THE CITY OF
CHARLOTTE
MICHIGAN

PROPOSED AGENDA
REGULAR MEETING OF THE CHARLOTTE CITY COUNCIL
111 E. Lawrence Ave, Charlotte, MI 48813 (517) 543-2750
7:00 P.M. Monday, December 09, 2024

Interested persons can participate in-person or via Zoom
Connect to Zoom from your computer, tablet, or smartphone
Website: https://us02web.zoom.us/j/88982149677
One tap mobile: +16465588656,,88982149677#
Telephone: (312) 626-6799 Webinar ID:889 8214 9677

1. **Call to Order**

2. **Roll Call**

3. **Invocation – Fr. Dwight Ezop, St. Mary's Catholic Church**

4. **Pledge of Allegiance**

5. **Approval of Minutes**
    a. November 25, 2024 Regular Council Meeting Minutes

6. **Absence of Council Members**

7. **Public Hearing**
    a. To Amend City Code Section 52-26 "PUBLIC NUISANCE DEFINED AND PROHIBITED"

8. **Public Comment -** Limit presentation to five (5) minutes. Attendees desiring to address council who are participating with ZOOM may raise your hand now or if attending via a phone call, press *9 (star nine) on your keypad

9. **Approval of Agenda**

10. **Special Presentation**
    a. Presentation of the 2023/2024 Fiscal Year Audit by Maner Costerisan, with Action to Approve

11. **Communications and Committee Reports**
    a. City Attorney Report
    b. Councilmember Committee Reports

12. Consent Agenda

a. Approval of Claims and Expenditures totaling $373,132.67
b. Approval of Mayoral Appointment(s)
c. Approval of Resolution 2024-44 to add Christina Horton as signatory to Independent Bank accounts
d. Approval of Resolution 2024-45 The 2025 City Meeting Date Schedule
e. Approval of Letter of Understanding (LOU) - POLC Non-Sup - One-time lump sum payment for an employee hired under previous contract.

13. Business Agenda

a. Consider approval of Ordinance 2024-02 To Amend City Code 52-26 "Public Nuisance Defined and Prohibited"
b. Presentation by Markdom International – Discussion and consider setting of a public hearing for December 23, 2024, to consider the approval of an Industrial Facilities Exemption (IFT) application, pursuant to Act 198 of the Public Acts of 1974, as amended, for Markdom International, 400 Parkland Dr.
c. High Street Traffic Review Discussion
d. Downtown Parking Program Review Discussion
e. 2025 Elected Officials Academy Winter Advanced Summit Discussion
f. Consider approval of Resolution 2024-46 To exempt the City of Charlotte from the requirements of 2011 PA 152, The Publicly Funded Health Insurance Contribution Act for the plan year January 1, 2025 through December 31, 2025
g. Consider approval of Council Policy 2024-02 "City-Issued Credit Card"
h. Consider approval of Council Policy 2024-03 "Grant Accounting and Administrative Policy"

14. Public Comment - Limit presentation to five (5) minutes. Attendees desiring to address council who are participating with ZOOM may raise your hand now or if attending via a phone call, press *9 (star nine) on your keypad

15. Staff Comments

16. Mayor and Council Comments

17. Adjourn

~Mary LaRocque, City Clerk

ADDRESSING THE CITY COUNCIL

Comments shall be made only during times set aside for that purpose.
Each citizen may speak for up to 5 minutes during each public hearing and comments period.
Comments made during public hearings shall be relevant to the subject of the public hearing.
Comments shall be made from the podium unless otherwise directed by the Mayor.
Comments shall be directed to the Mayor and Council members.
Speakers shall begin by stating their name and indicate if they are a resident or non-resident of the City.
Speakers shall refrain from using vulgarity, hate speech or "fighting words."

CITY OF CHARLOTTE COUNCIL PROCEEDINGS
111 E. Lawrence Ave., Charlotte, MI 48813 (517) 543-2750
Regular Council Meeting 7:00 p.m.
November 25, 2024

CALL TO ORDER:

By Mayor Lewis on Monday November 25, 2024 at 7:00 p.m.

ROLL CALL:

Mayor Lewis, Mayor Pro-Tem Duweck, Council members, Fullerton, Christensen, Rodriguez, Scott and Chin. A quorum was met

City staff in attendance; City Attorney Revore, City Clerk LaRocque and City Manager Hillard

INVOCATION:

Daniel Longden, First Lutheran Church - absent

PLEDGE OF ALLEGIANCE:

Led by Lewis

APPROVAL OF MINUTES:

a. November 12, 2024 Regular Council Meeting Minutes

Motion by Duweck supported by Scott to approve the November 12, 2024 Regular Council Meeting Minutes, as amended. Carried; Yea 7; Nay 0; Absent 0

ABSENCE OF COUNCIL MEMBERS:

All present

PUBLIC COMMENT:

John Laupp, a resident, expressed his gratitude for several things, including holiday advertisements, the City Council, city staff, and the welcoming community where he and his wife have made friends and found happiness. He shared a lighthearted story about the Grinch, who was recently "arrested" at Charlotte Upper Elementary/Middle School by Sgt. Callahan, Captain Brooks, and Chief Brentar. The Grinch is now in "custody" and will be on public display during the Holiday Lighted Parade scheduled for Saturday at 6 p.m. Laupp humorously added that it has been discovered the Grinch’s dog, Max, is conspiring with his henchman to plan a breakout.

JoDee Pruden, resident, thanked the Clerk and staff for their work on the elections, inquired about how responses to resident inquiries will be handled and would like a clear understanding of the role of the City and Charlotte Rising regarding the Social District.

APPROVAL OF AGENDA:

Motion by Scott supported by Duweck to approve the agenda, Carried; Yea 7; Nay 0; Absent 0

SPECIAL PRESENTATION:

a. City of Charlotte MERS Retirement Program Presentation

The Council was informed that the City's 2012 decision to close the Defined Benefit (DB) plans to new hires and implement Hybrid plans has proven successful. The Hybrid plans are operating as intended and are fully funded. Meanwhile, the legacy liability of the DB Plan is currently 60% funded, meeting the State of Michigan's requirements. Furthermore, the 2020 establishment of the Retiree Health Funding Vehicle (RHFV) plan, coupled with the City’s additional annual contributions, has positioned the City to fully fund the remaining DB Plan liability by 2040.

COMMUNICATIONS AND COMMITTEE REPORTS:

a. City Manager Report was received

Chin raised concerns about the impact of the defeat of the County millage proposal on the police department, particularly in relation to mutual aid. He also inquired about the tracking of overdose data, noting that overdose incidents have increased compared to last year. Rodriguez pointed out inconsistencies in the final draft of the Master Plan and requested guidance on how the Council could assist in editing it. Scott mentioned housing and park plans that should be included. Fullerton emphasized the importance of having an accurate and corrected Master Plan, stating that it will serve as a key reference for future planning and decisions as it will guide the City for years to come. Chin commended Hillard and Brentar for their efforts addressing the speed issue on High Street. As a result of this discussion, it was decided to include High Street as an agenda item at the next meeting

b. Update from Police Chief Brentar on the Sole Source Request – FY 24 Community Project Funding grant through Congress woman Slotkin

Report was received

c. Councilmember Committee Reports

Christensen: Reported no items for the Planning Commission's December 3rd meeting. Shared updates from the Camp Frances (CF) meeting, including discussions on utilizing VRBO reservation services, updating the organization's bylaws, and increasing the size of the board. Announced a bid to insert risers on the septic system and the receipt of a grant from Women Giving Together to fund the installation of an ADA-compliant cement path providing access to the fire pit. The next CF meeting is scheduled for December 10th.

Chin: Reported on EATRAN's progress, including the development of the 2025 Regional Coordination Plan, which involves EATRAN and CATA combining operations under a single Executive Director. Announced plans for a 2025 millage proposal to support regional growth of the program. Mentioned ongoing work on a bus shelter project at Courthouse Square.

Rodriguez: Provided the Council with a written report from the DDA. Noted improvements in trash pickup and updates on the EATRAN bus shelter, for which the City will provide the concrete slab. Shared plans for the DDA's future, including brainstorming sessions to determine its strategic focus moving forward.

<u>CONSENT AGENDA:</u>

a. Approval of Claims and Expenditures totaling $578,378.47

Motion by Fullerton supported by Duweck to approve the consent agenda. Carried by roll call vote; Yea 6 Nay 1 (Chin); Absent 0

<u>BUSINESS AGENDA:</u>

a. First reading and consider scheduling a public hearing, and second reading for proposed Ordinance 2024-02 'Public Nuisance Defined and Prohibited'.

Motion by Duweck supported by Scott to approve the first reading and set the public hearing date for December 9, 2024 for proposed Ordinance 2024-02 'Public Nuisance Defined and Prohibited'. Carried; Yea 7; Nay 0; Absent 0

b. Consider approval of Resolution 2024-42 Appointment of Christina Horton as Finance Director/Treasurer

Motion by Scott supported by Fullerton to approve Resolution 2024-42 Appointment of Christina Horton as Finance Director/Treasurer. Carried by roll call vote; Yea 7; Nay 0; Absent 0

c. Consider approval of Resolution 2024-43 Consumer Power Street Light

Motion by Duweck supported by Scott to approve Resolution 2024-43 Consumer Power Street Light. Carried; Yea 7; Nay 0; Absent 0

d. Consider approval of a sealed bid contract with MicroTech in the amount of $58,164 annually and $100 per hour for special projects for IT Managed Services

Motion by Rodriguez supported by Duweck to approve the sealed bid contract with MicroTech in the amount of $58,164 annually and $100 per hour for special projects for IT Managed Services. Carried; Yea 7; Nay 0; Absent 0

e. Consider approval of contract by Prein & Newhof in the amount of $26,500 for Airport Parking Lot and Access Road Reconstruction Engineering

Motion by Duweck supported by Scott to approve the contract by Prein & Newhof in the amount of $26,500 for Airport Parking Lot and Access Road Reconstruction Engineering. Carried; Yea 7; Nay 0; Absent 0

f. Consider approval of a sealed bid contract with Spalding DeDecker in the amount of $26,778 for Walnut Street Engineering and Construction Services

Motion by Scott supported by Fullerton to approve sealed bid contract with Spalding DeDecker in the amount of $26,778 for Walnut Street Engineering and Construction Services. Carried; Yea 7; Nay 0; Absent 0

g. Consider approval of contract with McKenna in the amount not to exceed $36,000 for CHILL Housing Grant Third Party Administration

Motion by Scott supported by Fullerton to approve contract with McKenna in the amount not to exceed $36,000 for CHILL Housing Grant Third Party Administration. Carried; Yea 7; Nay 0; Absent 0

h. Consider approval of sealed bid contract with Beckett and Raeder, Inc. in the amount of $15,000 for Downtown Strategic/Tax Increment Finance Plan

Motion by Christensen supported by Fullerton to approve sealed bid contract with Beckett and Raeder, Inc. in the amount of $15,000 for Downtown Strategic/Tax Increment Finance Plan. Carried; Yea 7; Nay 0; Absent 0

i. Consider approval of a sealed bid contract with OHM in the amount of $11,250 for Combs Industrial Park Street and Utility Design Services

Motion by Duweck supported by Scott to approve sealed bid contract with OHM in the amount of $11,250 for Combs Industrial Park Street and Utility Design Services. Carried; Yea 7; Nay 0; Absent 0

j. Review and consider approval of City Manager Review Ad Hoc Committee document

Motion by Chin supported by Fullerton to approve an amendment to the City Manager Review document to include sections for budget and communications. Carried; Yea 7; Nay 0; Absent 0

Motion by Chin supported by Scott to approve the City Manager Review document as amended. Carried; Yea 7; Nay 0; Absent 0

k. Downtown Parking Program Review Discussion

Motion by Duweck supported by Fullerton to **TABLE** this discussion until December 9, 2024 regular council meeting. Carried by roll call vote; Yea 6; Nay 1 (Chin); Absent 0

PUBLIC COMMENT:

JoDee Pruden, resident – is happy with conduct of the Council, thanked them all for their service and extended a happy and safe Thanksgiving.

STAFF COMMENTS:

Clerk LaRocque: Expressed gratitude to the Council for hiring Mr. Hillard as City Manager, noting that he has been a pleasure to work with and is highly supportive of the staff.

MAYOR AND COUNCIL COMMENTS:

Christensen: Thanked attendees and shared updates. Attended the Social District ribbon cutting. Announced the Eaton County Commissioners Ways and Means meeting on December 5th at 9 a.m. to begin discussions on budget cuts. Mentioned several upcoming events: The Optimist Club Wild Game Dinner and fundraiser at the American Legion on Saturday from 5–9 p.m.; Thanksgiving dinners served at the Senior Center from 11:30 a.m. to 1 p.m.; and the Eaton County Substance Abuse Council meeting on December 13th. Highlighted this Saturday's Small Business Saturday events, including the parade, tree lighting, choir performances, and a petting zoo at Courthouse Square. Wished everyone a Happy Thanksgiving!

Fullerton: Reminded everyone that the Mayor will be featured as the Mayor of Whoville in the Lighted Holiday Parade. Noted the new star atop the Christmas tree was designed and built locally by a fellow volunteer firefighter and praised the team's diligent work on the tree lighting.

Duweck: Celebrated the Social District finally being in effect after two years of effort. Thanked everyone involved, including Attorney Revore, for their contributions to the project, which is expected to have a positive impact.

Scott: Reflected on the past year, expressing gratitude for how much has changed and improved. Praised the high school's production of *Into the Woods*, one of the most challenging musicals, noting how impressively the students performed.

Chin: Updated the Council on the State's new program for direct pay of federal clean energy tax credits for certain qualifying entities. Announced the VFW National Home's 100th birthday celebration on January 7th at 4 p.m. and encouraged reservations for this family-focused event. Discussed recent Michigan legislature changes, including sand and gravel operations legislation (HB 6108–6111), which would override local jurisdiction. Urged sending a letter to the governor supporting HB 4274 and 4275 to establish the Revenue Sharing Trust Fund, guaranteeing 8.7% of general sales tax revenue to help local governments with consistent budgeting. Highlighted tax abatements tied to compliance requirements, including rental rates for Edmunds. Opposed tabling a parking lot discussion due to feedback from a local business owner opposed to the current parking ordinance. Mentioned St. Mary's coat giveaway on Saturday from 8 a.m. to noon, distributing 100 brand-new coats for kids and teens on a first-come, first-served basis.

Rodriguez: Announced the Mayor's approval for him to establish a communications ad-hoc committee, with plans to begin recruiting members after the new year.

Lewis: Shared a recent partnership between McDonald's and Helping Hands to distribute 100 turkeys to families selected by Helping Hands. The turkeys were handed out at a drive-through event, with Representative Witwer in attendance. Expressed gratitude for the committee's work on the City Manager Evaluation review document, emphasizing its importance in fostering organizational growth.

ADJOURN:

Motion by Christensen supported by Scott to adjourn the meeting at 9:06 p.m. Carried; Yea 7; Nay 0; Absent 0

Respectfully submitted,
Mary LaRocque, City Clerk

Introduced: November 25, 2024
Adopted: December 09, 2024
Effective: December 29, 2024

CITY OF CHARLOTTE

EATON COUNTY, MICHIGAN

ORDINANCE NO. 2024-02

AN ORDINANCE TO AMEND CITY CODE SECTION § 52-26 "PUBLIC NUISANCE DEFINED AND PROHIBITED" TO CLARIFY THAT PERSONS REQUESTING CERTAIN GOVERNMENT SERVICES ARE NOT DEFINED AS A PUBLIC NUISANCE, AND TO PROVIDE AN EFFECTIVE DATE HEREOF.

Councilmember _______________ moved the following:

THE CITY OF CHARLOTTE ORDAINS:

Section 1. Title And Purpose. The title of this ordinance shall be "*An ordinance to amend Ord. No. 2009-04 and Code § 52-26 PUBLIC NUISANCE DEFINED AND PROHIBITED*" to clarify that persons requesting certain government services are not defined as a public nuisance. Further, the purpose of this ordinance is for the health, safety, and welfare of citizens within City of Charlotte.

Section 2. Amendments To City Code. Amendments shall be and hereby as follows in bold:

§ 52-26 PUBLIC NUISANCE DEFINED AND PROHIBITED.

(A) A *PUBLIC NUISANCE* is defined as follows:

(1) Any unreasonable interference with a common right enjoyed by the general public. It includes conduct:

(a) Which significantly interferes with the safety, health, comfort, peace, convenience or repose of the public;

(b) Offends public decency;

(c) Significantly interferes with, obstructs or renders dangerous any street, highway, navigable lake or stream; or

(d) In any way renders the public insecure in life or property;

(e) Which is known, or should have been known, to be of a continuing nature that produces a permanent or long-lasting, significant effect on these common rights;

(2) Public nuisances shall include, but not be limited to, whatever is forbidden by any provision of this article, or where nuisance is referenced in Chapters 10, 18, 58, 68 and 82.

(B) No person shall commit, create or maintain any public nuisance.

(C) A public nuisance is not defined as persons, tenants, residents, or occupants requesting law enforcement services believed to be victims of crime, or otherwise not at fault for criminal activity.

Section 3. Savings Clause. All proceedings pending and all rights and liabilities existing or incurred at the time this amendatory Ordinance takes effect are saved and may be consummated according to the law enforced when they were commenced. This amendatory Ordinance shall not be construed to affect any prosecution pending or initiated before the effective date of this amendatory Ordinance for an offense committed before that date.

Section 4. Conflicting Ordinances Repealed. Except as to prosecution and legal actions pending and saved pursuant to Section 3 above, any City Ordinances or parts of Ordinances in conflict with or inconsistent with any of the provisions of this Ordinance are repealed.

Section 5. Severability. The provisions of this ordinance are severable, and if any section, sub-section, paragraph, sentence, clause, phrase, or portion of this ordinance is, for any reason, held invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of all remaining sections, sub-sections, paragraphs, sentences, clauses, phrases, or portions of this ordinance.

Section 6. Section Headings. The section headings used in this ordinance are for convenience only and are not a part of this ordinance.

Section 7. Effective Date. This ordinance shall take effect twenty days after it has been adopted by the City Council and publication.

Introduced by the Charlotte City Council this 25th day of November, 2024.

Motion by Duweck

Second by Scott

Ayes: 7

Nays: 0

Absent: 0

Adopted by the Charlotte City Council this 9th day of December, 2024.

Motion by

Second by

Ayes:

Nays:

Absent:

Approved:

____

Timothy Lewis, Mayor

I, Mary LaRocque, City Clerk, certify this is Ordinance No. 2024-02 adopted by the Charlotte City Council at a meeting held on the 9th day of December, 2024, a meeting held according to the Open Meetings Act, Public Act No. 267 of 1976, as amended. I further certify Ordinance No. 2024-02 was published in The County Journal, a newspaper of general circulation in the City of Charlotte, the 14th day of December, 2024, subsequent to its adoption.

____

Mary LaRocque, City Clerk

Introduced:	November 25, 2024
Public Hearing:	December 9, 2024
Adopted:	December 9, 2024
Published:	December 14, 2024
Effective:	December 29, 2024

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
517.323.7500
517.323.6346

November 22, 2024

To the Honorable Mayor and
Members of the City Council
City of Charlotte, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Charlotte, Michigan (the City) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 23, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Charlotte are described in Note 1 to the financial statements. As described in Note 12 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, during the year ended June 30, 2024. We noted no transactions entered into by the City of Charlotte during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's calculation of the depreciation expense is based on the estimated useful lives of the capital assets.

Management's calculation of the current and noncurrent portions of compensated absences liability is based on an estimate of the percentage of employees' usage of compensated absences.

Management's calculation of the allowance for doubtful accounts is based on historical collection rates.

The calculation of the net pension liability and related deferred outflows and inflows of resources is based on an actuarial study which utilized certain actuarial assumptions.

The calculation of the net other post-employment benefits liability and related deferred outflows and inflows of resources is based upon an actuarial study which utilized certain actuarial assumptions.

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

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 22, 2024.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

We were engaged to report on other supplementary information, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or, to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it.

