernmental collaboration;

WHEREAS, Alison Lombardi has served with dedication and distinction.

NOW, THEREFORE BE IT RESOLVED, that the City Council, City Staff, and the Citizens of the City of Ithaca hereby convey to ALISON LOMBARDI sincere gratitude and appreciation for serving as Councilperson for the City of Ithaca, and a copy of this resolution be entered in the permanent records of the City of Ithaca.

Dated this 2nd day of December 2025.

Brett Baublitz, Mayor

Jamey Conn, City Manager

Cathy Cameron, City Clerk



CITY OF ITHACA, MICHIGAN
City Manager Report to the City Council
December 2, 2025

1. **SOUTH ELEMENTARY:** Ithaca Public School Transportation Director Brandi Bailey reached out to me for some help on Webster Street. With the number of parents who pick their children up from school, the buses are having trouble making their turn into the school parking lot. She said they are coming dangerously close to clipping some of the cars with the bus. DPW Superintendent Smith came up with a plan to stripe a small section of the North side of the road for no parking to give the bus drivers more of a radius to swing into their lot.
2. **HUNTING CITY PROPERTY:** We have had several inquiries about hunting within the city limits and possible hunters hunting on city-owned property. DPW Superintendent Smith has come across a few gutted deer on our property, North of the cemetery. I have authorized him to install “No Hunting Signs” along these woods and those that sit around the McNabb Park wooded area.
3. **WESTWIND DEVELOPMENT:** The investor who was interested in developing our lots in Westwind has decided to walk away from the project. He is stating the recent market downturn and the difficulty of finding an interested builder as the reasons. While it is normally standard practice for the seller to receive his full earnest money balance back, I let him know we were not okay with that on our end due to the work we put in and potential buyers we had to turn away for a certain amount of time. At the end of the day, we agreed that the city would receive \$2,000 for our inconvenience.
4. **JIM WHEELER RETIREMENT:** Greater Gratiot Development President, Jim Wheeler, will be retiring at the end of the year. There is an open-house style celebration of his retirement on December 13th at the GGD building. I have included the flyer. Kasey Zehner will be replacing Jim in the President role, and they have hired a new Director of Community Development. Congratulations to Jim on his retirement. He has done a lot of good for the residents and businesses of Gratiot County.
5. **GREATER GRATIOT DEVELOPMENT BOARD:** Long-time board president, Bill Henderson, the President and CEO of Aircraft Precision Products, Inc. is stepping down as the GGDI board chair at the end of the year. Taking his place will be another long-time board member, President of My Michigan Health, Marita Hatem-Schiffman. Mr. Henderson has done an excellent job leading our meetings and we expect Mrs. Hatem-Schiffman will do the same. We are fortunate to have such great leaders in our greater community.
6. **COUNCIL CHANGEOVER:** I want to express my gratitude for the wonderful working relationship I have been able to develop over the years with Councilpersons Rick Koppleberger and Alison Lombardi. I have enjoyed your passion to always have the residents' well-being in mind on every decision that comes before the board. I appreciated your professionalism and

empathy when dealing with matters of the city staff and what is needed to run a city. Good luck with all your future endeavors. Don't be strangers, please come back and see us from time to time.

Clark, Brooke, and Brandon, congratulations on your victories! Along with Clark and the rest of the council, the two of you will be welcome additions to a very productive and supportive board. The city is in a good place, and I am proud of the staff that we have built and can't wait to see what we can accomplish together in the coming years.

7. **DDA DOLLARS**: With the holidays around the corner, we have planned to gift DDA Dollars to those employees, board and committee members, volunteers and election workers who help make the city function as it does. We could not do what we do without this community of people that we appreciate so much. (This has been budgeted for).

Respectfully submitted,
Jamey Conn



Happy **RETIREMENT**

JIM WHEELER

THURSDAY, DECEMBER 18
1-4 PM

GGDI OFFICE
136 S. MAIN ST., ITHACA, MI

Stop in to wish Jim well on
his retirement from GGDI.
Open house style; no formal
presentation.



Questions? (989) 875-2083 or info@gratiot.org



Ithaca Unit Report

OCTOBER 2025

The Ithaca Unit responded to **109** calls for service.