Restriction on Use

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

Very truly yours,

Maney Costerisan PC

CITY OF CHARLOTTE, MICHIGAN

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

Prepared by: Office of Finance and Treasury

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INTRODUCTORY SECTION

THE CITY OF
CHARLOTTE
MICHIGAN

November 22, 2024

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Charlotte:

The annual comprehensive financial report of the City of Charlotte for the year ended June 30, 2024 is hereby submitted as required by both local ordinances and state statutes. These ordinances and statutes require the City of Charlotte to annually issue a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data as well as the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City of Charlotte. All disclosures necessary to enable the reader to gain an understanding of the City of Charlotte's activities have been included.

THE REPORTING ENTITY AND ITS SERVICES

The City of Charlotte is located in the heart of Michigan, 18 miles southwest of the capital city of Lansing. The City currently has a land area of approximately 5 ½ square miles and a population of 9,299 per 2020 Census. Charlotte is located on Interstate 69 and near its intersection with Interstates 94 and 96. Charlotte is also served by two state trunkline highways: M-50 and M-79. The City is also located on a rail line operated by the Canadian National Railway These highways and rail routes provide excellent access to all major markets in Michigan, the Midwest, and Canada.

Only 200 years ago, the land on which the city is located was an overgrown prairie with an abundance of wildflowers, inhabited by Chippewa and Pottawatomie Indians. Indian paths crisscrossed the area, and one trail became the preferred route for early pioneers. Running from Detroit to Grand Rapids, settlers named it Clinton Trail; today it is known as state highway M-50. The pioneer settlement located in the middle of Eaton County was incorporated as a village in 1863. Railroads brought growth to Michigan and Charlotte grew as well. Charlotte was incorporated as a city in 1871. Several beautiful homes and buildings in the downtown area, which still survive today, characterize the growth of the city. E.B. Bostwick, an early landowner, held the contract for all of Eaton County and suggested the city be named for his new bride, Charlotte (pronounced Shar-LOT).

The City's most notable attributes are its outstanding schools and parks; the Eaton County government complex; Sparrow Eaton Hospital and the ALIVE! facility; and the developing Combs Industrial Park, which consists of approximately 190 acres.

The City provides a full range of municipal services as established by statute or charter. These services include police and fire protection, water and sewer utility services, the construction and maintenance of roads, streets and infrastructure, recreational activities, economic and community development, and general administrative services.

For financial reporting purposes, this report includes all governmental, proprietary, and fiduciary funds of the City of Charlotte as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. The City of Charlotte Downtown Development Authority (DDA), the Local Development Financing Authority (LDFA) and Brownfield Redevelopment Authority are reported as discretely presented component units. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations, and cash flows from those of the primary government.

ECONOMIC CONDITION AND OUTLOOK

The 2023-24 fiscal year saw an increase in property tax revenues, along with a slight increase in state-shared revenue, and a substantial increase in state and federal grant revenues. Expenses realized a moderate increase compared to fiscal year 2023, mainly due to expenditures recognized related to new federal programs.

The City receives a portion of the state's gasoline tax to fund street operations and capital needs (Act 51 Revenue). After many years of stagnation in this revenue source, the state legislature passed an increase to the funding formula that is to be phased in over the next several years. The City Council previously adopted a multi-year street reconstruction and rehabilitation plan that utilizes the estimated increase in funding. That plan is evaluated and adjusted annually as projections are compared to actual revenue receipts.

The City received its tenth installment of Eaton County's 12-year dedicated street infrastructure millage, approved by voters in November 2014. The City received $378 thousand from this source in fiscal year 2024. Like those from the increased Act 51 state revenue described above, these funds are dedicated to reconstruction and rehabilitation projects identified in the Council-adopted street improvement plan.

MAJOR INITIATIVES

Following are highlights of some of the City's major projects recently completed or planned for the future:

> ***Road/Water/Sewer Projects*** **-** The City began engineering work in FY2022 for the reconstruction of Hall/Washington/McClure which began construction in 2023. This was completed in 2024.
>
> ***Safe Routes to Schools*** **-** In partnership with the Charlotte Public Schools, Sparrow Hospital, and community groups, the City received a grant to install sidewalks and other public education initiatives as part of the Safe Routes to Schools program in 2022. The preliminary work is complete and construction is wrapping up on this $1.8 million project.
>
> ***Fire Grants*** **-** The City received a federal grant for $1.17 million to hire three full-time firefighters (SAFER grant) starting in fiscal year 2024-25 and continuing for three years. In addition, Fire received another Federal grant for $714K for the purchase of Self-Contained Breathing Apparatus (SCBA) equipment which was completed during the fiscal year.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues (receivables) being recorded when available and measurable and expenditures (liabilities) being recorded when the services or goods are received. Accounting activity for the City's enterprise funds and internal service funds are maintained on the full-accrual basis. Assets used in governmental fund-type operations and long-term liabilities expected to be financed from governmental funds are accounted for in the government-wide level statements, not in the governmental fund statements.

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that accurate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles GAAP). Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives will be met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and local financial assistance (grants), the City is responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with the applicable laws and regulations related to these programs. This internal control is subject to periodic evaluation by senior management of the City and the external independent audit staff retained by the City for required annual audits.

The City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council.

Activities of the General Fund and special revenue funds are included in the annual appropriated budget. Project-length budgets are prepared for capital projects funds, if any. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the functional level (activity) within each fund.

CASH MANAGEMENT AND INVESTMENTS

The City is conservative in its approach to cash management with a realization that there is a time value to money. A high priority has been placed on procedures to ensure that all monies due to the City are collected and deposited as promptly as possible. Disbursements are closely controlled and wire and ACH transfers are used whenever appropriate.

Of equal importance is the emphasis on investment portfolio management. During the year, the City's investment earnings were primarily attributable to the use of a sweep account, with additional earnings from 26-week CDARS. These investments are consistent with the City's policy to minimize credit and market risk while maintaining a competitive yield on its portfolio.

INDEPENDENT AUDIT

State law requires an annual audit by independent certified public accountants. The auditing firm of Manor Costerisan PC., was selected to conduct the required audit and their report is included in the Annual Comprehensive Financial Report.

I want to thank the City's staff for their cooperation and assistance throughout the past year. City staff continues to work hard to ensure we continue to maintain a high level of city services. I also appreciate the support extended by the Mayor and City Council throughout the year.

On behalf of the City of Charlotte, I respectfully submit this annual report.

Sincerely,

Robert Hillard
City Manager

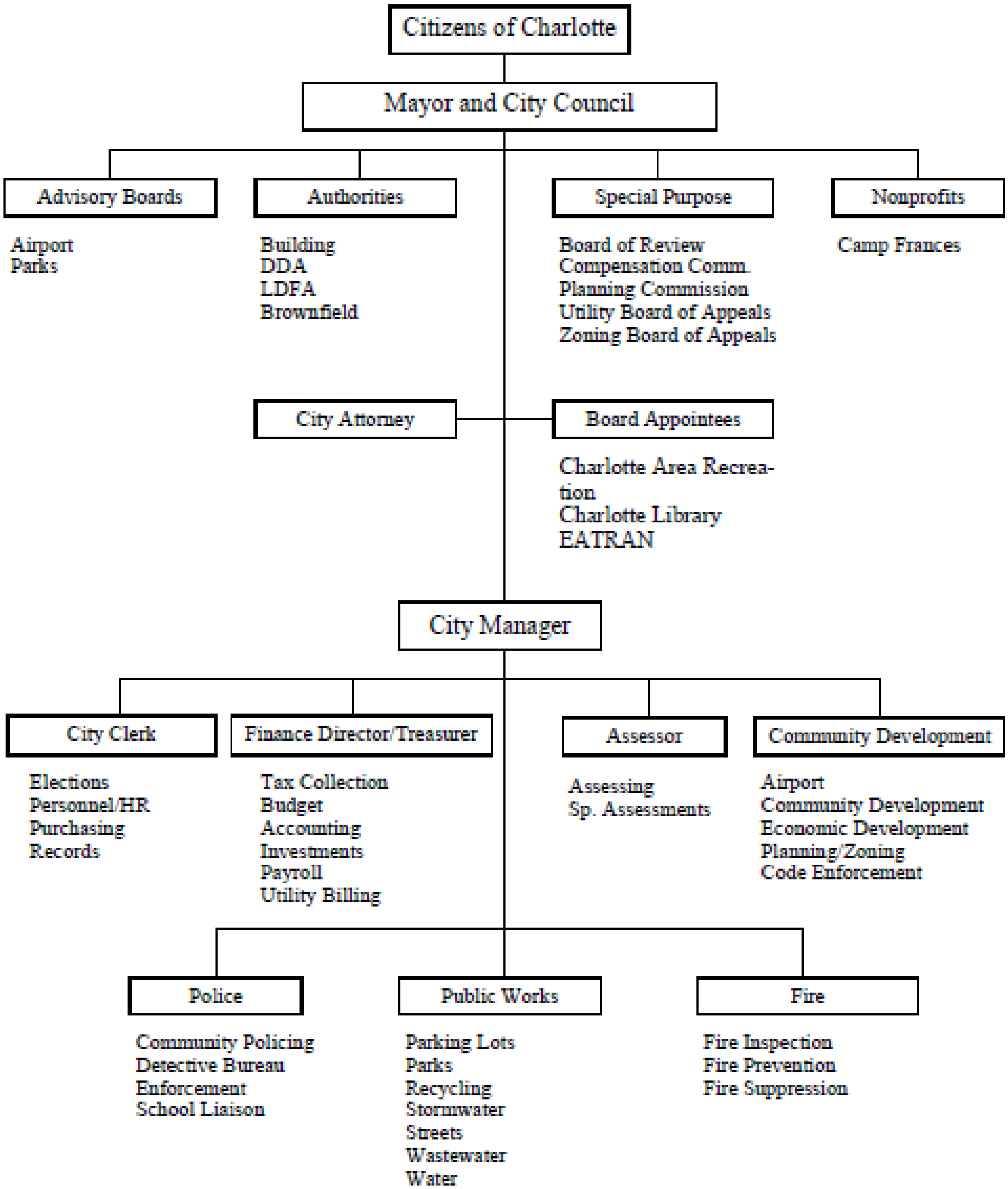
CITY OF CHARLOTTE
LIST OF CITY OFFICIALS
YEAR ENDED JUNE 30, 2024

ELECTED OFFICIALS

Tim Lewis, Mayor
Michael Duweck, Mayor Pro-Tem
Curtis Scott, Councilmember
Anthony Rodriguez, Councilmember
Jeffrey Christensen, Councilmember
Kevin Fullerton, Councilmember
Joseph Chin Jr., Councilmember

APPOINTED OFFICIALS

Robert Hillard, City Manager
Kevin Christiansen, Fire Chief
Anthony Meyaard, Assessor (contracted)
The Woodhill Group, Interim Finance Director/Treasurer (contracted)
Mary Larocque, City Clerk
Amy Gilson, Director of Public Works
Paul Brentar, Police Chief
Vacant, Community Development
Thomas Hitch, City Attorney (contracted)


Citizens of Charlotte
Mayor and City Council
Advisory Boards
Airport
Parks
Authorities
Building
DDA
LDFA
Brownfield
Special Purpose
Board of Review
Compensation Comm.
Planning Commission
Utility Board of Appeals
Zoning Board of Appeals
Nonprofits
Camp Frances
City Attorney
Board Appointees
Charlotte Area Recrea-
tion
Charlotte Library
EATRAN
City Manager
City Clerk
Elections
Personnel/HR
Purchasing
Records
Finance Director/Treasurer
Tax Collection
Budget
Accounting
Investments
Payroll
Utility Billing
Assessor
Assessing
Sp. Assessments
Community Development
Airport
Community Development
Economic Development
Planning/Zoning
Code Enforcement
Police
Community Policing
Detective Bureau
Enforcement
School Liaison
Public Works
Parking Lots
Parks
Recycling
Stormwater
Streets
Wastewater
Water
Fire
Fire Inspection
Fire Prevention
Fire Suppression

FINANCIAL SECTION

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
517.323.7500
517.323.6346

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
City of Charlotte, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Charlotte, Michigan (the City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maner Costerisan PC

November 22, 2024

CITY OF CHARLOTTE
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Charlotte, Michigan (the "City" or "government"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the basic financial statements and additional information that we have furnished in our letter of transmittal (pages 2-5).

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $35.76 million (*net position*).

- The City had total revenue of $19.02 million and total expenses of $12.7 million resulting in an increase in total net position by $6.3 million.

- As of the close of the 2024 fiscal year, the City's *governmental funds* reported combined ending fund balances of $7.3 million, an increase of $1.5 million in comparison of the prior year. Approximately 40% of the combined fund balances, or $2.92 million was available for spending at the government's discretion *("unassigned fund balance")*.

- The General Fund fund balance was $3.9 million, or 55% of the total General Fund expenditures and other financing uses. Of the total $3.9 million fund balance, $148k was nonspendable, leaving $3.76 million, or 53% of expenditures and other financing uses. The unassigned fund balance for the General Fund was $2.92 million, or 41% of total General Fund expenditures and other financing uses.

Overview and Analysis of the Financial Statements

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

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community development, and recreation and culture. The business-type activities of the City include water supply and sewage disposal and recycling.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also legally separate entities for which the City is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself. The Building Authority and Camp Frances, although also legally separate, function for all practical purposes as departments of the City, and therefore have been included as an integral part of the primary government.

Fund Financial Statements

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

Governmental Funds

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

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

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

The City adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements have been provided herein to demonstrate compliance with those budgets.

Proprietary Funds

The City maintains two different types of proprietary funds, *enterprise funds* and *internal service funds*. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the Water Supply and Sewage Disposal and Recycling funds. *Internal service funds* are an accounting device used to accumulate and allocate cost internally among the City's various functions. The City uses internal service funds to account for its motor vehicle pool and information technology. These services predominantly benefit governmental rather than business-type functions, therefore, they have been allocated to *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water Supply and Sewage Disposal which is considered to be a major fund of the City. The nonmajor enterprise fund and internal service funds are combined into single, aggregated presentations in the proprietary fund financial statements.

The basic proprietary fund financial statements include the *statement of cash flows*. The *statement of cash flows* allows financial statement users to assess the proprietary funds' adequacy or ability to generate sufficient cash flows to meet its obligations in a timely manner. The statement is classified into four categories: 1) cash flows from operating activities, 2) cash flows from non-capital financing activities, 3) cash flows from capital and related financing activities, and 4) cash flows from investing activities.

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to schedules concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Charlotte, assets exceeded liabilities by $35,756,624 at the close of the most recent fiscal year. The following chart illustrates the composition of net position:

	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
ASSETS						
Current and other assets	$ 8,435,332	$ 9,170,660	$ 4,636,701	$ 4,827,919	$ 13,072,033	$ 13,998,579
Capital assets, net	17,894,665	20,079,136	14,703,832	15,106,065	32,598,497	35,185,201
TOTAL ASSETS	26,329,997	29,249,796	19,340,533	19,933,984	45,670,530	49,183,780
DEFERRED OUTFLOWS OF RESOURCES	1,972,345	1,727,511	446,674	347,846	2,419,019	2,075,357
LIABILITIES						
Current liabilities	2,156,273	1,449,110	865,164	196,386	3,021,437	1,645,496
Noncurrent liabilities	13,064,037	11,731,448	2,315,281	1,980,877	15,379,318	13,712,325
TOTAL LIABILITIES	15,220,310	13,180,558	3,180,445	2,177,263	18,400,755	15,357,821
DEFERRED INFLOWS OF RESOURCES	188,850	120,164	41,384	24,528	230,234	144,692
NET POSITION						
Net investment in capital assets	16,362,416	18,735,597	14,232,123	15,106,065	30,594,539	33,841,662
Restricted	2,686,939	3,385,172	421,534	-	3,108,473	3,385,172
Unrestricted	(6,156,173)	(4,444,184)	1,911,721	2,973,974	(4,244,452)	(1,470,210)
TOTAL NET POSITION	$ 12,893,182	$ 17,676,585	$ 16,565,378	$ 18,080,039	$ 29,458,560	$ 35,756,624

A significant portion of the City's net position, $33,841,662, reflects its investment in capital assets (e.g., land, buildings and improvements, vehicles and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, $3,385,172, represents resources that are subject to external restrictions on how they may be used. Restricted net position includes amounts set aside for debt service and externally mandated commitments. The remaining balance of *unrestricted net position*, the amount that may be used to meet the government's ongoing obligations to citizens and creditors, is ($1,470,210), representing the amount of resources that the City could utilize to promptly satisfy all accrued future liabilities.

Generally accepted accounting principles (GAAP) require that the City show our liability for pension benefits promised in the future as a liability on our entity-wide financial statements. An actuarial valuation as of December 31, 2023, provided a total pension liability of $26,291,200. The City had plan fiduciary net position of $14,801,911 as of plan year-end, with a net pension liability of $11,489,289. The net pension liability was allocated to the Governmental Activities and Business-type Activities.

GAAP also require that the City show our liability for retiree health care and death benefits, or other post-employment benefits (OPEB) promised in the future as a liability on our entity-wide financial statements. An actuarial valuation as of June 30, 2024, provided a total OPEB liability of $994,907. The City's plan fiduciary net position was $290,498. The resulting net OPEB liability of $704,409 was allocated to the Governmental Activities.

The government's total net position increased by $6.3 million or 21.38%. This net increase was a combination of a $4.78 million increase in governmental activities net position and a $1.51 million increase in business-type activities net position.

City of Charlotte's Changes in Net Position
For the Year Ended June 30, 2023 and June 30, 2024

	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
REVENUES						
Program revenue						
Charges for services	$ 851,626	$ 1,302,520	$ 4,853,245	$ 5,034,665	$ 5,704,871	$ 6,337,185
Operating grants and contributions	2,941,775	4,005,778	26,200	34,223	2,967,975	4,040,001
Capital grants and contributions	4,023	1,516,987	151,968	343,775	155,991	1,860,762
General revenue						
Property taxes	4,608,016	4,856,572	17,941	24,791	4,625,957	4,881,363
State shared revenues - unrestricted	1,162,995	1,191,438	-	-	1,162,995	1,191,438
Investment earnings	179,041	307,701	67,742	96,837	246,783	404,538
Gain on disposal of capital assets	10,922	249,829	-	-	10,922	249,829
Other	-	-	30,608	59,633	30,608	59,633
TOTAL REVENUES	9,758,398	13,430,825	5,147,704	5,593,924	14,906,102	19,024,749
EXPENSES						
General government	1,220,034	1,756,703	-	-	1,220,034	1,756,703
Public safety	4,317,414	4,291,076	-	-	4,317,414	4,291,076
Public works	1,598,933	1,800,537	-	-	1,598,933	1,800,537
Community development	294,289	418,468	-	-	294,289	418,468
Recreation and culture	228,699	343,267	-	-	228,699	343,267
Interest on long-term debt	34,298	37,371	-	-	34,298	37,371
Water supply and sewage disposal	-	-	4,338,987	4,021,569	4,338,987	4,021,569
Recycling	-	-	56,658	57,694	56,658	57,694
TOTAL EXPENSES	7,693,667	8,647,422	4,395,645	4,079,263	12,089,312	12,726,685
Change in net position	2,064,731	4,783,403	752,059	1,514,661	2,816,790	6,298,064
Net position - beginning of year	10,828,451	12,893,182	15,813,319	16,565,378	26,641,770	29,458,560
Net position - end of year	$ 12,893,182	$ 17,676,585	$ 16,565,378	$ 18,080,039	$ 29,458,560	$ 35,756,624

Governmental Activities

Governmental activities increased the City's net position $4.78 million in 2024 as compared to a net increase of $2.06 million in 2023. Governmental revenues increased by $3.7 million or 38% due primarily to operating and capital grants and contributions. There was an increase of total governmental expenses as compared to 2023 of 12.4%, due primarily to general government expenses.