Patrol Unit	29-7	29-9
Beginning	85,439	57,892
Ending	87,075	59,307
Total	1,636	1,415

<u>Traffic Stops</u>	<u>Days</u>	<u>Nights</u>
98 Traffic Stops were made	57	41
<u>Tickets</u>	<u>Days</u>	<u>Nights</u>
28 Tickets were issued	20	8
<u>Verbal Warnings</u>	<u>Days</u>	<u>Nights</u>
92 Verbal warnings were given	49	43
<u>Arrests</u>	<u>Days</u>	<u>Nights</u>
16 Arrests were made	10	6
<u>Court Arrests</u>	<u>Days</u>	<u>Nights</u>
14 Court Arrests were made	14	0
<u>Inspections</u>	<u>Days</u>	<u>Nights</u>
1,201 (Inspections include business and residence)	380	821

Information:

The Ithaca Unit handled **1**- Drove while license suspended, **2**- Operating without security (No insurance) **5**- Motorist assist keys, **10**- Property damage accidents (Car accidents), **0**-Personal injury accident (Car accident) and **1**- Unlocked businesses, **1**- Operating under the influence of alcohol, **1**- Drove without a license, **0**-Violation of restricted operator's license, **0**- Off road car accidents, **1**- Suicidal subject calls, and **0**- Operating under the influence of drugs. The Unit left the City a total of **24** times this month.

Respectfully,

Lt. Eric Leonard

Lieutenant Eric Leonard

Check Date	Bank	Check	Vendor	Vendor Name	Amount
Bank GEN GENERAL FUND					
12/03/2025	GEN	1040(A)	2916	PITNEY BOWES BANK INC RESERVE ACCNT	459.67
12/03/2025	GEN	51124	0095	ABC FASTENER GROUP, INC.	48.17
12/03/2025	GEN	51125	0280	ALMA TRUE VALUE HARDWARE	63.96
12/03/2025	GEN	51126	7609	AMAZON CAPITAL SERVICES	475.88
12/03/2025	GEN	51127	7610	AMY HINDBAUGH-MARR	100.00
12/03/2025	GEN	51128	1748	APPLIED INNOVATION	290.59
12/03/2025	GEN	51129	2580	AUTO VALUE ITHACA	19.78
12/03/2025	GEN	51130	7161	BLARNEY CASTLE FLEET	1,758.06
12/03/2025	GEN	51131	1240	E&S GRAPHICS INC	57.50
12/03/2025	GEN	51132	1621	GRATIOT COUNTY DRAIN OFFICE	5,281.25
12/03/2025	GEN	51133	7598	HEATHER CONN	1,760.00
12/03/2025	GEN	51134	6687	HOMETOWN DECORATION AND DISPLAY LLC	3,712.00
12/03/2025	GEN	51135	0455	HUTSON INC	162.63
12/03/2025	GEN	51136	7608	INGRAM LIBRARY SERVICES	305.11
12/03/2025	GEN	51137	1980	CITY OF ITHACA	50.00
12/03/2025	GEN	51138	7282	JUNIOR LIBRARY GUILD	778.65
12/03/2025	GEN	51139	2910	RENT-RITE INC	115.00
12/03/2025	GEN	51140	2960	ROSLUND PRESTAGE & COMPANY PC	3,616.00
12/03/2025	GEN	51141	7534	SHRED EXPERTS LLC	60.00
12/03/2025	GEN	51142	7271	STRATUM RESERVOIR (ISOTECH) LLC	455.00
12/03/2025	GEN	51143	1924	THE ISABELLA CORPORATION	336,828.28
12/03/2025	GEN	51144	2826	TOWN & COUNTRY GROUP	1,247.80
12/03/2025	GEN	51145	0241	VC3 INC	228.37
12/03/2025	GEN	51146	7427	WEX BANK	178.67

GEN TOTALS:

Total of 24 Checks:	358,052.37
Less 0 Void Checks:	0.00
Total of 24 Disbursements:	358,052.37