Business-type Activities

Business-type activities increased the City's net position by $1.51 million as compared to a prior year increase of $752 thousand. The net increase is primarily related to a decrease of $301,982 in operating expenses from 2023 to 2024, primarily due to adjustment for pension expenses.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

As of the close of the current fiscal year, the City's *governmental funds* reported combined ending fund balances of $7,300,712, an increase of $1,501,841 in comparison of $1,570,651 for the prior year 2023. This is primarily due to an increase in revenue of $1,701,544 in the General Fund to recognize grants received related to airport and pensions. Approximately 40% of the combined fund balances, or $2,919,706 was available for spending at the government's discretion *("unassigned fund balance").*

The remainder of fund balance is *nonspendable, restricted, committed, or assigned* to indicate that it is not available for new spending because it has already been committed 1) for encumbrances, inventories, and prepaid expenditures, 2) for advances to other funds and component units, 3) to generate income to pay for the municipal cemetery and future recreation programs, and 4) designated for use for next year's expenditures.

General Fund

The General Fund balance was $3,909,090, or 55% of the total General Fund expenditures and other financing uses. Of the total, $3.9 million fund balance, $148 thousand was nonspendable, and $841 thousand was assigned, leaving $2.92million of unassigned fund balance, or 41% of expenditures and other financing uses.

The General Fund favorably increased the fund balance a total of $804 thousand, which is $661 thousand higher than the amended budget. Revenues favorably exceeded the budget by $1.03 million due primarily to favorable intergovernmental revenue related to airport grant revenue and a State pension grant. The General Fund operating expenditures exceeded the amended budget by $369 thousand, due primarily to pension contributions that were reimbursed by a grant.

Major Streets Fund

The Major Streets Fund is used to account for the funds received from the State for maintenance and various infrastructure street projects throughout the City. Fund balance increased $326 thousand to $1,729,382. The entire fund balance is restricted.

Fire Fund

The Fire Fund is used to account for the funds received from property taxes and from the Rural Fire Association for area-wide fire protection. Fund balance increased $44 thousand to $66,436. The entire fund balance is restricted to fire related expenditures.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Water Supply and Sewage Disposal Fund

The Water Supply and Sewage Disposal Fund had an unrestricted net position of $2,835,659 with a total net position of $17,941,724. The fund had an increase in net position of $1,473,797.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2024, the City had invested $35.2 million in a broad range of capital assets, including police and fire equipment, buildings, computer equipment and software, parks and recreation facilities, roads, sidewalks, parking lots, and water and sewer lines. During the year the City capitalized $844,416 in easements, $1,430,250 related to vehicles, $142,707 related to buildings and improvements, and $1,512,031 related to infrastructure improvements. The City also capitalized $1,001,945 in water and sewer system improvements. The City recognized $1,406,309 and $599,712 in depreciation expense for governmental and business-type activities, respectively. More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

Long-term Debt

At the end of the current fiscal year, the City had $1.9 million in bonds, notes outstanding, and compensated absences. This represents a decrease of approximately $659 thousand from the previous year. More detailed information about the City's long-term debt is presented in Note 5 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

In FY2025, the City plans on using current projected revenues and some fund reserves to maintain the current level of essential services and programs without an increase in millage rates.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director/Treasurer, City of Charlotte, 111 E Lawrence Ave, Charlotte, MI 48813.

BASIC FINANCIAL STATEMENTS

CITY OF CHARLOTTE
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	$ 8,546,100	$ 3,406,040	$ 11,952,140	$ 1,427,604
Receivables				
Accounts, net	5,952	1,116,463	1,122,415	75
Notes	-	-	-	11,465
Special assessments	9,661	-	9,661	1,319
Due from other governmental units	399,648	42,209	441,857	-
Inventories	18,504	234,277	252,781	-
Prepaids	190,795	28,930	219,725	-
Total current assets	9,170,660	4,827,919	13,998,579	1,440,463
Noncurrent assets				
Capital assets not being depreciated	4,017,740	104,995	4,122,735	214,777
Capital assets, net of accumulated depreciation	16,061,396	15,001,070	31,062,466	-
Total noncurrent assets	20,079,136	15,106,065	35,185,201	214,777
TOTAL ASSETS	29,249,796	19,933,984	49,183,780	1,655,240
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	17,755	-	17,755	-
Deferred outflows of resources related to pensions	1,704,119	347,846	2,051,965	-
Deferred outflows of resources related to OPEB	5,637	-	5,637	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,727,511	347,846	2,075,357	-
LIABILITIES				
Current liabilities				
Accounts payable	508,005	118,396	626,401	83,939
Accrued liabilities	294,905	29,413	324,318	-
Accrued interest payable	6,450	-	6,450	-
Unearned revenue	271,382	-	271,382	-
Current portion of compensated absences	183,355	48,577	231,932	-
Current portion of long-term debt	185,013	-	185,013	-
Total current liabilities	1,449,110	196,386	1,645,496	83,939
Noncurrent liabilities				
Noncurrent portion of compensated absences	309,111	33,235	342,346	-
Noncurrent portion of long-term debt	1,176,281	-	1,176,281	-
Net other post-employment benefits liability	704,409	-	704,409	-
Net pension liability	9,541,647	1,947,642	11,489,289	-
Total noncurrent liabilities	11,731,448	1,980,877	13,712,325	-
TOTAL LIABILITIES	13,180,558	2,177,263	15,357,821	83,939
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	120,164	24,528	144,692	-
NET POSITION				
Net investment in capital assets	18,735,597	15,106,065	33,841,662	214,777
Restricted				
Expendable, restricted for:				
Streets and highways	2,845,153	-	2,845,153	-
Fire	66,436	-	66,436	-
Debt service	152,845	-	152,845	-
Police training	20,133	-	20,133	-
Industrial park	254,815	-	254,815	-
Drug enforcement	6,422	-	6,422	-
Camp Frances	16,985	-	16,985	-
Grants	22,383	-	22,383	-
Unrestricted	(4,444,184)	2,973,974	(1,470,210)	1,356,524
TOTAL NET POSITION	$ 17,676,585	$ 18,080,039	$ 35,756,624	$ 1,571,301

See accompanying notes to financial statements.

CITY OF CHARLOTTE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
Primary government								
Governmental activities								
General government	$ 1,756,703	$ 664,206	$ 1,117,420	$ -	$ 24,923	$ -	$ 24,923	$ -
Public safety	4,291,076	502,907	392,602	714,843	(2,680,724)	-	(2,680,724)	-
Public works	1,800,537	117,307	2,480,590	802,144	1,599,504	-	1,599,504	-
Community development	418,468	18,100	-	-	(400,368)	-	(400,368)	-
Recreation and culture	343,267	-	101	-	(343,166)	-	(343,166)	-
Interest on long-term debt	37,371	-	15,065	-	(22,306)	-	(22,306)	-
Total governmental activities	8,647,422	1,302,520	4,005,778	1,516,987	(1,822,137)	-	(1,822,137)	-
Business-type activities								
Water Supply and Sewage Disposal	4,021,569	5,019,944	-	343,775	-	1,342,150	1,342,150	-
Recycling	57,694	14,721	34,223	-	-	(8,750)	(8,750)	-
Total business-type activities	4,079,263	5,034,665	34,223	343,775	-	1,333,400	1,333,400	-
Total primary government	$ 12,726,685	$ 6,337,185	$ 4,040,001	$ 1,860,762	(1,822,137)	1,333,400	(488,737)	-
Component units								
Downtown Development Authority	$ 24,502	$ 2,475	$ 10,491	$ -	-	-	-	(11,536)
Local Development Financing Authority	4,150	684	-	-	-	-	-	(3,466)
Brownfield Redevelopment Authority	85,893	-	-	-	-	-	-	(85,893)
Total component units	$ 114,545	$ 3,159	$ 10,491	$ -	-	-	-	(100,895)
		General revenues						
		Property taxes			4,856,572	24,791	4,881,363	175,433
		Unrestricted state shared revenues			1,191,438	-	1,191,438	-
		Investment earnings			307,701	96,837	404,538	42,929
		Gain on disposal of assets			249,829	-	249,829	-
		Miscellaneous			-	59,633	59,633	-
		Total general revenues			6,605,540	181,261	6,786,801	218,362
		Change in net position			4,783,403	1,514,661	6,298,064	117,467
		Net position, beginning of the year			12,893,182	16,565,378	29,458,560	1,453,834
		Net position, end of the year			$ 17,676,585	$ 18,080,039	$ 35,756,624	$ 1,571,301

See accompanying notes to financial statements.

CITY OF CHARLOTTE
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024

	General	Major Streets	Fire	Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	$ 4,138,827	$ 1,637,040	$ 335,793	$ 1,633,646	$ 7,745,306
Receivables					
Accounts, net	3,766	365	1,631	190	5,952
Special assessments	-	-	-	9,661	9,661
Due from other governmental units	211,152	135,581	-	52,915	399,648
Inventories	18,504	-	-	-	18,504
Prepaids	129,505	2,092	38,024	1,996	171,617
TOTAL ASSETS	$ 4,501,754	$ 1,775,078	$ 375,448	$ 1,698,408	$ 8,350,688
LIABILITIES					
Accounts payable	$ 326,820	$ 43,718	$ 14,335	$ 90,635	$ 475,508
Accrued liabilities	258,844	1,978	30,295	2,308	293,425
Unearned revenue	7,000	-	264,382	-	271,382
TOTAL LIABILITIES	592,664	45,696	309,012	92,943	1,040,315
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	9,661	9,661
FUND BALANCES					
Nonspendable	148,009	2,092	38,024	1,996	190,121
Restricted	-	1,727,290	28,412	1,593,808	3,349,510
Assigned	841,375	-	-	-	841,375
Unassigned	2,919,706	-	-	-	2,919,706
TOTAL FUND BALANCES	3,909,090	1,729,382	66,436	1,595,804	7,300,712
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 4,501,754	$ 1,775,078	$ 375,448	$ 1,698,408	$ 8,350,688

See accompanying notes to financial statements.

CITY OF CHARLOTTE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balance - Governmental Funds		$ 7,300,712
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		
The cost of capital assets is	$ 53,406,530	
Accumulated depreciation is	(34,489,702)	
Capital assets, net		18,916,828
Other long-term assets are not available to pay for current period expenditures and, therefore, are considered unavailable in the funds.		9,661
Some items are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.		
Deferred outflows of resources related to pensions	1,674,309	
Deferred outflows of resources related to OPEB	5,637	
Deferred inflows of resources related to pensions	(118,062)	
Deferred charges on refunding	17,755	
		1,579,639
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of certain internal service funds are included in the governmental activities in the government-wide statement of net position.		
Net position of governmental activities accounted for in governmental activities internal service funds		1,809,092
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. Long-term liabilities at year-end consist of:		
Long-term obligations	(1,361,294)	
Net other post-employment benefits liability	(704,409)	
Net pension liability	(9,374,728)	
Accrued interest payable	(6,450)	
Compensated absences	(492,466)	
		(11,939,347)
Net Position of Governmental Activities		$ 17,676,585

See accompanying notes to financial statements.

CITY OF CHARLOTTE
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024

	General	Major Streets	Fire	Nonmajor Governmental Funds	Total
REVENUES					
Property taxes	$ 3,857,672	$ -	$ 919,423	$ 234,295	$ 5,011,390
Special assessments	-	-	-	3,339	3,339
Licenses and permits	34,415	-	-	-	34,415
Intergovernmental	3,122,547	1,961,050	1,050,336	372,286	6,506,219
Charges for services	448,145	-	471,935	-	920,080
Fines and forfeits	3,419	-	-	-	3,419
Interest and rents	229,568	42,195	7,782	72,436	351,981
Other	272,625	76,791	93,142	200,893	643,451
TOTAL REVENUES	7,968,391	2,080,036	2,542,618	883,249	13,474,294
EXPENDITURES					
Current					
General government	1,991,321	-	-	-	1,991,321
Public safety	2,906,511	-	2,647,202	6,267	5,559,980
Public works	1,526,156	1,653,746	-	435,998	3,615,900
Community and economic development	423,756	-	-	27,270	451,026
Recreation and culture	124,179	-	-	3,166	127,345
Debt service	-	-	23,381	203,500	226,881
TOTAL EXPENDITURES	6,971,923	1,653,746	2,670,583	676,201	11,972,453
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	996,468	426,290	(127,965)	207,048	1,501,841
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	172,200	119,856	292,056
Transfers out	(192,060)	(99,996)	-	-	(292,056)
TOTAL OTHER FINANCING SOURCES (USES)	(192,060)	(99,996)	172,200	119,856	-
NET CHANGE IN FUND BALANCES	804,408	326,294	44,235	326,904	1,501,841
Fund balances, beginning of year	3,104,682	1,403,088	22,201	1,268,900	5,798,871
Fund balances, end of year	$ 3,909,090	$ 1,729,382	$ 66,436	$ 1,595,804	$ 7,300,712

See accompanying notes to financial statements.

CITY OF CHARLOTTE
RECONCILIATION OF THE CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Total Governmental Funds		$ 1,501,841
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	$ 3,317,465	
Depreciation expense	(1,220,401)	
Excess of capital outlay over depreciation expense		2,097,064
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue		(93,535)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain individual funds are included in the governmental activities.		
Change in net position of governmental activities internal service funds		137,192
Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of:		
Debt principal retirement		182,698
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
(Decrease) in deferred outflows of resources related to pensions	(221,328)	
(Decrease) in deferred outflows of resources related to OPEB	(14,389)	
Decrease in deferred inflows of resources related to pensions	67,231	
(Decrease) in deferred charges on refunding	(2,536)	
Decrease in unamortized bond premiums	8,548	
Decrease in accrued interest payable	800	
Decrease in compensated absences	4,173	
Decrease in net pension liability	983,466	
Decrease in net OPEB liability	132,178	
		958,143
Change in Net Position of Governmental Activities		$ 4,783,403

See accompanying notes to financial statements.

CITY OF CHARLOTTE
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2024

	Enterprise Funds			Governmental Activities
	Water Supply and Sewage Disposal	Nonmajor Enterprise Fund - Recycling	Total	Internal Service Funds
ASSETS				
Current assets				
Cash and cash equivalents	$ 3,265,198	$ 140,842	$ 3,406,040	$ 800,794
Accounts receivable, net	1,116,463	-	1,116,463	-
Due from other governmental units	42,209	-	42,209	-
Inventories	234,277	-	234,277	-
Prepaids	27,751	1,179	28,930	19,178
Total current assets	4,685,898	142,021	4,827,919	819,972
Noncurrent assets				
Capital assets not being depreciated	104,995	-	104,995	31,500
Capital assets, net of accumulated depreciation	15,001,070	-	15,001,070	1,130,808
Total noncurrent assets	15,106,065	-	15,106,065	1,162,308
TOTAL ASSETS	19,791,963	142,021	19,933,984	1,982,280
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflows of resources related to pensions	347,403	443	347,846	29,810
LIABILITIES				
Current liabilities				
Accounts payable	117,844	552	118,396	32,497
Accrued liabilities	28,327	1,086	29,413	1,480
Current portion of compensated absences	48,577	-	48,577	-
Total current liabilities	194,748	1,638	196,386	33,977
Noncurrent liabilities				
Noncurrent portion of compensated absences	33,235	-	33,235	-
Net pension liability	1,945,162	2,480	1,947,642	166,919
Total noncurrent liabilities	1,978,397	2,480	1,980,877	166,919
TOTAL LIABILITIES	2,173,145	4,118	2,177,263	200,896
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	24,497	31	24,528	2,102
NET POSITION				
Net investment in capital assets	15,106,065	-	15,106,065	1,162,308
Unrestricted	2,835,659	138,315	2,973,974	646,784
TOTAL NET POSITION	$ 17,941,724	$ 138,315	$ 18,080,039	$ 1,809,092

See accompanying notes to financial statements.

CITY OF CHARLOTTE
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	Enterprise Funds			Governmental Activities
	Water Supply and Sewage Disposal	Nonmajor Enterprise Fund - Recycling	Total	Internal Service Funds
OPERATING REVENUES				
Water charges	$ 2,013,833	$ -	$ 2,013,833	$ -
Sewage charges	3,006,111	-	3,006,111	-
Recycling fees	-	14,721	14,721	-
Charges to other funds	-	-	-	832,796
Other	38,752	20,881	59,633	6,201
TOTAL OPERATING REVENUES	5,058,696	35,602	5,094,298	838,997
OPERATING EXPENSES				
Personnel services	1,354,223	46,625	1,400,848	118,613
Material and supplies	350,521	795	351,316	131,571
Utilities	334,288	3,709	337,997	61,605
Contractual	552,059	5,138	557,197	240,904
Insurance	11,716	62	11,778	13,221
Other expenses	780,909	1,365	782,274	49
Depreciation	599,712	-	599,712	185,908
TOTAL OPERATING EXPENSES	3,983,428	57,694	4,041,122	751,871
OPERATING INCOME (LOSS)	1,075,268	(22,092)	1,053,176	87,126
NONOPERATING REVENUES (EXPENSES)				
Grants	343,775	34,223	377,998	19,673
Property taxes	-	24,791	24,791	-
Interest earnings	92,895	3,942	96,837	17,358
Gain on disposal of assets	-	-	-	13,035
Interest expense and fiscal charges	(38,141)	-	(38,141)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	398,529	62,956	461,485	50,066
CHANGE IN NET POSITION	1,473,797	40,864	1,514,661	137,192
Net position, beginning of year	16,467,927	97,451	16,565,378	1,671,900
Net position, end of year	$ 17,941,724	$ 138,315	$ 18,080,039	$ 1,809,092

See accompanying notes to financial statements.

CITY OF CHARLOTTE
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

	Enterprise Funds			Governmental Activities
	Water Supply and Sewage Disposal	Nonmajor Enterprise Fund - Recycling	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers and interfund services	$ 4,955,125	$ 36,535	$ 4,991,660	$ 838,997
Cash paid to suppliers	(3,051,442)	(16,101)	(3,067,543)	(534,990)
Cash paid to employees	(842,694)	(42,676)	(885,370)	(74,585)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,060,989	(22,242)	1,038,747	229,422
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental	314,713	34,223	348,936	19,673
Property taxes	-	24,791	24,791	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	314,713	59,014	373,727	19,673
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(1,001,945)	-	(1,001,945)	(273,315)
Proceeds from disposal of capital asset	-	-	-	13,035
Payments on borrowings	(495,000)	-	(495,000)	-
Interest paid	(14,850)	-	(14,850)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1,511,795)	-	(1,511,795)	(260,280)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	92,895	3,942	96,837	17,358
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(43,198)	40,714	(2,484)	6,173
Cash and cash equivalents, beginning of year	3,308,396	100,128	3,408,524	794,621
Cash and cash equivalents, end of year	$ 3,265,198	$ 140,842	$ 3,406,040	$ 800,794
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	$ 1,075,268	$ (22,092)	$ 1,053,176	$ 87,126
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	599,712	-	599,712	185,908
(Increase) decrease in:				
Accounts receivable	(103,571)	933	(102,638)	-
Inventories	(49,928)	-	(49,928)	-
Prepaids	(11,092)	(982)	(12,074)	(3,728)
Deferred outflows of resources related to pension	75,417	120	75,537	6,581
Increase (decrease) in:				
Accounts payable	(184,463)	12	(184,451)	(13,554)
Accrued liabilities	10,288	385	10,673	476
Compensated absences	31,409	-	31,409	-
Net pension liability	(365,219)	(594)	(365,813)	(31,932)
Deferred inflows of resources related to pension	(16,832)	(24)	(16,856)	(1,455)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 1,060,989	$ (22,242)	$ 1,038,747	$ 229,422

See accompanying notes to financial statements.

CITY OF CHARLOTTE
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024

	Other Employee Benefit Trust Fund	
	Retiree Health Insurance Plan Trust	Custodial Funds
ASSETS		
Cash	$ -	$ 111,018
Pooled investment funds	290,498	-
TOTAL ASSETS	290,498	111,018
LIABILITIES		
Due to other governmental units	-	816
NET POSITION		
Restricted for:		
Other post-employment benefits (health insurance)	290,498	-
Individuals, organizations, and other governments	-	110,202
TOTAL NET POSITION	$ 290,498	$ 110,202

See accompanying notes to financial statements.