11/26/2025 10:18 AM

User: JAMIE

DB: Ithaca

INVOICE APPROVAL REPORT FOR CITY OF ITHACA

POST DATES 12/02/2025 - 12/02/2025

BOTH JOURNALIZED AND UNJOURNALIZED PAID

BANK CODE: GEN

Page: 1/2

AGENDA

INVOICE NUMBER	DESCRIPTION	AMOUNT	NOTES
VENDOR NAME: ABC FASTENER GROUP, INC.			
A604826	SUPPLIES	48.17	
	TOTAL VENDOR ABC FASTENER GROUP, INC.	48.17	
VENDOR NAME: ALMA TRUE VALUE HARDWARE			
C373370	LIGHT BULBS	63.96	
	TOTAL VENDOR ALMA TRUE VALUE HARDWARE	63.96	
VENDOR NAME: AMAZON CAPITAL SERVICES			
1NVQ-NWMX-MTPD	BOOKS	16.50	
1DG1-DD6F-6NFY	BOOKS	7.48	
1GWR-QHRK-RHPV	BOOKS	140.77	
1X64-JKX6-Q9Q9	BOOKS	76.01	
1DKY-J4H6-R1M1	BOOKS	21.18	
1HDX-Y1KJ-9PP7	BOOKS	46.44	
1PCL-NHCJ-MW1L	BOOKS	155.51	
11PL-JKQW-KY9X	BOOKS	11.99	
	TOTAL VENDOR AMAZON CAPITAL SERVICES	475.88	
VENDOR NAME: AMY HINDBAUGH-MARR			
100	STEAM SOTRY HOUR	100.00	
	TOTAL VENDOR AMY HINDBAUGH-MARR	100.00	
VENDOR NAME: APPLIED INNOVATION			
2987304	QUARTERLY CONTRACT COPIES	290.59	
	TOTAL VENDOR APPLIED INNOVATION	290.59	
VENDOR NAME: AUTO VALUE ITHACA			
308-781735	SCUFFING PADS	13.20	
308-781396	BALL B EARING	6.58	
	TOTAL VENDOR AUTO VALUE ITHACA	19.78	
VENDOR NAME: BLARNEY CASTLE FLEET			
C455340	10/2025 FUEL	1,758.06	
	TOTAL VENDOR BLARNEY CASTLE FLEET	1,758.06	
VENDOR NAME: E&S GRAPHICS INC			
90069	COUNCIL NAME PLATES	57.50	
	TOTAL VENDOR E&S GRAPHICS INC	57.50	
VENDOR NAME: GRATIOT COUNTY DRAIN OFFICE			
INVOICE	2025 DRAINS AT LARGE	5,281.25	
	TOTAL VENDOR GRATIOT COUNTY DRAIN OFFICE	5,281.25	
VENDOR NAME: HEATHER CONN			
INVOICE	CLEANING - LIBRARY	960.00	
INVOICE	CLEANING - CITY HALL	800.00	
	TOTAL VENDOR HEATHER CONN	1,760.00	
VENDOR NAME: HOMETOWN DECORATION AND DISPLAY LLC			
2103	2025 CHRISTMAS DECORATIONS	3,712.00	
	TOTAL VENDOR HOMETOWN DECORATION AND DISPLAY LLC	3,712.00	
VENDOR NAME: HUTSON INC			
11100261	OIL	112.56	
111000250	TEMPERATURE SWITCH	50.07	
	TOTAL VENDOR HUTSON INC	162.63	
VENDOR NAME: INGRAM LIBRARY SERVICES			
92091800	BOOKS	305.11	
	TOTAL VENDOR INGRAM LIBRARY SERVICES	305.11	
VENDOR NAME: ITHACA CITY OF			
INVOICE	TO CORRECT TAX DISTRIBUTION 2025-7	50.00	
	TOTAL VENDOR ITHACA CITY OF	50.00	
VENDOR NAME: JUNIOR LIBRARY GUILD			
734629	ANNUAL STANDING ORDERS	778.65	

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DB: Ithaca

INVOICE APPROVAL REPORT FOR CITY OF ITHACA
POST DATES 12/02/2025 - 12/02/2025
BOTH JOURNALIZED AND UNJOURNALIZED PAID
BANK CODE: GEN