CITY OF CHARLOTTE
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2024

	Other Employee Benefit Trust Fund: Retiree Health Insurance Plan Trust	Custodial Funds
ADDITIONS		
Contributions		
Employer	$ 77,903	$ -
Investment earnings	26,207	-
Other additions	-	30,221
Collection of taxes for other governments	-	9,281,374
TOTAL ADDITIONS	104,110	9,311,595
DEDUCTIONS		
Administrative expenses	534	-
Benefit payments	17,564	-
Other	13,937	8,633
Payment of taxes collected for other governments	-	9,281,374
TOTAL DEDUCTIONS	32,035	9,290,007
NET CHANGE IN FIDUCIARY NET POSITION	72,075	21,588
Net position, beginning of year, as previously reported	218,423	-
Correction of error	-	88,614
Net position, beginning of year	218,423	88,614
Net position, end of year	$ 290,498	$ 110,202

See accompanying notes to financial statements.

CITY OF CHARLOTTE
COMPONENT UNITS
STATEMENT OF NET POSITION
JUNE 30, 2024

	Downtown Development Authority	Local Development Financing Authority	Brownfield Redevelopment Authority	Total Component Units
ASSETS				
Current assets				
Cash and cash equivalents	$ 82,691	$ 1,198,169	$ 146,744	$ 1,427,604
Accounts receivable	75	-	-	75
Special assessments receivable	1,319	-	-	1,319
Notes receivable	-	11,465	-	11,465
Total current assets	84,085	1,209,634	146,744	1,440,463
Noncurrent assets				
Capital assets not being depreciated	214,777	-	-	214,777
TOTAL ASSETS	298,862	1,209,634	146,744	1,655,240
LIABILITIES				
Current liabilities				
Accounts payable	-	-	83,939	83,939
NET POSITION				
Investment in capital assets	214,777	-	-	214,777
Unrestricted	84,085	1,209,634	62,805	1,356,524
TOTAL NET POSITION	$ 298,862	$ 1,209,634	$ 62,805	$ 1,571,301

See accompanying notes to financial statements.

CITY OF CHARLOTTE
COMPONENT UNITS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

		Program Revenues		Net (Expense) Revenues and Changes in Net Position			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Downtown Development Authority	Local Development Financing Authority	Brownfield Revelopment Authority	Total Component Units
Governmental Activities							
Downtown Development Finance Authority	$ 24,502	$ 2,475	$ 10,491	$ (11,536)	$ -	$ -	$ (11,536)
Local Development Financing Authority	4,150	684	-	-	(3,466)	-	(3,466)
Brownfield Redevelopment Authority	85,893	-	-	-	-	(85,893)	(85,893)
TOTALS	$ 114,545	$ 3,159	$ 10,491	(11,536)	(3,466)	(85,893)	(100,895)
General revenues							
Property taxes				69,194	-	106,239	175,433
Investment earnings				2,103	36,149	4,677	42,929
Total general revenues				71,297	36,149	110,916	218,362
Change in net position				59,761	32,683	25,023	117,467
Net position, beginning of year				239,101	1,176,951	37,782	1,453,834
Net position, end of year				$ 298,862	$ 1,209,634	$ 62,805	$ 1,571,301

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Charlotte (the City) is located within Eaton County, Michigan and has a population of approximately 9,300. The City of Charlotte, Michigan is a municipal corporation formed in 1863 and governed by a seven-member Council and administered by an appointed City Manager.

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

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial activities of the City of Charlotte (primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations, so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government. The blended and discretely presented component units each have a June 30 year-end.

Blended Component Units

The City of Charlotte Building Authority is a blended component unit which finances and constructs the City's public buildings and other structures. It is included within the reporting entity as it provides services exclusively to the City.

The Camp Frances Educational and Recreational Center (Camp Frances) is a municipal nonprofit corporation formed in 2009 pursuant to the Home Rule City Act as a single-member corporation. The City Council is the single member and appoints a board of trustees to manage the operations.

The blended component units' financial statements are included in the City's audited financial statements and are not audited separately.

Discretely Presented Component Units

The Downtown Development Authority (the "DDA") is a discretely presented component unit which corrects and prevents deterioration in the downtown district, encourages historical preservation, and promotes economic growth within the district. It is included within the reporting entity as the City Council appoints and may remove the DDA board and approves the DDA budget.

The Local Development Financing Authority (the "LDFA") is a discretely presented component unit which enhances and expands industrial development to eliminate the conditions of joblessness and underemployment. It is included within the reporting entity as the City Council appoints and may remove the LDFA board and approves the LDFA budget.

The Brownfield Redevelopment Authority (the "BRA") is a discretely presented component unit which promotes economic development within the community. It is included within the reporting entity as the City Council appoints and may remove the BRA board and approves the BRA budget.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Discretely Presented Component Units (concluded)

The discretely presented component units' financial statements are included in the City's audited financial statements and are not audited separately.

Fiduciary Component Unit

The Retiree Health Insurance Plan Trust Fund was established to account for the assets set aside to fund the City of Charlotte Retiree Health Insurance Plan. The primary purpose of the Trust is to provide the necessary funding for the retiree health insurance premiums provided to eligible City employees during retirement. The Trust was established through MERS Retiree Health Funding Vehicle, with the City Council serving as the trustees. The assets of the Trust are for the exclusive benefit of the participants and their beneficiaries, and the assets shall not be diverted to any other purchase prior to the satisfaction of all liabilities. The assets are protected from any of the City's creditors. The City Council has the ability to exercise responsibility, specifically in the area of designation of management.

Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities (the government-wide financial statements) present information for the primary government and its component units as a whole. All nonfiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide financial statements). For the most part, interfund activity has been eliminated in the preparation of these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents the direct functional expenses of the primary government and its component units and the program revenues that support them, demonstrating how governmental functions are either self-financing or supported by general revenues. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. General revenues include all taxes, interest, unrestricted State revenue sharing payments, and other revenues that are not required to be presented as program revenues.

FUND FINANCIAL STATEMENTS

The fund financial statements present the City's individual major funds and aggregated nonmajor funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (concluded)

FUND FINANCIAL STATEMENTS (concluded)

The City reports the following *Major Governmental Funds*:

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

b. The *Major Streets Fund* accounts for the resources of State gas and weight tax revenue that is restricted for use on major streets.

c. The *Fire Fund* accounts for property taxes and charges for services that are restricted for providing fire protection services.

The City reports the following *Major Enterprise Fund*:

a. The *Water Supply and Sewage Disposal Fund* accounts for the activities of the City's water distribution, water treatment, sewage disposal, and sewage treatment system; financing is provided primarily by user charges.

Additionally, the reports the following *Fund Types*:

a. *Special Revenue Funds* account for revenue sources that are restricted or committed to expenditures for specific purposes other than capital projects or permanent funds.

b. *Debt Service Funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

c. *Enterprise Funds* account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

d. The *Internal Service Funds* account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. This includes information technology and motor vehicle pool programs.

e. The *Other Employee Benefits Trust Fund* accounts for the activities of the Other Post-Employment Benefits Plan, which accumulates resources for other post-employment benefit payments to qualified employees.

f. The *Custodial Funds* accounts for taxes collected and distributed to other governments as well as amounts held for other individuals and agencies.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus

The government-wide, proprietary fund, and fiduciary fund financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net fund balance.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Revenues susceptible to accrual include state and federal grants and interest revenue. Other revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

All proprietary (i.e., enterprise and internal service) funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities to the beneficiaries of a fiduciary activity. Liabilities to beneficiaries are recognized when an event has occurred that compels the City to disburse fiduciary resources.

If/when both restricted and unrestricted resources are available for use, it is the policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting

The General and Special Revenue Fund budgets shown as required supplementary information were prepared on the same modified accrual basis used to reflect actual results. This basis is consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all required governmental fund types. All annual appropriations lapse at year end. The legal level of budgetary control is the function level. On or before its first meeting in April of each year, the City Manager must present the proposed budget to the government's council for review. The proposed budget must be on file and available for public inspection for a period of not less than one week prior to adoption by City Council, which must occur not later than the second meeting in May.

Formal budgetary integration is employed as a management control device during the year. Supplemental appropriations were approved by the Council in the form of budget amendment resolutions or as part of special authorizing motions for grants, bonds, or notes, the total of which was not significant in relation to the original budget appropriation valuations.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents consist of various cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments have original maturities of more than three months from the date of acquisition. Investments are reported at fair value.

In accordance with Michigan Compiled Laws, the City is authorized to invest in the following investment vehicles:

a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.

c. The United States government or federal agency obligations repurchase agreements.

d. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services, and which matures not more than 270 days after the date of purchase.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash, Cash Equivalents, and Investments (concluded)

e. Bankers' acceptances of United States banks.

f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Due from Other Governmental Units

Due from other governmental units consists of amounts due from the State of Michigan or other governments for various payments and grants.

Receivables

Receivables consist of amounts due from individuals, and businesses related to charges for services, amounts owed to the City from taxes levied, and notes that have not been collected.

Inventories

Inventories are valued at cost using the first in/first out (FIFO) method and consist of expendable supplies and repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Inventories of governmental funds are recorded as expenditures when purchased, except for fuel included in the General Fund.

Prepaids

Prepaid expenditures/expenses in the governmental and proprietary funds, such as memberships and insurance premiums, which are expected to be written off within the next fiscal year, are included in net current assets. Reported prepaid expenditures are equally offset by nonspendable fund balance which indicates they do not constitute "available spendable resources" even though they are a component of net current assets. Prepaid expenditures in the governmental funds are reported using the consumption method.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activity and component units columns in the government-wide financial statements. Capital assets are those with an initial individual cost of $5,000 or more and an estimated useful life of more than one year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition cost on the date received.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets (concluded)

Land and construction in progress are not depreciated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

Infrastructure	10-50 years
Water and sewer buildings and systems	10-100 years
Buildings and building improvements	25-50 years
Vehicles and equipment	3-10 years

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, subject to certain limitations. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements and proprietary fund types when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as noncurrent. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from debt proceeds received, are reported as expenses.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Unearned Revenue

Unearned revenues are reported for resources that have been received, but not yet earned.

Net Pension Liability

A net pension liability is calculated by subtracting the pension net position from the total pension liability. The net pension liability is deemed to be a noncurrent liability and is recognized in the government-wide financial statements as well as the enterprise funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net OPEB Liability

A net OPEB liability is calculated by subtracting the OPEB net position from the total OPEB liability. The net OPEB liability is deemed to be a noncurrent liability and is recognized in the government-wide financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position and balance sheet will, when applicable, report separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. *Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has several items that qualify for reporting in these categories and are reported in the government-wide financial statement of net position and in the proprietary funds statement of net position.

The City reports items in both categories, deferred outflows and inflows of resources, which correspond to the City's net pension liability and net OPEB liability and are related to differences between expected and actual experience, changes in assumptions, differences between projected and actual plan investment earnings, and contributions subsequent to the measurement date. The City also reports deferred outflows of resources for deferred charges on refunding.

Property Taxes

The City of Charlotte bills and collects its own property taxes and taxes for other governmental units. The City's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph:

> Property taxes are levied by the City of Charlotte on July 1 on the taxable valuation of property located in the City as of the preceding December 31, the lien date, and are payable without penalty through August 31. The July 1 levy was composed of the County's levy, ISD and local school district levies, the State Education Tax assessment and the City's millage and assessments. The City bills and collects its own property taxes for general governmental services, debt service, yard waste, recycling, and fire protection, and also collects for Eaton County, the District Library, and various school districts. Collections of property taxes and remittances of them to the appropriate authorities are accounted for in the Current Tax Collection custodial fund.
>
> The City is permitted by state statute to levy taxes up to 15 mills ($15 per $1,000 of assessed valuation) for general governmental services other than the payment of principal and interest on long-term debt. For the year ended June 30, 2024, the City levied 14.1369 mills for general governmental services, 0.9000 mills for debt service, 0.1800 mills for yard waste, 0.0960 mills for recycling, and 1.7620 mills for fire protection. The total original taxable value for the 2023 levy for property within the City was $260,407,733.
>
> The Downtown Development Authority is permitted by P.A. 197 of Michigan to levy taxes up to $2.00 per $1,000 of assessed valuation of property in the downtown district. The Authority's current year tax rate was $1.8890 per $1,000 of assessed valuation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax Abatements

The City's tax revenues have been reduced by tax abatements. There have been no significant abatements made by the City or other governmental units that significantly reduce tax revenue within the City. Management has determined these amounts to be immaterial to the financial statements.

Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

The Internal Service Funds record charges for motor pool and technology provided to various City departments and funds as operating revenue. All City funds record these payments as operating expenditures/expenses. The net revenues or losses of the Internal Service Funds, as well as the net position, are included in the reconciliation to the government-wide financial statements.

Fund Balance Classifications

Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following are the five fund balance classifications:

Nonspendable - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

Committed - amounts constrained on use imposed by formal action of the government's highest level of decision-making authority (i.e., Board, Council, etc.).

Assigned - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

Unassigned - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

Fund Balance Classification Policies and Procedures

For committed fund balance, City of Charlotte's highest level of decision-making authority is the City Council. The formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment is a Council Resolution.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Fund Balance Classification Policies and Procedures (concluded)

For assigned fund balance, the City Council has delegated the responsibility for making fund balance assignments to the Finance Director and City Treasurer.

For the classification of fund balances, the City of Charlotte considers restricted or unrestricted amounts to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also, for the classification of fund balances, after restricted amounts have been depleted, the City considers committed, assigned, or unassigned amounts to have been spent, in succession when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Restricted Net Position

Restrictions of net position shown in the government-wide financial statements indicate restrictions imposed by the funding source or some other outside source, which precludes their use for unrestricted purposes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

As of June 30, 2024, the City had deposits and investments subject to the following risk:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2024, $10,455,512 of the City's bank balance of $11,205,512 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was $10,966,841. The financial statements report $1,000 of imprest cash on hand.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City's banking and investment policy does not specifically address custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by designating its investment portfolio with the objective of obtaining a rate of return through the economic cycles considering risk constraints and cash flow characteristics.

	Fair Value	Weighted Average Maturity
Michigan CLASS	$ 2,522,921	30 days

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

	Fair Value	Rating	Rating Agency
Michigan CLASS	$ 2,522,921	AAAm	Standard & Poor's

Concentration of Credit Risk

The City will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the City's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Foreign Currency Risk

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

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares in MERS and Michigan CLASS investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Investments in Entities that Calculate Net Asset Value per Share (concluded

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 % by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies. MERS invests assets in a manner which will seek the highest investment return consistent with the preservation of principal and meet the daily liquidity needs of participants.

At the year ended June 30, 2024, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
MERS total market portfolio	$ 290,498	$ -	No restrictions	None
Michigan CLASS	2,522,921	-	No restrictions	None
	$ 2,813,419	$ -		

As of June 30, 2024, the carrying amount and fair value for each cash and investment type are as follows:

	Primary Government	Component Units	Fiduciary Funds	Reporting Entity
Cash and cash equivalents	$ 11,952,140	$ 1,427,604	$ 111,018	$ 13,490,762
Pooled investment funds	-	-	290,498	290,498
	$ 11,952,140	$ 1,427,604	$ 401,516	$ 13,781,260

NOTE 3 - INTERFUND TRANSFERS

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds and enterprise funds have been eliminated.

Transfers to Fire Fund from:	
General Fund	$ 172,200
Transfers to nonmajor governmental funds from:	
General Fund	$ 19,860
Major Street Fund	99,996
	$ 119,856

Transfers are used to move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them, move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

Primary Government

	Balance July 1, 2023	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2024
Governmental Activities				
Capital assets not being depreciated				
Land	$ 2,115,813	$ -	$ -	$ 2,115,813
Construction in progress	689,107	1,367,463	(1,706,087)	350,483
Easement	707,028	844,416	-	1,551,444
Subtotal	3,511,948	2,211,879	(1,706,087)	4,017,740
Capital assets being depreciated				
Infrastructure	33,760,728	1,512,031	-	35,272,759
Buildings and improvements	6,806,017	142,707	-	6,948,724
Vehicles and equipment	9,699,436	1,430,250	-	11,129,686
Subtotal	50,266,181	3,084,988	-	53,351,169
Less accumulated depreciation for:				
Infrastructure	(25,578,421)	(665,858)	-	(26,244,279)
Buildings and improvements	(3,433,726)	(155,644)	-	(3,589,370)
Vehicles and equipment	(6,871,317)	(584,807)	-	(7,456,124)
Subtotal	(35,883,464)	(1,406,309)	-	(37,289,773)
Net capital assets being depreciated	14,382,717	1,678,679	-	16,061,396
Capital assets, net	$ 17,894,665	$ 3,890,558	$ (1,706,087)	$ 20,079,136

NOTE 4 - CAPITAL ASSETS (concluded)

Primary Government (concluded)

Depreciation expense was charged to the following governmental activities:

General government	$	44,205
Public safety		431,617
Public works		525,692
Recreation and culture		218,886
Internal service funds		185,909
	$	1,406,309

	Balance July 1, 2023	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2024
Business-type Activities				
Capital assets not being depreciated				
Land	$ 104,995	$ -	$ -	$ 104,995
Construction in progress	239,987	823,421	(1,063,408)	-
Subtotal	344,982	823,421	(1,063,408)	104,995
Capital assets being depreciated				
Buildings and systems	33,499,834	1,241,932	-	34,741,766
Less accumulated depreciation for:				
Buildings and systems	(19,140,984)	(599,712)	-	(19,740,696)
Net capital assets being depreciated	14,358,850	642,220	-	15,001,070
Capital assets, net	$ 14,703,832	$ 1,465,641	$ (1,063,408)	$ 15,106,065

Depreciation expense was charged to the following business-type activities:

Water Supply and Sewage Disposal	$	599,712

Component Units

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated				
Land	$ 214,777	$ -	$ -	$ 214,777

NOTE 5 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations (including current portion) of the City for the year ended June 30, 2024:

Primary Government

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Amounts Due Within One Year
PRIMARY GOVERNMENT					
Governmental Activities					
General obligation bonds	$ 1,450,000	$ -	$ (160,000)	$ 1,290,000	$ 165,000
Direct borrowings	34,163	-	(22,698)	11,465	11,465
Compensated absences	496,639	217,348	(221,521)	492,466	183,355
Unamortized bond premiums	68,377	-	(8,548)	59,829	8,548
Total Governmental Activities	2,049,179	217,348	(412,767)	1,853,760	368,368
Business-type Activities					
Revenue refunding bonds	495,000	-	(495,000)	-	-
Compensated absences	50,403	75,942	(44,533)	81,812	48,577
Total Business-type Activities	545,403	75,942	(539,533)	81,812	48,577
Total Primary Government Long-term Obligations	$ 2,594,582	$ 293,290	$ (952,300)	$ 1,935,572	$ 416,945

Significant details regarding outstanding long-term obligations (including current portion) are presented below:

GOVERNMENTAL ACTIVITIES

General Obligation Bonds

$2,165,000 2017 General Obligation Unlimited Tax Refunding Bonds dated November 2, 2017, due in annual installments ranging from $165,000 to $205,000 through May 1, 2031, with interest of 3.00% payable semiannually.	$ 1,290,000

Direct Borrowings

$105,000 LDFA loan payable due in monthly installments of $974 through June 30, 2025, with interest of 2.00%, payable monthly.	$ 11,465

Compensated Absences

In accordance with City personnel policies and/or contracts negotiated with various employee groups of the City, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in their respective personnel policies and/or contracts. The dollar amount of these vested rights, including related payroll taxes, amounted to $492,466 and $81,812 for vacation and sick for governmental and business-type activities, respectively, at June 30, 2024. Of those amounts, $183,355 and $48,577 have been recorded as current liabilities for governmental and business-type activities, respectively.

NOTE 5 - LONG-TERM OBLIGATIONS (concluded)

Primary Government (concluded)

Compensated Absences (concluded)

All City departments and funds with employees liquidate vacation, compensated absences, and normal sick leave as a direct payout. For governmental activities, compensated absences are generally liquidated by the General Fund.

The City's outstanding obligations from direct borrowings and direct placements related to governmental activities of $11,465 contain provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

The annual requirements to pay the long-term obligations as of June 30, 2024, including interest are as follows:

	Primary Government			
Year	General Obligation Bonds		Direct Borrowing	
Ending	Governmental Activities		Governmental Activities	
June 30,	Principal	Interest	Principal	Interest
2025	$ 165,000	$ 38,700	$ 11,465	$ 229
2026	175,000	33,750	-	-
2027	175,000	28,500	-	-
2028	185,000	23,250	-	-
2029	190,000	17,700	-	-
2030-2031	400,000	18,150	-	-
	$ 1,290,000	$ 160,050	$ 11,465	$ 229

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Plan Description

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

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

Summary of Significant Accounting Policies

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided

01 - SEIU, DPW, WWTP: Closed to new hires

Benefit Multiplier:	2.25% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (unreduced):	55/25
Early Retirement (reduced):	50/25 or 55/15
Final Average Compensation:	5 years
Member Contributions:	2.25%
Act 88:	Yes (Adopted 9/9/1968)

02 - Police NSU: Closed to new hires

Benefit Multiplier:	3.00% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (unreduced):	50/25
Early Retirement (reduced):	55/15
Final Average Compensation:	5 years
Member Contributions:	10.00%
Act 88:	Yes (Adopted 9/9/1968)

05 - Fire: Closed to new hires

Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (unreduced):	55/20
Early Retirement (reduced):	50/25 or 55/15
Final Average Compensation:	5 years
Member Contributions:	7.20%
Act 88:	Yes (Adopted 9/9/1968)

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

Benefits Provided (continued)

10 - Non Union: Closed to new hires

Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (unreduced):	55/20
Early Retirement (reduced):	50/25 or 55/15
Final Average Compensation:	5 years
Member Contributions:	7.20%
Act 88:	Yes (Adopted 9/9/1968)

12 - SEIU Clrcl: Closed to new hires

Benefit Multiplier:	2.25% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (unreduced):	55/20
Early Retirement (reduced):	50/25 or 55/15
Final Average Compensation:	5 years
Member Contributions:	2.25%
Act 88:	Yes (Adopted 9/9/1968)

21 - FOP Sprvsn: Closed to new hires

Benefit Multiplier:	3.00% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (unreduced):	50/25
Early Retirement (reduced):	55/15
Final Average Compensation:	5 years
Member Contributions:	13.00%
Act 88:	Yes (Adopted 9/9/1968)

HA - Police Union After 7/1/2012: Open Division

Benefit Multiplier:	1.75% Multiplier (no max)
Normal Retirement Age:	60
Vesting:	6 years
Early Retirement (unreduced):	55/25
Early Retirement (reduced):	-
Final Average Compensation:	3 years
Member Contributions:	0.00%
Act 88:	Yes (Adopted 9/9/1968)

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

Benefits Provided (concluded)

HB - SEIU Union DPW/Cler aft 7/1/1: Open Division

Benefit Multiplier:	1.25% Multiplier (no max)
Normal Retirement Age:	60
Vesting:	6 years
Early Retirement (unreduced):	-
Early Retirement (reduced):	-
Final Average Compensation:	3 years
Member Contributions:	0.00%
Act 88:	Yes (Adopted 9/9/1968)

HC - Fire aft 4/1/13: Open Division

Benefit Multiplier:	1.75% Multiplier (no max)
Normal Retirement Age:	60
Vesting:	6 years
Early Retirement (unreduced):	55/25
Early Retirement (reduced):	-
Final Average Compensation:	3 years
Member Contributions:	0.00%
Act 88:	Yes (Adopted 9/9/1968)

HD - Non Union on/aft 4/1/13: Open Division

Benefit Multiplier:	1.25% Multiplier (no max)
Normal Retirement Age:	60
Vesting:	6 years
Early Retirement (unreduced):	55/25
Early Retirement (reduced):	-
Final Average Compensation:	3 years
Member Contributions:	0.00%
Act 88:	Yes (Adopted 9/9/1968)

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the City Council, generally after negotiations of these terms with the affected unions. Benefit terms may be subject to binding arbitration in certain circumstances.

At the December 31, 2023, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	79
Inactive employees entitled to but not yet receiving benefits	17
Active employees	49
Total employees covered by the Plan	145

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Employer contributions range from 8.51% to 48.37% based on annual payroll for open divisions.

Payable to the Pension Plan

At June 30, 2024, there were no amounts outstanding by the City for contributions to the pension plan required for the year ended June 30, 2024.

Net Pension Liability

The employer's net pension liability reported at June 30, 2024, was determined using a measure of the total pension liability and the pension net position as of December 31, 2023. The December 31, 2023 total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability during the measurement year were as follows:

	Increase (Decrease)		
Changes in Net Pension Liability	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2022	$ 25,525,414	$ 12,654,914	$ 12,870,500
Changes for the Year			
Service cost	314,131	-	314,131
Interest on total pension liability	1,796,049	-	1,796,049
Difference between expected and actual experience	282,813	-	282,813
Changes in assumptions	191,567	-	191,567
Employer contributions	-	2,435,638	(2,435,638)
Employee contributions	-	78,237	(78,237)
Net investment income	-	1,482,162	(1,482,162)
Benefit payments, including employee refunds	(1,818,774)	(1,818,774)	-
Administrative expense	-	(30,266)	30,266
Net changes	765,786	2,146,997	(1,381,211)
Balances as of December 31, 2023	$ 26,291,200	$ 14,801,911	$ 11,489,289

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized pension expense of $1,519,527. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 212,110	$ 144,692
Changes in assumptions	370,745	-
Net difference between projected and actual earnings on pension plan investments	652,607	-
Contributions subsequent to the measurement date*	816,503	-
Total	$ 2,051,965	$ 144,692

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition in the net pension liability for the year ending June 30, 2025.

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

Years Ending June 30,	Pension Expense
2025	$ 371,947
2026	289,155
2027	537,784
2028	(108,116)
	$ 1,090,770

Actuarial Assumptions

The total pension liability in the December 31, 2023, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary increases: 3.00% in the long-term plus a percentage based on age related scale to reflect merit, longevity, and promotional pay increases.

Investment rate of return: 7.18%, net of investment and administrative expense, including inflation.

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019.

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Assumptions (concluded)

The actuarial assumptions used in the valuation were based on the results of the 2014-2018 Five-Year Experience Study.

Discount Rate

The discount rate used to measure the total pension liability is 7.18%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers.

Projected Cash Flows

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.00%	4.38%	2.63%
Global fixed income	20.00%	2.00%	0.40%
Private investments	20.00%	7.00%	1.40%
	100.00%		4.43%
Inflation			2.50%
Administrative expense netted above			0.25%
Investment rate of return (discount rate)			7.18%

NOTE 6 - DEFINED BENEFIT PENSION PLAN (concluded)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rates 7.18%, as well as what the employer's Net Position Liability would be using a discount rate that is 1% lower or 1% higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	$ 14,514,034	$ 11,489,289	$ 8,964,203

Changes in Assumptions

Change in discount rate from 7.25 to 7.18% during plan year 2023.

Changes in Benefits

There were no changes of benefit terms during plan year 2023.

NOTE 7 - DEFINED CONTRIBUTION PENSION PLAN

The City provides a defined contribution pension plan, which provides retirement benefits to the City manager and department supervisors. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City manager's plan has immediate vesting, while department supervisors are fully vested after four years of service. The City contributes a percentage of participant's salary to the plans. City contributions to the MERS plan are between 10% and 13.88% of salary. City contributions for the fiscal year 2024 were $147,481. The plan provisions and contribution amounts were established by the City Council and may be amended by the Council. The plan is administered along with the defined benefit pension plan, through MERS.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The City of Charlotte Other Post-Employment Benefits Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the City using MERS' retiree health funding vehicle (RHFV). The Plan provides certain retiree medical benefits as other post-employment benefits (OPEB) to all applicable employees, in accordance with union agreements and/or personnel policies. Benefit provisions are established by the City Council. The Plan does not issue a separate stand-alone financial statement.

Benefits Provided

The City pays the full cost of coverage for these benefits, up to the Michigan Hard Cap, for certain retirees and their beneficiaries. The retirees must contribute the balance of premiums not paid by the City in accordance with plan provisions. The City has no obligation to make contributions in advance of when the premiums are due for payment (i.e., may be financed on a "pay-as-you-go" basis). The current contributions being made are based on an actuarial calculated valuation. Administrative costs of the plan are paid for by the City.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (continued)

Summary of Plan Participants

At the June 30, 2024, valuation date, the following employees were covered by the benefit terms:

Retirees and beneficiaries	12

Contributions

For the year ended June 30, 2024, the City contributed $60,339 in addition to its portion of premium payments.

Net OPEB Liability

The net OPEB liability of the City was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Salary increases	N/A - no actives eligible for benefits
Investment rate of return	7.00%, including inflation
20-year Aa Municipal bond rate	4.21%
Mortality	2010 Public Safety and General Employees and Healthy Retirees, Headcount weighted
Improvement Scale	IRS 2024 Adjusted Scale MP-2021

The assumptions used in the June 30, 2024, valuation were determined by the City's management as of June 30, 2024.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00%	4.50%
Global fixed income	20.00%	2.00%
Private assets	20.00%	7.00%
Total	100.00%	

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 4.80%. The projection of cash flows used to determine the discount rate assumed that City contributions will first use assets to pay benefits and then pay benefits on a pay-as-you-go basis. Based on this assumption, the retirement plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members through 2032 - the crossover point. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB Liability. As of June 30, 2023, the discount rate used to value OPEB liabilities was 4.30%.

Changes in Assumptions

The actuarial assumptions were changed during the year as follows:

- Mortality Improvement Scale updated to the IRS 2024 Adjusted Scale MP-2021
- 20 year Aa Municipal bond rate updated from 4.13% to 4.21%
- Discount rate updated from 4.30% to 4.80%

Change in Net OPEB Liability

The change in the net OPEB liability for the year ended June 30, 2024, is as follows:

	Increase (Decrease)		
Changes in Net OPEB Liability	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPB Liability (a)-(b)
Balances at June 30, 2023	$ 1,055,010	$ 218,423	$ 836,587
Changes for the Year			
Interest on total OPEB liability	44,987	-	44,987
Difference between expected and actual experience	(46,194)	-	(46,194)
Changes of assumptions	(41,332)	-	(41,332)
Employer contributions	-	77,903	(77,903)
Net investment income	-	26,207	(26,207)
Benefit payments, including employee refunds	(17,564)	(17,564)	-
Administrative expense	-	(534)	534
Other	-	(13,937)	13,937
Net changes	(60,103)	72,075	(132,178)
Balances as of June 30, 2024	$ 994,907	$ 290,498	$ 704,409

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (concluded)

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

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

	1% Decrease	Current Rate	1% Increase
Net OPEB liability	$ 785,785	$ 704,409	$ 634,055

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Rate	1% Increase
Net OPEB liability	$ 689,628	$ 704,409	$ 720,340

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized an OPEB benefit of $39,886. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	$ 5,637	$ -

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

Year Ending June 30,	OPEB Expense
2025	$ 4,824
2026	4,825
2027	(2,099)
2028	(1,913)
	$ 5,637

NOTE 9 - RISK MANAGEMENT

The City participates in a pool, the Michigan Municipal League Workers' Compensation Fund, with other municipalities for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The City has not been informed of any special assessments being required in any of the past three fiscal years.

The City also participates in a pool, the Michigan Municipal League Liability and Property Pool, with other municipalities for property, liability (including cyber), bonding, and casualty losses. The pool is organized under Public Act 138 of 1982, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The City has not been informed of any special assessments being required in any of the past three fiscal years.

NOTE 10 - FUND BALANCE CLASSIFICATIONS

The following are the various fund balance classifications as of June 30, 2024:

	General Fund	Major Streets Fund	Fire Fund	Nonmajor Governmental Funds	Total
Fund Balances					
Nonspendable					
Inventory	$ 18,504	$ -	$ -	$ -	$ 18,504
Prepaids	129,505	2,092	38,024	1,996	171,617
Restricted					
Streets	-	1,727,290	-	1,113,819	2,841,109
Fire	-	-	28,412	-	28,412
Industrial park	-	-	-	254,815	254,815
Police training	-	-	-	20,133	20,133
Drug enforcement	-	-	-	6,422	6,422
Camp Frances	-	-	-	16,941	16,941
Debt service	-	-	-	159,295	159,295
Grants	-	-	-	22,383	22,383
Assigned					
Revolving Fund	841,375	-	-	-	841,375
Unassigned	2,919,706	-	-	-	2,919,706
TOTAL FUND BALANCES	$ 3,909,090	$ 1,729,382	$ 66,436	$ 1,595,804	$ 7,300,712

NOTE 11 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued Statement No. 101, *Compensated Absences.* This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not seen used, generally using an employee's pay rate as of the date of the financial statements. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

NOTE 11 - UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following:

a. Management's discussion and analysis (MD&A);
   i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
      1) Overview of the Financial Statements,
      2) Financial Summary,
      3) Detailed Analyses,
      4) Significant Capital Asset and Long-Term Financing Activity,
      5) Currently Known Facts, Decisions, or Conditions;
   ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
   iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;

b. Unusual or infrequent items;

c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
   i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
   ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;

d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;

e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

NOTE 11 - UPCOMING ACCOUNTING PRONOUNCEMENTS (concluded)

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

NOTE 12 - RESTATEMENT OF NET POSITION

For the year ended June 30, 2024, the City implemented the following new pronouncements: GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62.*

Summary: This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error correction. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

During the fiscal year 2024, error corrections resulted in adjustments to beginning net position, as follows:

	Reporting Units Affected by Adjustments to Beginning Balances	
	Charlotte Area Recreation Cooperative	Custodial Funds
Net position, as previously reported	$ -	$ -
Correction of error (omitted custodial activity)	88,614	88,614
Net position, as restated	$ 88,614	$ 88,614

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHARLOTTE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 3,873,245	$ 3,873,245	$ 3,857,672	$ (15,573)
Licenses and permits	11,720	11,720	34,415	22,695
Intergovernmental	1,507,495	2,404,355	3,122,547	718,192
Charges for services	433,500	433,500	448,145	14,645
Fines and forfeits	11,000	11,000	3,419	(7,581)
Interest and rents	95,750	95,750	229,568	133,818
Other	108,500	108,500	272,625	164,125
TOTAL REVENUES	6,041,210	6,938,070	7,968,391	1,030,321
EXPENDITURES				
Current				
General government	1,767,265	1,911,717	1,991,321	(79,604)
Public safety	2,617,245	2,617,245	2,906,511	(289,266)
Public works	634,600	1,593,022	1,526,156	66,866
Community and economic development	338,650	358,295	423,756	(65,461)
Recreation and culture	122,370	122,370	124,179	(1,809)
TOTAL EXPENDITURES	5,480,130	6,602,649	6,971,923	(369,274)
EXCESS OF REVENUES OVER EXPENDITURES	561,080	335,421	996,468	661,047
OTHER FINANCING (USES)				
Transfers out	(192,085)	(192,085)	(192,060)	25
NET CHANGE IN FUND BALANCE	368,995	143,336	804,408	661,072
Fund balance, beginning of year	3,104,682	3,104,682	3,104,682	-
Fund balance, end of year	$ 3,473,677	$ 3,248,018	$ 3,909,090	$ 661,072

CITY OF CHARLOTTE
MAJOR STREETS FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 1,200,575	$ 1,874,295	$ 1,961,050	$ 86,755
Interest	7,500	7,500	42,195	34,695
Other revenue	673,720	-	76,791	76,791
TOTAL REVENUES	1,881,795	1,881,795	2,080,036	198,241
EXPENDITURES				
Current				
Public works	1,836,770	1,836,770	1,653,746	183,024
EXCESS OF REVENUES OVER EXPENDITURES	45,025	45,025	426,290	381,265
OTHER FINANCING (USES)				
Transfers out	(100,000)	(100,000)	(99,996)	4
NET CHANGE IN FUND BALANCE	(54,975)	(54,975)	326,294	381,269
Fund balance, beginning of year	1,403,088	1,403,088	1,403,088	-
Fund balance, end of year	$ 1,348,113	$ 1,348,113	$ 1,729,382	$ 381,269

CITY OF CHARLOTTE
FIRE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 932,155	$ 932,155	$ 919,423	$ (12,732)
Intergovernmental	-	799,843	1,050,336	250,493
Charges for services	521,450	521,450	471,935	(49,515)
Interest	-	-	7,782	7,782
Other	-	47,686	93,142	45,456
TOTAL REVENUES	1,453,605	2,301,134	2,542,618	241,484
EXPENDITURES				
Current				
Public safety	1,912,460	2,423,542	2,647,202	(223,660)
Debt service	23,380	23,380	23,381	(1)
TOTAL EXPENDITURES	1,935,840	2,446,922	2,670,583	(223,661)
EXCESS OF REVENUES (UNDER) EXPENDITURES	(482,235)	(145,788)	(127,965)	17,823
OTHER FINANCING SOURCES				
Transfers in	172,235	172,235	172,200	(35)
NET CHANGE IN FUND BALANCE	(310,000)	26,447	44,235	17,788
Fund balance, beginning of year	22,201	22,201	22,201	-
Fund balance, end of year	$ (287,799)	$ 48,648	$ 66,436	$ 17,788

CITY OF CHARLOTTE
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
(AMOUNTS WERE DETERMINED AS OF 12/31 OF EACH FISCAL YEAR)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
CHANGE IN TOTAL PENSION LIABILITY										
Service cost	$ 314,131	$ 280,160	$ 269,768	$ 262,016	$ 258,238	$ 252,828	$ 249,607	$ 266,224	$ 260,875	$ 252,934
Interest	1,796,049	1,791,396	1,793,017	1,725,554	1,738,994	1,726,620	1,690,900	1,638,043	1,574,604	1,531,865
Difference between expected and actual experience	282,813	(236,603)	(105,564)	29,340	(68,761)	(192,904)	36,880	193,964	76,155	-
Changes of assumptions	191,567	-	908,277	597,096	729,401	-	-	-	820,049	-
Benefit payments, including employee refunds	(1,818,774)	(1,756,734)	(1,751,483)	(1,708,927)	(1,676,157)	(1,592,997)	(1,471,983)	(1,386,436)	(1,303,433)	(1,238,017)
Net Change in Total Pension Liability	765,786	78,219	1,114,015	905,079	981,715	193,547	505,404	711,795	1,428,250	546,782
Total Pension Liability, beginning	25,525,414	25,447,195	24,333,180	23,428,101	22,446,386	22,252,839	21,747,435	21,035,640	19,607,390	19,060,608
Total Pension Liability, ending	$ 26,291,200	$ 25,525,414	$ 25,447,195	$ 24,333,180	$ 23,428,101	$ 22,446,386	$ 22,252,839	$ 21,747,435	$ 21,035,640	$ 19,607,390
CHANGE IN PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 2,435,638	$ 1,281,922	$ 1,011,779	$ 911,923	$ 769,903	$ 726,016	$ 655,835	$ 560,877	$ 488,614	$ 440,590
Contributions - employee	78,237	89,089	96,215	104,248	105,682	116,735	125,815	133,757	133,942	131,690
Net investment income (loss)	1,482,162	(1,588,908)	1,939,135	1,518,042	1,562,803	(488,939)	1,581,517	1,293,548	(180,906)	775,454
Benefit payments, including employee refunds	(1,818,774)	(1,756,734)	(1,751,483)	(1,708,927)	(1,676,157)	(1,592,997)	(1,471,983)	(1,386,436)	(1,303,433)	(1,238,017)
Administrative expenses	(30,266)	(26,425)	(21,072)	(24,579)	(26,889)	(25,054)	(25,097)	(25,570)	(26,884)	(28,352)
Net Change in Plan Fiduciary Net Position	2,146,997	(2,001,056)	1,274,574	800,707	735,342	(1,264,239)	866,087	576,176	(888,667)	81,365
Plan Fiduciary Net Position, beginning	12,654,914	14,655,970	13,381,396	12,580,689	11,845,347	13,109,586	12,243,499	11,667,323	12,555,990	12,474,625
Plan Fiduciary Net Position, ending	$ 14,801,911	$ 12,654,914	$ 14,655,970	$ 13,381,396	$ 12,580,689	$ 11,845,347	$ 13,109,586	$ 12,243,499	$ 11,667,323	$ 12,555,990
City's Net Pension Liability	$ 11,489,289	$ 12,870,500	$ 10,791,225	$ 10,951,784	$ 10,847,412	$ 10,601,039	$ 9,143,253	$ 9,503,936	$ 9,368,317	$ 7,051,400
Plan fiduciary net position as a percentage of the total pension liability	56.30%	49.58%	57.59%	54.99%	53.70%	52.77%	58.91%	56.30%	55.46%	64.04%
Covered payroll	$ 3,304,724	$ 3,008,089	$ 3,164,998	$ 2,756,466	$ 2,772,764	$ 2,682,635	$ 2,469,416	$ 2,580,947	$ 2,443,516	$ 2,344,781
City's net pension liability as a percentage of covered payroll	347.7%	427.9%	341.0%	397.3%	391.2%	395.2%	370.3%	368.2%	383.4%	300.7%