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AGENDA

INVOICE NUMBER	DESCRIPTION	AMOUNT NOTES
VENDOR NAME: JUNIOR LIBRARY GUILD		
	TOTAL VENDOR JUNIOR LIBRARY GUILD	778.65
VENDOR NAME: PITNEY BOWES BANK INC RESERVE ACCNT		
INVOICE	POSTAGE	459.67
	TOTAL VENDOR PITNEY BOWES BANK INC RESERVE ACCNT	459.67
VENDOR NAME: RENT-RITE INC		
204897DS-1	10/2025 PORTABLE BATHROOM - WOODLAND PAR	115.00
	TOTAL VENDOR RENT-RITE INC	115.00
VENDOR NAME: ROSLUND PRESTAGE & COMPANY PC		
171178	2024-25 AUDIT	3,616.00
	TOTAL VENDOR ROSLUND PRESTAGE & COMPANY PC	3,616.00
VENDOR NAME: SHRED EXPERTS LLC		
163233	11/2025 SHREDDING	60.00
	TOTAL VENDOR SHRED EXPERTS LLC	60.00
VENDOR NAME: STRATUM RESERVOIR (ISOTECH) LLC		
1002-031227	WATER SAMPLE ANALYSIS	455.00
	TOTAL VENDOR STRATUM RESERVOIR (ISOTECH) LLC	455.00
VENDOR NAME: THE ISABELLA CORPORATION		
25267	RECONSTRUCTION OF 200 BLOCK S. PINE RIVE	336,828.28
	TOTAL VENDOR THE ISABELLA CORPORATION	336,828.28
VENDOR NAME: TOWN & COUNTRY GROUP		
38787	REPAIR SERVICE AT FIRE DEPT.	1,247.80
	TOTAL VENDOR TOWN & COUNTRY GROUP	1,247.80
VENDOR NAME: VC3 INC		
VC3-228967	11/2025 ICLOUD PROTECTION	51.50
VC3-228966	11/2025 MICROSOFT 365	176.87
	TOTAL VENDOR VC3 INC	228.37
VENDOR NAME: WEX BANK		
108685415	FUEL	178.67
	TOTAL VENDOR WEX BANK	178.67
GRAND TOTAL:		358,052.37



CITY OF ITHACA CAPITAL ASSET MANAGEMENT POLICY

- 1) **PURPOSE:** The purpose of this policy is: (1) to describe the policies and procedures utilized in the City of Ithaca’s capital asset management system; (2) put in place guidelines for accounting for and depreciating the City of Ithaca’s capital assets.

The primary goals of this policy are:

- To ensure that the City of Ithaca’s capital assets are accounted for in conformance with generally accepted accounting principles; and
- To establish a consistent and cost-effective method for accounting of the City of Ithaca’s capital assets.

- 2) **AUTHORITY:** The City of Ithaca City Council
- 3) **APPLICATION:** This policy applies to all City of Ithaca Department Heads.
- 4) **RESPONSIBILITY:** The City of Ithaca City Manager and/or the City Treasurer shall be responsible for implementation of this policy.
- 5) **DEFINITIONS:** See attachment entitled “Glossary of Terms”.
- 6) **POLICY:**

6.1. Threshold

Effective July 1, 2023, the City of Ithaca will capitalize individual assets other than Buildings, Building Improvements and Land Improvements, and Infrastructure that cost \$5,000 or more and have an estimated useful life of at least two (2) years. The capitalization threshold for Buildings and Building Improvements shall be \$10,000 and for Land Improvements the capitalization threshold shall be \$10,000. However, assets acquired with debt proceeds may be capitalized regardless of cost. In addition, assets acquired prior to July 1, 2023 and capitalized at a lower threshold, may continue to be depreciated on the basis of past practice. Effective July 1, 2023, infrastructure projects and improvements shall be capitalized so as to substantially account for the City of Ithaca’s investment in infrastructure and consider related debt. Individual assets that cost less than \$5,000, but that operate as part of a network system may be capitalized in the aggregate, using the group method, if the estimated average useful life of the individual asset is at least two years. A network is determined to be where individual components may be below \$5,000 but are interdependent and the overriding value to the City of Ithaca is on the entire

network and not the individual assets (e.g. computer systems and telephone systems). Group purchases are evaluated on a case-by-case basis. When necessary, certain assets under the threshold may be capitalized at the discretion of the City Manager and/or City Treasurer.

6.2. Valuation

In accordance with generally accepted accounting principles, the City of Ithaca will value its capital assets at historical cost. Historical cost includes the cost or estimated cost at the time of acquisition, freight charges, installation and site preparation charges, and the cost of any subsequent additions or improvements, excluding repairs.

If a capital asset is donated to the City of Ithaca, the asset will be valued at the estimated acquisition cost at the date of donation.

6.3. Capital Assets Inventory Report

As part of the financial audit, the Finance Department shall submit a capital asset report to the City of Ithaca's external auditor on an annual basis. This report will include the following information:

- Type of asset (i.e. land, building, infrastructure)
- Date of acquisition
- Acquisition cost
- Estimated useful life
- Annual depreciation
- Accumulated depreciation

6.4. Depreciation

The City of Ithaca will use the Straight-Line Method as its "basic approach" (standard approach) to depreciate capital assets. Depreciation for the first month in service shall incur a half-month of depreciation expense, unless the asset was placed in service on the 1st of the month (then it shall incur a full month of depreciation) or with less than 7 days remaining in the month; in which it will not incur any depreciation for the month.