CITY OF CHARLOTTE
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CITY CONTRIBUTIONS
LAST TEN FISCAL YEARS
(AMOUNTS WERE DETERMINED AS OF 6/30 EACH FISCAL YEAR)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	$ 1,165,654	$ 1,194,668	$ 1,074,936	$ 911,923	$ 748,947	$ 726,016	$ 655,835	$ 604,246	$ 518,652	$ 460,158
Contributions in relation to the actuarially determined contribution	1,315,654	1,369,668	1,249,936	911,923	769,903	726,016	655,835	604,246	518,652	460,158
Contribution deficiency (excess)	$ (150,000)	$ (175,000)	$ (175,000)	$ -	$ (20,956)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,220,399	$ 3,254,447	$ 3,164,998	$ 2,756,466	$ 2,772,764	$ 2,682,635	$ 2,469,416	$ 2,580,947	$ 2,443,516	$ 2,344,781
Contributions as a percentage of covered payroll	40.85%	42.09%	39.49%	33.08%	27.77%	27.06%	26.56%	23.41%	21.23%	19.62%

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5 year smoothed market
Inflation	2.50%
Salary increases	3.00% plus merit and longevity, 3.00% in the long-term
Investment rate of return	7.18% (net of investment and administrative expenses, including inflation)
Mortality	Based on a version of Pub-2010 and fully generational MP-2019

CITY OF CHARLOTTE
OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF CHANGES IN THE PLAN'S NET OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN MEASUREMENT DATES (ULTIMATELY TEN YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	2024	2023	2022	2021	2020	2019	2018
CHANGE IN TOTAL OPEB LIABILITY							
Service cost	$ -	$ -	$ -	$ 8,120	$ 9,070	$ 11,859	$ 28,487
Interest	44,987	45,649	36,553	36,846	38,177	74,145	89,425
Difference between expected and actual experience	(46,194)	(18,950)	(226,361)	(59,773)	(167,455)	(29,410)	(546,884)
Changes of assumptions	(41,332)	(6,453)	(209,473)	-	-	55,136	(44,121)
Benefit payments, including refunds of member contributions	(17,564)	(114,611)	(95,045)	(107,146)	(87,100)	(84,759)	(99,785)
Net Change in Total OPEB Liability	(60,103)	(94,365)	(494,326)	(121,953)	(207,308)	26,971	(572,878)
Total OPEB Liability, beginning	1,055,010	1,149,375	1,643,701	1,765,654	1,972,962	1,945,991	2,518,869
Total OPEB Liability, ending	$ 994,907	$ 1,055,010	$ 1,149,375	$ 1,643,701	$ 1,765,654	$ 1,972,962	$ 1,945,991
CHANGE IN PLAN FIDUCIARY NET POSITION							
Employer contributions	$ 60,339	$ -	$ -	$ 200,000	$ -	$ -	$ -
Contributions/benefits paid from general operating funds	17,564	114,611	95,045	107,146	-	-	-
OPEB plan net investment income (loss)	26,207	15,175	(18,294)	22,673	-	-	-
Benefit payments, including refunds of member contributions	(17,564)	(114,611)	(95,045)	(107,146)	-	-	-
Administrative expenses	(534)	(384)	(399)	(348)	-	-	-
Other	(13,937)	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	72,075	14,791	(18,693)	222,325	-	-	-
Plan Fiduciary Net Position, beginning	218,423	203,632	222,325	-	-	-	-
Plan Fiduciary Net Position, ending	$ 290,498	$ 218,423	$ 203,632	$ 222,325	$ -	$ -	$ -
Plan's Net OPEB Liability	$ 704,409	$ 836,587	$ 945,743	$ 1,421,376	$ 1,765,654	$ 1,972,962	$ 1,945,991
Plan fiduciary net position as a percentage of the total OPEB liability	29.20%	20.70%	17.72%	13.53%	0.00%	0.00%	0.00%

The OPEB plan has no active employees; therefore, no covered payroll is presented.

CITY OF CHARLOTTE
OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS
LAST SEVEN FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contributions	$ 55,263	$ 60,339	$ 71,166	$ 87,086	$ 102,000	$ -	$ -
Contributions in relation to the actuarially determined contribution	77,903	114,611	95,045	307,146	87,100	84,759	99,785
Contribution deficiency (excess)	$ (22,640)	$ (54,272)	$ (23,879)	$ (220,060)	$ 14,900	$ (84,759)	$ (99,785)

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution amounts are calculated as of July 1 every year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age actuarial cost method
Remaining amortization period	25 years
Health care cost trend rates	7.25%, decreasing to an ultimate rate of 4.50%
Discount rate	4.30%
Mortality	2010 Public Safety & General Employees and Healthy Retirees, Headcount weighted, MP-2021

CITY OF CHARLOTTE
OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF OPEB INVESTMENT RETURNS
LAST SEVEN FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	2024	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	12.00%	7.26%	-8.41%	28.12%	N/A	N/A	N/A

CITY OF CHARLOTTE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 - EMPLOYEE RETIREMENT PLAN

Changes of Benefits Terms: There were no changes of benefit terms in plan year 2023.

Changes in Assumptions: Change in discount rate from 7.25 to 7.18%.

NOTE 2 - OTHER POST-EMPLOYMENT BENEFITS PLAN

Changes of Benefits Terms: There were no changes in benefit terms for the plan year 2024.

Changes in Assumptions: Mortality Improvement Scale updated to the IRS 2024 Adjusted Scale MP-2021.
20 year Aa Municipal bond rate updated from 4.13% to 4.21%
Discount rate updated from 4.30% to 4.80%.

NOTE 3 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Michigan Public Act 621 of 1978, Section 18 and 19, as amended, provides that a local governmental unit not incur expenditures in excess of the amounts appropriated. The City's budgeted expenditures in the General Fund have been adopted at the functional level and at the total expenditure level for the Special Revenue Funds.

During the year ended June 30, 2024, the City incurred expenditures in excess of the amounts appropriated as follows:

	Amounts Appropriated	Amounts Expended	Variance
General Fund			
General government	$ 1,911,717	$ 1,991,321	$ 79,604
Public safety	2,617,245	2,906,511	289,266
Community and economic development	358,295	423,756	65,461
Recreation and culture	122,370	124,179	1,809
Fire Fund	2,446,922	2,670,583	223,661

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Local Streets **-** This fund is used to control the expenditure of motor fuel taxes, which are earmarked by law and the state constitution for local street and highway purposes.

Industrial Park **-** This fund is used to control the expenditure of moneys earmarked for the City's industrial park.

Police Training **-** This fund is used to control the expenditure of state grant moneys, which are earmarked for the continued training of police officers.

Drug Enforcement **-** This fund is used to control the expenditures of moneys earmarked for the local D.A.R.E. program.

Camp Frances **-** The Camp Frances Educational and Recreational Center is a municipal nonprofit corporation formed in 2009 pursuant to the Home Rule City Act as a single-member corporation. The City Council is the single member and appoints a board of trustees to manage a camp building and surrounding grounds in Bennett Park and to provide for educational and recreational activities there.

Grant **-** This fund is used to control the expenditure of federal grant moneys, which are earmarked for certain projects within the community.

DEBT SERVICE FUNDS

Facility Building Bond Fund **-** This fund is used for payment of the 2017 General Obligation Unlimited Tax Refunding Bonds, issued to cover $3,000,000 of construction costs of a new fire station and renovations.

CITY OF CHARLOTTE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024

	Special Revenue						Debt Service	
	Local Streets	Industrial Park	Police Training	Drug Enforcement	Camp Frances	Grant	Facility Building Bond	Total
ASSETS								
Cash and cash equivalents	$ 1,128,015	$ 280,035	$ 20,133	$ 6,578	$ 17,207	$ 22,383	$ 159,295	$ 1,633,646
Receivables								
Accounts, net	190	-	-	-	-	-	-	190
Special assessments	9,661	-	-	-	-	-	-	9,661
Due from other governmental units	52,915	-	-	-	-	-	-	52,915
Prepaids	1,952	-	-	-	44	-	-	1,996
TOTAL ASSETS	$ 1,192,733	$ 280,035	$ 20,133	$ 6,578	$ 17,251	$ 22,383	$ 159,295	$ 1,698,408
LIABILITIES								
Accounts payable	$ 64,993	$ 25,220	$ -	$ 156	$ 266	$ -	$ -	$ 90,635
Accrued liabilities	2,308	-	-	-	-	-	-	2,308
TOTAL LIABILITIES	67,301	25,220	-	156	266	-	-	92,943
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	9,661	-	-	-	-	-	-	9,661
FUND BALANCES								
Nonspendable	1,952	-	-	-	44	-	-	1,996
Restricted	1,113,819	254,815	20,133	6,422	16,941	22,383	159,295	1,593,808
TOTAL FUND BALANCES	1,115,771	254,815	20,133	6,422	16,985	22,383	159,295	1,595,804
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 1,192,733	$ 280,035	$ 20,133	$ 6,578	$ 17,251	$ 22,383	$ 159,295	$ 1,698,408

CITY OF CHARLOTTE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024

	Special Revenue						Debt Service	
	Local Streets	Industrial Park	Police Training	Drug Enforcement	Camp Frances	Grant	Facility Building Bond	Total
REVENUES								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 234,295	$ 234,295
Special assessments	3,339	-	-	-	-	-	-	3,339
Intergovernmental	349,748	-	7,473	-	-	-	15,065	372,286
Interest and rents	34,274	22,976	519	232	5,876	680	7,879	72,436
Other	3,588	196,843	-	-	462	-	-	200,893
TOTAL REVENUES	390,949	219,819	7,992	232	6,338	680	257,239	883,249
EXPENDITURES								
Current								
Public safety	-	-	4,454	1,813	-	-	-	6,267
Public works	435,998	-	-	-	-	-	-	435,998
Community and economic development	-	27,270	-	-	-	-	-	27,270
Recreation and culture	-	-	-	-	3,166	-	-	3,166
Debt service	-	-	-	-	-	-	203,500	203,500
TOTAL EXPENDITURES	435,998	27,270	4,454	1,813	3,166	-	203,500	676,201
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(45,049)	192,549	3,538	(1,581)	3,172	680	53,739	207,048
OTHER FINANCING SOURCES								
Transfers in	114,996	-	4,860	-	-	-	-	119,856
NET CHANGE IN FUND BALANCES	69,947	192,549	8,398	(1,581)	3,172	680	53,739	326,904
Fund balances, beginning of year	1,045,824	62,266	11,735	8,003	13,813	21,703	105,556	1,268,900
Fund balances, end of year	$ 1,115,771	$ 254,815	$ 20,133	$ 6,422	$ 16,985	$ 22,383	$ 159,295	$ 1,595,804

CITY OF CHARLOTTE
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

Local Streets Fund

	Budgeted Amounts			Variances with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Special assessments	$ 3,680	$ 3,680	$ 3,339	$ (341)
Intergovernmental	300,000	300,000	349,748	49,748
Interest	7,840	7,840	34,274	26,434
Other	200	200	3,588	3,388
TOTAL REVENUES	311,720	311,720	390,949	79,229
EXPENDITURES				
Current				
Public works	613,255	613,255	435,998	177,257
EXCESS OF REVENUES (UNDER) EXPENDITURES	(301,535)	(301,535)	(45,049)	256,486
OTHER FINANCING SOURCES				
Transfers in	115,000	115,000	114,996	(4)
NET CHANGE IN FUND BALANCE	(186,535)	(186,535)	69,947	256,482
Fund balance, beginning	1,045,824	1,045,824	1,045,824	-
Fund balance, ending	$ 859,289	$ 859,289	$ 1,115,771	$ 256,482

CITY OF CHARLOTTE
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (continued)
YEAR ENDED JUNE 30, 2024

Industrial Park Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Interest and rents	$ 12,400	$ 12,400	$ 22,976	$ 10,576
Other revenue	-	-	196,843	196,843
TOTAL REVENUES	12,400	12,400	219,819	207,419
EXPENDITURES				
Current				
Community and economic development	31,000	31,000	27,270	3,730
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(18,600)	(18,600)	192,549	211,149
Fund balance, beginning of year	62,266	62,266	62,266	-
Fund balance, end of year	$ 43,666	$ 43,666	$ 254,815	$ 211,149

CITY OF CHARLOTTE
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (continued)
YEAR ENDED JUNE 30, 2024

Police Training Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 10,000	$ 10,000	$ 7,473	$ (2,527)
Interest	150	150	519	369
TOTAL REVENUES	10,150	10,150	7,992	(2,158)
EXPENDITURES				
Current				
Public safety	15,000	15,000	4,454	10,546
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,850)	(4,850)	3,538	8,388
OTHER FINANCING SOURCES				
Transfers in	4,850	4,850	4,860	10
NET CHANGE IN FUND BALANCE	-	-	8,398	8,398
Fund balance, beginning of year	11,735	11,735	11,735	-
Fund balance, end of year	$ 11,735	$ 11,735	$ 20,133	$ 8,398

CITY OF CHARLOTTE
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (continued)
YEAR ENDED JUNE 30, 2024

Drug Enforcement Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Interest	$ -	$ -	$ 232	$ 232
Other	1,500	1,500	-	(1,500)
TOTAL REVENUES	1,500	1,500	232	(1,268)
EXPENDITURES				
Current				
Public safety	1,500	1,500	1,813	(313)
EXCESS OF REVENUES (UNDER) EXPENDITURES	-	-	(1,581)	(1,581)
Fund balance, beginning of year	8,003	8,003	8,003	-
Fund balance, end of year	$ 8,003	$ 8,003	$ 6,422	$ (1,581)

CITY OF CHARLOTTE
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (continued)
YEAR ENDED JUNE 30, 2024

Camp Frances Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Interest and rents	$ 3,300	$ 3,300	$ 5,876	$ 2,576
Other	-	-	462	462
TOTAL REVENUES	3,300	3,300	6,338	3,038
EXPENDITURES				
Current				
Recreation and culture	4,740	4,740	3,166	1,574
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,440)	(1,440)	3,172	4,612
Fund balance, beginning of year	13,813	13,813	13,813	-
Fund balance, end of year	$ 12,373	$ 12,373	$ 16,985	$ 4,612

CITY OF CHARLOTTE
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (concluded)
YEAR ENDED JUNE 30, 2024

Grant Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Interest	$ -	$ -	$ 680	$ 680
EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	680	680
Fund balance, beginning of year	21,703	21,703	21,703	-
Fund balance, end of year	$ 21,703	$ 21,703	$ 22,383	$ 680

INTERNAL SERVICE FUNDS

***Motor Vehicle Pool* -** This fund is used to account for the operations of the motor pool for the City.

***Information Technology* -** Provides computer services to the various other funds that use the City's network.

CITY OF CHARLOTTE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024

	Motor Vehicle Pool	Information Technology Pool	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 546,511	$ 254,283	$ 800,794
Prepaids	19,178	-	19,178
Total current assets	565,689	254,283	819,972
Noncurrent assets			
Capital assets not being depreciated	31,500	-	31,500
Capital assets, net of accumulated depreciation	1,059,922	70,886	1,130,808
Total noncurrent assets	1,091,422	70,886	1,162,308
TOTAL ASSETS	1,657,111	325,169	1,982,280
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	29,810	-	29,810
LIABILITIES			
Current liabilities			
Accounts payable	7,770	24,727	32,497
Accrued liabilities	1,480	-	1,480
Total current liabilities	9,250	24,727	33,977
Noncurrent liabilities			
Net pension liability	166,919	-	166,919
TOTAL LIABILITIES	176,169	24,727	200,896
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	2,102	-	2,102
NET POSITION			
Investment in capital assets	1,091,422	70,886	1,162,308
Unrestricted	417,228	229,556	646,784
TOTAL NET POSITION	$ 1,508,650	$ 300,442	$ 1,809,092

CITY OF CHARLOTTE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	Motor Vehicle Pool	Information Technology Pool	Total
OPERATING REVENUES			
Charges to other funds	$ 587,804	$ 244,992	$ 832,796
Other	6,201	-	6,201
TOTAL OPERATING REVENUES	594,005	244,992	838,997
OPERATING EXPENSES			
Personnel services	118,613	-	118,613
Material and supplies	128,613	2,958	131,571
Utilities	37,475	24,130	61,605
Contractual	21,438	219,466	240,904
Insurance	13,221	-	13,221
Other expenses	49	-	49
Depreciation	176,052	9,856	185,908
TOTAL OPERATING EXPENSES	495,461	256,410	751,871
OPERATING INCOME (LOSS)	98,544	(11,418)	87,126
NONOPERATING REVENUES			
Grants	19,673	-	19,673
Interest earnings	9,652	7,706	17,358
Gain on sale of assets	13,035	-	13,035
TOTAL NONOPERATING REVENUES	42,360	7,706	50,066
CHANGE IN NET POSITION	140,904	(3,712)	137,192
Net position, beginning of year	1,367,746	304,154	1,671,900
Net position, end of year	$ 1,508,650	$ 300,442	$ 1,809,092

CITY OF CHARLOTTE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

	Motor Vehicle Pool	Information Technology Pool	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from interfund services provided	$ 594,005	$ 244,992	$ 838,997
Cash paid to suppliers	(283,445)	(251,545)	(534,990)
Cash paid to employees	(74,585)	-	(74,585)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	235,975	(6,553)	229,422
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental	19,673	-	19,673
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets, net	(261,567)	(11,748)	(273,315)
Proceeds from sale of capital assets	13,035	-	13,035
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(248,532)	(11,748)	(260,280)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	9,652	7,706	17,358
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,768	(10,595)	6,173
Cash and cash equivalents, beginning of year	529,743	264,878	794,621
Cash and cash equivalents, end of year	$ 546,511	$ 254,283	$ 800,794
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ 98,544	$ (11,418)	$ 87,126
Adjustment to reconciled operating income (loss) to net cash provided (used) by operating activities			
Depreciation	176,052	9,856	185,908
(Increase) decrease in:			
Prepaids	(3,728)	-	(3,728)
Deferred outflows of resources related to pension	6,581	-	6,581
Increase (decrease) in:			
Accounts payable	(8,563)	(4,991)	(13,554)
Accrued liabilities	476	-	476
Net pension liability	(31,932)	-	(31,932)
Deferred inflows of resources related to pension	(1,455)	-	(1,455)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 235,975	$ (6,553)	$ 229,422

CUSTODIAL FUNDS

***Charlotte Area Recreation Cooperative* -** This fund is used to account for collection, custody, and disbursement of various deposits on behalf of external entities or individuals.

Current Tax Collection – This fund is used to account for the collection, custody, and disbursement of current taxes and fees on behalf of other entities and individuals.