6.5. Estimated Useful Lives

Land and construction in process, if any, are not depreciated. The other assets of the City of Ithaca are depreciated over the following estimated useful lives:

Land Improvements	5 - 15 years
Buildings and Improvements	10 - 50 years
Furniture and Equipment	4 - 20 years
Infrastructure	10 - 20 years
Vehicles	10 years
Sewer System	4 - 50 years
Water System	4 - 50 years

6.6. Capital vs. Repair and Maintenance Expense

In accordance with generally accepted accounting principles, the following criteria are the basis for distinguishing costs as either capital or repair and maintenance expense:

With respect to improvements on non-infrastructure and infrastructure capital assets, under the Basic Approach, costs should be capitalized if the useful life of the asset is substantially extended, or the cost results in a substantial increase in the capacity or efficiency of the assets. Otherwise, the cost should be expensed as repair and maintenance.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized by the City of Ithaca. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

6.7. Inventory

For internal control purposes, the City of Ithaca maintains an annual inventory listing of certain assets (controlled equipment) that do not meet the above reference capitalization amounts. Controlled equipment includes items that should be specifically accounted for and inventoried periodically due to the high re-sale value of the equipment and potential risk of theft. Controlled equipment may include items such as computers, construction equipment, small machinery and other office equipment. Each Department Head is responsible for all controlled equipment within their areas of responsibility.

6.8. Disposal and Transfer of City of Ithaca's Assets

Disposition of City of Ithaca assets will be performed in accordance with applicable City of Ithaca policies, practices and procedures. Additionally, disposition of property including equipment acquired with federal funds must comply with standards set forth in 2 CFR 200.313(e).



**CITY OF ITHACA
CAPITAL ASSET MANAGEMENT POLICY
GLOSSARY OF TERMS**

- 1. Capital Assets:** Capital assets include land, land improvements, buildings, building improvements, construction in progress, machinery and equipment, vehicles, infrastructure, easements, intangible assets (such as computer software), and works of art and historical treasures.
- 2. Capitalization:** Capitalization of an asset occurs when the cost of the asset meets the “threshold” and the “estimated useful life” set in the organizational guidelines. Under capitalization, the cost of an item is initially recorded as an asset rather than an expense.
- 3. Depreciation:** Depreciation is the process of allocating the cost of property over a period of time, rather than recognizing the cost as an expense in the year of acquisition. Generally, at the end of an asset’s life, the sum of the amounts charged for depreciation in each accounting period (accumulated depreciation) will equal the original cost less salvage value.
- 4. Donated Capital Asset:** Donated assets are those assets contributed to the City of Ithaca. The donated assets are treated like a capital asset (using the fair market value).
- 5. Estimated Useful Life:** Estimated useful life means the estimated number of months or years that an asset will be able to be used for the purpose for which it was purchased. In determining useful life, consideration is given to the asset’s present condition, use of the asset, construction type, maintenance policy, and how long it is expected to meet service demands.
- 6. Fair Market Value:** The amount that would be paid if the item were sold currently in a transaction between a willing buyer and a willing seller.
- 7. Historical Cost:** The historical cost of a capital asset includes the cost or estimated cost at the time of acquisition, freight charges, installation and site preparation charges, and the cost of any subsequent additions or improvements, excluding repairs.
- 8. Infrastructure Assets:** Infrastructure assets are long-lived capital assets that normally can be preserved for a significant greater number of years than most capital assets (noninfrastructure assets). Infrastructure assets are normally stationary in nature and are of value only to the government entity. Examples include the City of Ithaca water system.

- 9. Salvage Value:** The salvage value of an asset is the value it is expected to have when it is no longer useful for its intended purpose. In other words, the salvage value is the estimated amount for which the asset could be sold at the end of its useful life.
- 11. Straight-Line Method:** The straight-line method is the simplest and most commonly used for calculating depreciation. It can be used for any depreciable property. Under the straight-line method, the basis of the asset is written off evenly over the useful life of the asset. The same amount of depreciation is taken each year. In general, the amount of annual depreciation is determined by dividing an asset's depreciable cost by its estimated life.
- 12. Threshold:** The threshold is the dollar amount that an asset must equal or exceed if that asset is to be capitalized. Otherwise, the item would be considered as an expense at the time of acquisition.

Adopted: _____, ___, 2025