CITY OF CHARLOTTE
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2024

	Charlotte Area Recreation Cooperative	Current Tax Collection	Total
ASSETS			
Cash	$ 110,742	$ 276	$ 111,018
LIABILITIES			
Due to other governmental units	540	276	816
NET POSITION			
Restricted for individuals, organizations, and other governments	$ 110,202	$ -	$ 110,202

CITY OF CHARLOTTE
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2024

	Charlotte Area Recreation Cooperative	Current Tax Collection	Total
ADDITIONS			
Other additions	$ 30,221	$ -	$ 30,221
Collection of taxes for other governments	-	9,281,374	9,281,374
TOTAL ADDITIONS	30,221	9,281,374	9,311,595
DEDUCTIONS			
Other deductions	8,633	-	8,633
Payment of taxes collected for other governments	-	9,281,374	9,281,374
TOTAL DEDUCTIONS	8,633	9,281,374	9,290,007
NET CHANGE IN FIDUCIARY NET POSITION	21,588	-	21,588
Net position, beginning of year, as previously reported	-	-	-
Correction of error	88,614	-	88,614
Net position, beginning of year, as restated	88,614	-	88,614
Net position, end of year	$ 110,202	$ -	$ 110,202

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Charlotte's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents Page

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

TABLE 1

CITY OF CHARLOTTE
NET POSITION BY COMPONENT
2015-2024
(UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net investment in capital assets	$ 15,365,101	$ 14,928,939	$ 14,741,754	$ 13,934,175	$ 15,034,711	$ 15,334,364	$ 15,731,917	$ 15,329,601	$ 16,362,416	$ 18,735,597
Restricted	1,449,173	1,665,202	1,773,032	2,137,526	1,537,149	1,496,722	1,866,627	2,274,848	2,686,939	3,385,172
Unrestricted	(3,478,998)	(3,756,822)	(4,443,793)	(5,945,945)	(7,253,741)	(8,460,578)	(8,257,033)	(6,775,998)	(6,156,173)	(4,444,184)
Total net position	**$ 13,335,276**	**$ 12,837,319**	**$ 12,070,993**	**$ 10,125,756**	**$ 9,318,119**	**$ 8,370,508**	**$ 9,341,511**	**$ 10,828,451**	**$ 12,893,182**	**$ 17,676,585**
Business Type Activities										
Net investment in capital assets	$ 11,186,706	$ 11,317,330	$ 12,018,103	$ 12,781,541	$ 13,381,230	$ 13,409,769	$ 13,759,049	$ 13,897,019	$ 14,232,123	$ 15,106,065
Restricted	583,803	550,448	443,321	471,890	506,988	416,441	336,483	302,589	421,534	-
Unrestricted	31,249	476,108	344,157	(243,555)	(542,164)	(36,580)	481,788	1,613,711	1,911,721	2,973,974
Total net position	**$ 11,801,758**	**$ 12,343,886**	**$ 12,805,581**	**$ 13,009,876**	**$ 13,346,054**	**$ 13,789,630**	**$ 14,577,320**	**$ 15,813,319**	**$ 16,565,378**	**$ 18,080,039**
Primary Government in Total										
Net investment in capital assets	$ 26,551,807	$ 26,246,269	$ 26,759,857	$ 26,715,716	$ 28,415,941	$ 28,744,133	$ 29,490,966	$ 29,226,620	$ 30,594,539	$ 33,841,662
Restricted	2,032,976	2,215,650	2,216,353	2,609,416	2,044,137	1,913,163	2,203,110	2,577,437	3,108,473	3,385,172
Unrestricted	(3,447,749)	(3,280,714)	(4,099,636)	(6,189,500)	(7,795,905)	(8,497,158)	(7,775,245)	(5,162,287)	(4,244,452)	(1,470,210)
Total net position	**$ 25,137,034**	**$ 25,181,205**	**$ 24,876,574**	**$ 23,135,632**	**$ 22,664,173**	**$ 22,160,138**	**$ 23,918,831**	**$ 26,641,770**	**$ 29,458,560**	**$ 35,756,624**

TABLE 2

CITY OF CHARLOTTE
CHANGES IN NET POSITION
2015-2024
(UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)

Governmental Activities

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
General Government	$ 801,558	$ 719,069	$ 773,727	$ 659,443	$ 1,004,556	$ 824,742	$ 1,070,178	$ 525,488	$ 1,220,034	$ 1,756,703
Public Safety	2,920,571	3,555,820	3,541,230	3,476,023	3,837,799	3,926,436	3,492,251	4,028,306	4,317,414	4,291,076
Public Works	2,060,914	2,087,823	2,305,536	2,371,108	2,312,824	2,324,473	2,042,552	1,856,696	1,598,933	1,800,537
Community and economic development	152,457	578,019	393,845	288,705	247,201	221,846	360,727	226,388	294,289	418,468
Recreation and culture	389,838	410,365	319,348	419,589	420,460	352,839	338,182	417,502	228,699	343,267
Interest on long-term debt	137,936	121,406	107,323	79,878	59,830	55,866	52,182	23,799	34,298	37,371
Total governmental activities	6,463,274	7,472,502	7,441,009	7,294,746	7,882,670	7,706,202	7,356,072	7,078,179	7,693,667	8,647,422
Program Revenue										
Charges for services										
General Government	129,051	63,599	155,466	167,781	161,225	228,377	171,780	111,500	294,839	664,206
Public Safety	426,886	301,696	299,771	322,185	329,642	327,395	303,966	406,353	435,578	502,907
Public Works	-	-	-	-	-	-	-	-	120,486	117,307
Community Development	-	-	-	-	-	-	-	-	-	18,100
Recreation and Culture	-	-	-	-	-	-	-	-	723	-
Total charges for services	555,937	365,295	455,237	489,966	490,867	555,772	475,746	517,853	851,626	1,302,520
Operating grants and contributions	632,492	705,354	699,468	897,919	896,463	936,311	1,328,827	1,251,731	2,941,775	4,005,778
Capital grants and contributions	1,324	752,267	334,589	186,040	125,381	1,142	997,269	36,370	4,023	1,516,987
Total program revenue	1,189,753	1,822,916	1,489,294	1,573,925	1,512,711	1,493,225	2,801,842	1,805,954	3,797,424	6,825,285
Net (expense) revenue	**$ (5,273,521)**	**$ (5,649,586)**	**$ (5,951,715)**	**$ (5,720,821)**	**$ (6,369,959)**	**$ (6,212,977)**	**$ (4,554,230)**	**$ (5,272,225)**	**$ (3,896,243)**	**$ (1,822,137)**
General Revenues										
Property taxes	$ 3,667,494	$ 3,689,202	$ 3,674,424	$ 3,651,312	$ 3,687,465	$ 3,779,354	$ 3,910,104	$ 4,908,600	$ 4,608,016	$ 4,856,572
State shared revenue	899,907	995,879	1,129,391	1,255,119	1,284,001	1,199,319	1,399,651	1,521,354	1,162,995	1,191,438
Investment earnings	7,718	9,666	13,087	27,550	53,208	59,258	3,914	3,849	179,041	307,701
Miscellaneous	879,737	456,882	376,242	366,018	546,748	239,639	211,564	325,362	10,922	249,829
Total general revenues	5,454,856	5,151,629	5,193,144	5,299,999	5,571,422	5,277,570	5,525,233	6,759,165	5,960,974	6,605,540
Transfers	-	-	(7,755)	(8,736)	(9,100)	(12,204)	-	-	-	-
Extraordinary items	935,266	-	-	-	-	-	-	-	-	-
Changes in Net Position	**$ 1,116,601**	**$ (497,957)**	**$ (766,326)**	**$ (429,558)**	**$ (807,637)**	**$ (947,611)**	**$ 971,003**	**$ 1,486,940**	**$ 2,064,731**	**$ 4,783,403**

TABLE 2

CITY OF CHARLOTTE
CHANGES IN NET POSITION
2015-2024
(UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)

Business-type Activities

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating Revenue										
Sale of water	$ 1,440,924	$ 1,501,145	$ 1,557,821	$ 1,549,416	$ 1,587,517	$ 1,527,886	$ 1,793,030	$ 1,798,004	$ 1,883,470	$ 2,013,833
Sewage disposal charges	1,950,610	2,101,169	2,171,562	2,137,049	2,193,108	2,325,035	2,775,613	2,907,693	2,946,508	3,006,111
Tap fees	-	-	-	-	-	-	-	-	1,750	-
Recycling fees	30,600	27,526	30,365	23,806	16,160	8,996	16,594	34,417	-	14,721
Other	22,820	53,720	35,567	22,870	118,453	68,271	81,170	75,845	30,608	59,633
Total operating revenue	3,444,954	3,683,560	3,795,315	3,733,141	3,915,238	3,930,188	4,666,407	4,815,959	4,862,336	5,094,298
Operating Expenses										
Cost of services	2,352,465	2,291,681	2,527,059	2,673,925	2,789,095	2,721,632	3,153,766	2,995,435	3,712,394	3,383,716
Recycling	72,473	66,360	67,391	67,102	63,191	62,855	55,415	60,122	56,658	57,694
Depreciation	644,123	667,423	672,430	661,732	699,425	686,817	640,756	606,103	574,052	599,712
Total operating expenses	3,069,061	3,025,464	3,266,880	3,402,759	3,551,711	3,471,304	3,849,937	3,661,660	4,343,104	4,041,122
Net (expense) revenue	**$ 375,893**	**$ 658,096**	**$ 528,435**	**$ 330,382**	**$ 363,527**	**$ 458,884**	**$ 816,470**	**$ 1,154,299**	**$ 519,232**	**$ 1,053,176**
Nonoperating Revenue (Expenses)										
Interest income	$ 2,115	$ 3,025	$ 5,498	$ 7,750	$ 29,912	$ 16,804	$ 3,153	$ 2,885	$ 67,742	$ 96,837
Interest expense	(183,388)	(132,528)	(110,741)	(108,104)	(87,778)	(84,841)	(75,841)	(66,641)	(52,541)	(38,141)
Gain (loss) on disposal of assets	-	(2,612)	-	-	-	-	70	-	-	-
Other	28,871	21,947	24,948	27,776	21,417	40,525	43,838	145,456	196,109	402,789
Income (Loss) - Before contributions and other items	223,491	547,928	448,140	257,804	327,078	431,372	787,690	1,235,999	730,542	1,514,661
Capital Contributions	-	-	-	-	-	-	-	-	-	-
Transfers (to) from other funds	-	-	7,755	8,736	9,100	12,204	-	-	-	-
Change in Net Position	**$ 223,491**	**$ 547,928**	**$ 455,895**	**$ 266,540**	**$ 336,178**	**$ 443,576**	**$ 787,690**	**$ 1,235,999**	**$ 730,542**	**$ 1,514,661**
Total Primary Government Revenue	$ 11,024,829	$ 10,658,105	$ 10,469,998	$ 10,598,329	$ 11,050,700	$ 10,758,312	$ 13,040,543	$ 13,529,419	$ 12,089,312	$ 19,024,749
Total Primary Government Expense	9,684,737	10,608,134	10,780,429	10,761,347	11,522,159	11,262,347	11,281,850	10,806,480	14,906,102	12,726,685
Total Primary Government Change in Net Position	**$ 1,340,092**	**$ 49,971**	**$ (310,431)**	**$ (163,018)**	**$ (471,459)**	**$ (504,035)**	**$ 1,758,693**	**$ 2,722,939**	**$ (2,816,790)**	**$ 6,298,064**

TABLE 3

CITY OF CHARLOTTE
FUND BALANCES
GOVERNMENTAL FUNDS
2015-2024
(UNAUDITED)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	$ 147,829	$ 165,380	$ 177,540	$ 190,095	$ 178,658	$ 130,650	$ 110,125	$ 119,938	$ 156,886	$ 148,009
Assigned	350,000	445,000	380,000	200,000	200,000	1,012,030	812,409	812,727	822,858	841,375
Unassigned	1,992,621	2,289,441	2,026,452	2,398,531	1,774,512	301,422	336,617	1,074,734	2,124,938	2,919,706
Total general fund	$ 2,490,450	$ 2,899,821	$ 2,583,992	$ 2,788,626	$ 2,153,170	$ 1,444,102	$ 1,259,151	$ 2,007,399	$ 3,104,682	$ 3,909,090
All other governmental funds										
Nonspendable	$ 3,185	$ 2,758	$ 2,199	$ 7,056	$ 6,437	$ 4,042	$ 2,136	$ 4,264	$ 18,057	$ 42,112
Assigned	63	70	-	-	-	-	-	-	-	-
Restricted	1,398,780	1,618,516	1,731,971	2,095,920	1,499,435	1,432,389	1,808,157	2,216,557	2,676,132	3,349,510
Unreserved/Unassigned - Report in:										
Special revenue funds	-	(133,225)	(171,328)	(57,454)	-	-	-	-	-	-
Total all other governmental funds	1,402,028	1,488,119	1,562,842	2,045,522	1,505,872	1,436,431	1,810,293	2,220,821	2,694,189	3,391,622
Total of all governmental funds	**$ 3,892,478**	**$ 4,387,940**	**$ 4,146,834**	**$ 4,834,148**	**$ 3,659,042**	**$ 2,880,533**	**$ 3,069,444**	**$ 4,228,220**	**$ 5,798,871**	**$ 7,300,712**

TABLE 4

CITY OF CHARLOTTE
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
2015-2024
(UNAUDITED)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue										
Property taxes	$ 3,667,494	$ 3,708,172	$ 3,655,814	$ 3,651,312	$ 3,687,465	$ 3,779,354	$ 3,910,104	$ 4,908,600	$ 4,757,763	$ 5,011,390
Special assessments	3,974	3,280	5,066	4,312	3,273	5,550	4,924	4,738	3,684	3,339
Licenses and permits	27,043	36,963	40,748	96,792	45,774	51,384	74,747	12,107	11,612	34,415
Intergovernmental	1,534,485	2,139,910	1,837,828	2,332,470	2,305,845	2,137,413	3,151,749	2,731,793	4,100,103	6,506,219
Charges for services	492,245	359,754	353,019	370,334	814,712	454,321	383,419	491,083	871,791	920,080
Fines and forfeitures	30,126	29,025	26,732	19,030	22,841	13,112	13,455	14,663	17,168	3,419
Other	287,455	466,548	389,329	393,568	201,206	298,897	215,478	329,211	411,800	995,432
Total revenue	6,042,822	6,743,652	6,308,536	6,867,818	7,081,116	6,740,031	7,753,876	8,492,195	10,173,921	13,474,294
Expenditures										
Current										
General government	477,808	515,507	516,184	736,848	742,585	823,829	1,288,430	944,612	1,741,301	1,991,321
Public safety	2,672,781	2,810,223	2,907,375	2,878,350	3,005,216	3,215,858	3,222,683	3,721,442	4,527,039	5,559,980
Public works	1,009,081	1,170,416	1,240,303	1,245,922	1,400,675	1,378,203	1,362,995	1,195,490	1,738,509	3,615,900
Recreation and culture	263,382	258,361	219,043	243,776	190,075	230,177	204,445	329,318	104,858	127,345
Community and economic development	138,268	303,085	293,356	270,809	223,450	216,133	353,867	227,334	270,185	451,026
Capital outlay	746,603	632,544	1,025,280	621,692	2,452,783	1,408,124	896,333	717,873	-	-
Debt service - Principal	412,155	435,131	232,312	140,444	166,046	171,668	177,292	145,000	172,250	182,698
Debt service - Interest	139,399	122,923	108,034	85,620	66,292	62,344	58,920	52,350	49,128	44,183
Total expenditures	5,859,477	6,248,190	6,541,887	6,223,461	8,247,122	7,506,336	7,564,965	7,333,419	8,603,270	11,972,453
Excess of Revenue (Under) Over Expenditures	183,345	495,462	(233,351)	644,357	(1,166,006)	(766,305)	188,911	1,158,776	1,570,651	1,501,841
Other Financing Sources (Uses)										
Proceeds from long-term debt	105,000	-	-	2,165,000	-	-	-	-	-	-
Debt Premium	-	-	-	119,664	-	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	(2,232,971)	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-
Transfers in	142,812	142,090	95,968	24,504	126,600	155,504	142,992	730,667	339,623	292,056
Transfers out	(142,812)	(142,090)	(103,723)	(33,240)	(135,700)	(167,708)	(142,992)	(730,667)	(339,623)	(292,056)
Total other financing sources (uses)	105,000	-	(7,755)	42,957	(9,100)	(12,204)	-	-	-	-
Extraordinary Item	935,266	-	-	-	-	-	-	-	-	-
Net change in fund balances	1,223,611	495,462	(241,106)	687,314	(1,175,106)	(778,509)	188,911	1,158,776	1,570,651	1,501,841
Fund Balances - Beginning of year	2,668,867	3,892,478	4,387,940	4,146,834	4,834,148	3,659,042	2,880,533	3,069,444	4,228,220	5,798,871
Fund Balances - End of year	**$ 3,892,478**	**$ 4,387,940**	**$ 4,146,834**	**$ 4,834,148**	**$ 3,659,042**	**$ 2,880,533**	**$ 3,069,444**	**$ 4,228,220**	**$ 5,798,871**	**$ 7,300,712**
Debt service as a percentage of noncapital expenditures	10.62%	9.82%	6.32%	3.88%	3.09%	3.45%	3.45%	2.98%	2.81%	1.90%

TABLE 5

CITY OF CHARLOTTE
TAXABLE VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(UNAUDITED)

		Taxable Value by Property Type							
		Real Property					Total Direct		As a Percent
					Personal	Total Taxable	Tax Rate	Estimated	of Actual
Tax Year	Fiscal Year	Residential	Commercial	Industrial	Property	Value	(mills)	Actual Value	Value
2014	2015	$ 121,084,550	$ 48,296,461	$ 16,250,418	$ 23,135,724	$ 208,767,153	15.34	$ 451,948,764	47.01
2015	2016	122,030,754	47,467,663	15,862,719	24,034,894	209,396,030	15.34	442,609,990	46.99
2016	2017	121,779,898	47,299,632	15,890,865	19,413,570	204,383,965	15.35	450,801,676	46.15
2017	2018	124,158,319	47,940,021	17,604,889	18,996,169	208,699,398	15.35	453,133,610	44.69
2018	2019	127,859,842	48,967,115	17,562,619	17,338,923	211,728,499	15.29	477,341,156	44.36
2019	2020	132,364,438	51,156,082	17,685,965	16,274,700	217,481,185	15.41	503,585,046	43.19
2020	2021	136,819,202	52,265,904	20,998,175	15,726,900	225,810,181	15.36	538,404,566	41.94
2021	2022	141,894,337	53,413,893	24,227,967	15,372,000	234,908,197	19.15	566,043,144	41.50
2022	2023	150,426,553	55,271,822	26,293,319	14,517,800	246,509,494	19.09	604,226,222	40.80
2023	2024	163,124,155	56,390,981	27,765,364	13,360,700	260,641,200	20.97	658,915,622	39.56

Note: Under Michigan law, the revenue base is referred to as "taxable value." This amount represents assessed value (50 percent of true cash value), limited for each property by the lower of 5 percent or inflation.

Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year.

Source: Treasurer, City of Charlotte

TABLE 6

CITY OF CHARLOTTE
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(UNAUDITED)

	Millage Rates - Direct City				Overlapping Taxes		Overlapping Taxes				Total Tax Rate	
Tax Year	General - Operating	Debt	Special Purpose	Total Direct Taxes	County	State Education Tax	District Library	Intermediate School District	Public Schools - Homestead	Public Schools - Nonhomestead	Homestead	Non-homestead
2023	14.14	0.90	5.93	20.96	9.58	6.0000	1.3768	3.7387	8.0848	26.0848	49.7447	67.7447
2022	14.14	0.90	4.05	19.09	9.58	6.0000	1.3768	3.7387	8.0846	26.0846	47.8701	65.8701
2021	14.25	0.90	4.00	19.15	9.08	6.0000	1.3885	3.7441	8.0900	26.0900	47.4526	65.4526
2020	14.28	0.90	0.18	15.36	9.08	6.0000	1.3951	3.7582	8.0900	26.0900	43.6833	61.6833
2019	14.29	0.94	0.18	15.41	9.09	6.0000	1.4000	3.8788	8.0900	26.0900	43.8687	61.8687
2018	14.29	0.90	0.10	15.29	9.09	6.0000	1.4000	3.8788	8.0900	26.0900	43.7487	61.7487
2017	14.29	1.00	0.10	15.39	9.09	6.0000	0.9000	3.8778	8.0900	26.0900	43.3477	61.3477
2016	14.29	0.96	0.10	15.35	9.09	6.0000	0.9000	3.8778	8.0900	26.0900	43.3077	61.3077
2015	14.29	0.96	0.10	15.35	9.09	6.0000	0.9000	3.8778	8.0900	26.0900	43.3077	61.3077
2014	14.29	0.95	0.10	15.34	9.09	6.0000	0.9000	3.8778	8.0900	26.0900	43.2977	61.2977

Note: Michigan law restricts the maximum millage that may be levied by the City without a vote of our residents at 14.2913 mills for general operations

TABLE 7

CITY OF CHARLOTTE
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	Taxpayer	2023 Taxable Value	Percentage of Total	2014 Taxable Value	Percentage of Total	2014 Rank
1	Shyft Group/Spartan Motors	$ 8,400,623	18.73%	$ 15,109,121	35.31%	1
2	Consumers Energy	7,983,266	17.80%	4,915,039	11.49%	2
3	500 Packard Highway LLC	5,676,500	12.65%			
3	Spartan Fire LLC	5,205,300	11.60%			
4	Meijer, Inc.	4,618,195	10.29%	4,527,884	10.58%	3
5	Victorinox LLC	3,598,543	8.02%	2,303,504	5.38%	8
6	Wal-Mart Stores, Inc.	3,116,700	6.95%	3,813,805	8.91%	4
7	Legacy Parke Partners LLC	2,576,243	5.74%	2,138,327	5.00%	9
8	The Carrington Company	2,152,400	4.80%			
9	Butternut Creek Apartments	1,532,763	3.42%	1,272,223	2.97%	10
10	Alro Steel Corporation			2,675,680	6.25%	7
	Linn Products, Inc.			3,328,474	7.78%	5
	Enovapremier of Michigan LLC			2,701,484	6.31%	6
	Total	$ 44,860,533		$ 42,785,541		

TABLE 8

CITY OF CHARLOTTE
PROPERTY TAX LEVIES AND COLLECTIONS
GENERAL PROPERTY TAX LEVY
LAST TEN YEARS
(UNAUDITED)

Tax Year	Fiscal Year	Total Tax Levy	Current Collections	Percent Collected	Delinquent Collections	Total Tax Collections	Percent Collected
2014	2015	$ 3,190,864	$ 3,081,281	96.57	$ 107,499	$ 3,188,780	99.93
2015	2016	3,192,615	3,082,696	96.56	108,822	3,191,518	99.97
2016	2017	3,108,121	3,006,852	96.74	85,776	3,092,628	99.50
2017	2018	3,249,045	3,128,735	96.30	119,934	3,248,669	99.99
2018	2019	3,278,529	3,176,132	96.88	99,529	3,275,661	99.91
2019	2020	3,393,913	3,296,164	97.12	91,971	3,388,136	99.83
2020	2021	3,525,635	3,403,585	96.54	114,600	3,518,185	99.79
2021	2022	4,019,599	3,926,933	97.69	89,026	4,015,959	99.91
2022	2023	4,652,272	4,539,005	97.57	111,365	4,650,370	99.96
2023	2024	4,926,548	4,787,290	97.17	135,951	4,923,241	99.93

Note: Delinquent collections reported are related to settlement with the County Treasurer

TABLE 9

CITY OF CHARLOTTE
RATIOS OF OUTSTANDING DEBT
LAST TEN YEARS
(UNAUDITED)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
General obligation bonds	$ 2,725,000	$ 2,490,000	$ 2,310,000	$ 2,165,000	$ 2,030,000	$ 1,890,000	$ 1,745,000	$ 1,600,000	$ 1,450,000	$ 1,290,000
Loans payable	433,767	251,512	203,672	173,237	142,188	110,525	78,228	56,413	34,163	11,465
Economic development agreement	22,338	4,464	-	-	-	-	-	-	-	-
Total	3,181,105	2,745,976	2,513,672	2,338,237	2,172,188	2,000,525	1,823,228	1,656,413	1,484,163	1,301,465
Business Type Activities										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Loans payable	-	-	-	-	-	-	-	-	-	-
Revenue bonds	4,050,000	3,650,000	3,225,000	2,795,000	2,355,000	1,905,000	1,445,000	975,000	495,000	-
Total	4,050,000	3,650,000	3,225,000	2,795,000	2,355,000	1,905,000	1,445,000	975,000	495,000	-
Total debt of the government	**$ 7,231,105**	**$ 6,395,976**	**$ 5,738,672**	**$ 5,133,237**	**$ 4,527,188**	**$ 3,905,525**	**$ 3,268,228**	**$ 2,631,413**	**$ 1,979,163**	**$ 1,301,465**
Total Population *	9,073	9,094	9,079	9,068	9,090	9,299	9,299	9,299	9,299	9,299
Total debt per capita	797	703	632	566	498	420	351	283	213	140

TABLE 10

CITY OF CHARLOTTE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS
(UNAUDITED)

Fiscal Year	Tax-limited General Obligation Bonds (LTGO)	Tax-supported Bonds (UTGO)	Less Pledged Debt Service Funds	Net General Bonded Debt	Taxable Value	Debt as a Percentage of Taxable Value	Population	Debt per Capita
2015	$ 210,000	$ 2,515,000	-	$ (2,305,000)	$ 208,767,153	(1.10)	9,073	$ (254)
2016	75,000	2,415,000	-	(2,340,000)	209,396,030	(1.12)	9,094	(257)
2017	-	2,310,000	-	(2,310,000)	204,383,965	(1.13)	9,079	(254)
2018	-	2,165,000	-	(2,165,000)	208,699,398	(1.04)	9,068	(239)
2019	-	2,030,000	-	(2,030,000)	211,728,499	(0.96)	9,090	(223)
2020	-	1,890,000	-	(1,890,000)	217,481,185	(0.87)	9,299	(203)
2021	-	1,745,000	-	(1,745,000)	225,810,181	(0.77)	9,299	(188)
2022	-	1,600,000	-	(1,600,000)	234,908,197	(0.68)	9,299	(172)
2023	-	1,450,000	-	(1,450,000)	246,509,494	(0.59)	9,299	(156)
2024	-	1,290,000	-	(1,290,000)	260,641,200	(0.49)	9,299	(139)

CITY OF CHARLOTTE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2024
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Direct and Estimated Overlapping Debt
Eaton County	$ 16,099,485	5.89	$ 948,260
Eaton Intermediate School District	2,817,919	8.41	236,987
Charlotte Public Schools	83,440,000	38.39	32,032,616
Total overlapping debt	102,357,404		33,217,863
Direct City debt	1,301,465	100.00	1,301,465
Total direct and overlapping debt	$ 103,658,869		$ 34,519,328

Note: This table reports overlapping debt on a net basis.

Note: Based on the most current audits available for each jurisdiction.

TABLE 12

CITY OF CHARLOTTE
LEGAL DEBT MARGIN
JUNE 30, 2024
(UNAUDITED)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Calculation of debt limit										
Assessed value	$ 221,304,995	$ 225,400,838	$ 226,566,805	$ 234,751,772	$ 238,670,578	$ 251,792,523	$ 269,202,283	$ 283,021,572	$ 328,748,911	$ 369,277,425
10% of assessed value	22,130,500	22,540,084	22,656,681	23,475,177	23,867,058	25,179,252	26,920,228	28,302,157	32,874,891	36,927,743
Calculation of debt subject to limit										
Total debt	7,231,105	6,395,976	5,738,672	5,133,237	4,527,188	3,905,525	3,268,228	2,631,413	1,979,163	1,301,465
Less debt not subject to limit										
Revenue bonds	4,050,000	3,650,000	3,225,000	2,795,000	2,355,000	1,905,000	1,445,000	975,000	495,000	-
Net debt subject to limit	3,181,105	2,745,976	2,513,672	2,338,237	2,172,188	2,000,525	1,823,228	1,656,413	1,484,163	1,301,465
Legal debt margin	18,949,395	19,794,108	20,143,009	21,136,940	21,694,870	23,178,727	25,097,000	26,645,744	31,390,728	35,626,278
Net debt subject to limit as a percentage of debt limit	16.79%	13.87%	12.48%	11.06%	10.01%	8.63%	7.26%	6.22%	4.73%	3.65%

TABLE 13

CITY OF CHARLOTTE
PLEDGED-REVENUE COVERAGE
LAST TEN YEARS
(UNAUDITED)

	Water and Sewer Revenue Bonds						
				Debt Service			
Fiscal Year	Gross Revenues	Applicable Expenses	Net Revenues	Principal	Interest	Total	Coverage
2015	$ 3,412,887	$ 2,352,465	$ 1,060,422	$ 390,000	$ 183,388	$ 573,388	$ 184.94
2016	3,647,908	2,291,681	1,356,227	400,000	132,528	532,528	254.68
2017	3,753,039	2,527,059	1,225,980	425,000	87,450	512,450	239.24
2018	3,700,087	2,594,020	1,106,067	430,000	78,950	508,950	217.32
2019	3,881,921	2,784,765	1,097,156	440,000	70,350	510,350	214.98
2020	3,909,274	2,721,632	1,187,642	450,000	61,550	511,550	232.17
2021	4,623,575	3,153,766	1,469,809	460,000	52,552	512,552	286.76
2022	4,765,368	2,997,637	1,767,731	470,000	66,641	536,641	329.41
2023	5,063,143	3,721,554	1,341,589	480,000	29,250	509,250	263.44
2024	5,495,366	3,764,611	1,730,755	495,000	20,850	515,850	335.52

CITY OF CHARLOTTE
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
(UNAUDITED)

Fiscal Year	Population	Per Capita Personal Income	Unemployment Rate**
2015	9,077	38,677	4.9
2016	9,097	39,803	4.3
2017	9,088	40,784	4.8
2018	9,088	42,693	3.7
2019	9,088	43,365	3.6
2020	9,299	47,460	11.2
2021	9,299	50,326	13.1
2022	9,299	n/a	4.5
2023	9,299	n/a	4.4
2024	9,299	n/a	5.1

n/a = Information not available

* Number represents all of Eaton County
** Represents Lansing Area

TABLE 15

CITY OF CHARLOTTE
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	Employer	2015 Number of Employees	2015 Percentage of Total	2024 Number of Employees	2024 Percentage of Total
1	Shyft Group (formerly Spartan Motors)	635	22.14	2,312	52.69
2	Sparrow Health Systems (formerly HGB)	448	15.62	442	10.07
3	County of Eaton	383	13.35	354	8.07
4	Charlotte Public Schools	350	12.20	338	7.70
5	Linn Products, Inc.	231	8.05	160	3.65
6	Meijer, Inc.	261	9.10	225	5.13
7	Eaton Intermediate School District	152	5.30	223	5.08
8	Wal-Mart Stores, Inc.	227	7.91	192	4.38
9	Peckham Vocational Industries	181	6.31	142	3.24

Source: Treasurer, City of Charlotte

TABLE 16

CITY OF CHARLOTTE
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES
LAST TEN YEARS
(UNAUDITED)

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government										
City manager	1	1	1	1	1	1	1	1	1	1
Clerk	2	2	2	2	2	2	2	2	2	2
Assessor	1	1	1	1	1	1	1	1	1	1
Finance and treasury	3	3	3	3	1	1	3	3	3	2
Public Safety										
Police	17	15	15	15	15	15	16	17	15	16
Fire - Full-time	5	6	6	6	6	6	6	6	6	8
Fire - Volunteer	30	28	28	28	26	26	19	22	22	24
Building Inspection	1	-	-	-	-	-	-	-	-	-
Public Works										
DPW	11	11	11	10	12	12	11	11	12	14
Water and Sewer	7	7	7	8	9	9	9	9	8	8
Community and Economic Development	1	1	1	1	1	1	2	2	2	1
Total	79	75	75	75	74	74	70	74	72	77

*Building Inspections are performed by the full-time fire department employees.

TABLE 17

CITY OF CHARLOTTE
OPERATING INDICATORS
LAST TEN YEARS
(UNAUDITED)

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Election data										
Registered voters	6,159	6,171	6,332	6,335	6,397	6,570	6,882	6,870	6,971	7,174
Voters (at polls or absentee)	2,745	1,435	3,904	3,507	1,695	1,965	1,124	1,989	3,691	1,406
Percent voting	44.57%	23.25%	61.66%	55.36%	26.50%	29.91%	16.33%	28.95%	52.95%	19.60%
Police										
Physical arrests	520	479	511	387	344	313	160	286	477	285
Traffic violations	808	822	786	603	508	407	270	460	800	1042
Crimes reported	2,457	2,319	2,566	2,663	2,476	2,403	2,510	2,430	3,460	1701
Fire										
Fire runs	328	343	380	418	405	435	347	399	427	580
Emergency medical runs	238	257	233	396	421	341	401	657	357	278
Inspections	124	127	135	204	327	182	-	20	34	50
Public Works - Miles of street resurfaced	0.21	0.55	0.99	0.07	0.92	0.19	1.01	0.26	-	-
Water										
Number of customers billed	3,777	3,799	3,844	3,906	3,388	3,399	3,431	3,455	3,383	4,335
Total daily consumption	861,000	838,750	861,605	868,600	864,192	850,364	921,547	907,723	890,764	830,833
Average consumption per year	228	221	224	222	255	250	269	263	244	199
Sewer - Average daily sewage treatment	761,000	769,417	791,715	876,995	893,340	883,937	828,658	861,008	855,334	799,000

TABLE 18

CITY OF CHARLOTTE
CAPITAL ASSET INFORMATION
LAST TEN YEARS
(UNAUDITED)

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	9	8	8	9	9	9	9
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Fire response vehicles	7	7	7	7	7	7	7	7	7	7
Emergency response vehicles	1	1	2	2	1	1	1	1	1	2
Public works										
Streets (miles)										
Major streets	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2
Local streets	25.7	25.7	25.7	25.7	25.8	25.8	25.8	25.8	25.8	25.8
Sidewalks	45	45	45	45	46	45	45	45	46	46
Street lights	507	507	509	509	509	509	509	509	509	509
Traffic signals	7	7	7	7	7	7	7	7	7	7
Parks and recreation										
Acreage	199	199	199	199	199	199	199	199	199	199
Developed parks/playgrounds	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Libraries - Branches	1	1	1	1	1	1	1	1	1	1
Water										
Mains (miles)	53.0	53.0	53.0	53.0	52.7	52.8	52.8	52.8	52.6	52.6
Fire hydrants	471	471	471	471	470	472	472	472	472	471
Storage capacity	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Sewer										
Miles of sanitary sewers	42.0	42.0	42.0	42.0	42.1	42.1	42.1	42.1	42.1	42.1
Miles of storm sewers	31.5	31.5	31.5	31.5	31.5	31.5	31.5	31.5	31.5	31.5
Treatment capacity	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000

CITY OF CHARLOTTE, MICHIGAN

SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS (Federal Awards)

YEAR ENDED JUNE 30, 2024

Maner Costerisan

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Maner Costerisan

2425 E. Grand River Ave.,
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and
Members of the City Council
City of Charlotte, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Charlotte's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Charlotte complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Charlotte and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Charlotte's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Charlotte's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Charlotte's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Charlotte's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Charlotte's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City of Charlotte's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Charlotte's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-002. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Charlotte's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Charlotte, Michigan, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 22, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Maner Costerisan PC

November 22, 2024

CITY OF CHARLOTTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY			
Direct programs			
Assistance to Firefighters Grant	97.044	N/A	$ 714,843
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Michigan Department of Transportation			
Airport Improvement Program	20.106	B-26-0018-2619	798,544
		B-26-0018-2519	51,157
			849,701
U.S. DEPARTMENT OF TREASURY			
Direct programs			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	673,753
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 2,238,297

See accompanying notes to the schedule of expenditures of federal awards.

CITY OF CHARLOTTE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Charlotte, Michigan. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements, which are reconciled in Note 4.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The City of Charlotte has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - SUBRECIPIENTS

No federal awards were passed through by the City to any subrecipients during the year.

NOTE 4 - RECONCILIATION TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The following reconciles the intergovernmental revenues reported in the June 30, 2024, basic financial statements to the expenditures of the City administered federal programs reported on the Schedule of Expenditures of Federal Awards:

	Inter-governmental Revenue	Adjustment: State/Local Revenue	Federal Award Expenditures
PRIMARY GOVERNMENT			
GENERAL FUND	$ 3,122,547	$ 2,272,846	$ 849,701
SPECIAL REVENUE FUNDS	3,368,607	1,980,011	1,388,596
DEBT SERVICE FUNDS	15,065	15,065	-
ENTERPRISE FUNDS	377,998	377,998	-
INTERNAL SERVICE FUNDS	19,673	19,673	-
	$ 6,903,890	$ 4,665,593	$ 2,238,297

Maner Costerisan

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and
Members of the City Council
City of Charlotte, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Charlotte, Michigan (the City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 22, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* as described in the accompanying schedule of findings and questioned costs as item 2024-001.

City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maner Costerisan PC

November 22, 2024

CITY OF CHARLOTTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles:	*Unmodified*			
Internal control over financial reporting:				
➢ Material weakness(es) identified?		Yes	X	No
➢ Significant deficiency(ies) identified that are not considered to be material weakness(es)?		Yes	X	None reported
Noncompliance material to financial statements noted?	X	Yes		No

Federal Awards

Internal control over major federal programs:				
➢ Material weakness(es) identified?		Yes	X	No
➢ Significant deficiency(ies) identified that are not considered to be material weakness(es)?		Yes	X	None reported
Type of auditor's report issued on compliance for major programs:	*Unmodified*			
Any audit findings that are required to be reported in accordance with Title 2 CFR Section 200.516(a)?	X	Yes		No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
97.044	Assistance to Firefighters Grants
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000			
Auditee qualified as low-risk auditee?		Yes	X	No

Section II - Financial Statement Findings

2024-001 UNFAVORABLE BUDGET VARIANCES

Condition: We noted that expenditures had exceeded the amounts appropriated for certain activities of the General Fund and one major special revenue fund.

Criteria: The Uniform Budgeting and Accounting Act requires the City to amend the original adopted budget "as soon as it becomes apparent that a deviation from the original general appropriations act is necessary and the amount of the deviation can be determined". The Act also states that an "administrative officer of the local unit shall not incur expenditures against an appropriation account in excess of the amount appropriated by the legislative body".

Cause: The City did not sufficiently amend the budget when it became apparent expenditures were going to exceed the amounts appropriated.

Effect: The City has not maintained adequate control over budgetary compliance in accordance with State law.

Recommendation: We recommend the City continue to monitor expenditures against adopted budgets and make appropriate budget adjustments as needed.

View of Responsible Officials: Management agrees with the finding. The quarterly amendment process did not account for the State pension grant awarded in the fall of 2023. The City will ensure future grants are appropriately budgeted.

Section III - Federal Award Findings

2024-002 WRITTEN POLICIES REQUIRED BY UNIFORM GRANT GUIDANCE

Programs: Assistance to Firefighters Grants; U.S. Department of Homeland Security; ALN 97.044

Airport Improvement Program; U.S. Department of Transportation; ALN 20.106; All Award Numbers

Condition: The City has not adopted federal policies as required by the Uniform Guidance (2 CFR Part 200). Key policies, including, but not limited to, procurement, subrecipient monitoring, and financial management, have not been implemented in accordance with federal standards.

Criteria: Uniform Guidance mandates that entities expending federal awards comply with federal policies and procedures to ensure proper management and accountability of federal funds. Specifically, 2 CFR 200.302(b) and 200.318 require entities to implement adequate financial and procurement management systems.

Cause: The City lacks formal processes to update and align its internal policies with Uniform Guidance requirements, leading to gaps in federally compliant procedures.

Section III - Federal Award Findings (continued)

2024-002 WRITTEN POLICIES REQUIRED BY UNIFORM GRANT GUIDANCE (continued)

Effect: Noncompliance with the Uniform Guidance could result in improper use or oversight of federal funds, increasing the risk of audit findings, potential disallowed costs, and jeopardizing future federal funding.

Questioned Costs: No costs were required to be questioned as a result of this finding inasmuch as our testing did not reveal any unallowable costs or excess cash draws.

Recommendation: Management should establish and implement federal-compliant policies, specifically focusing on procurement, financial management, and subrecipient monitoring, to ensure full alignment with Uniform Guidance requirements. Periodic policy reviews should be conducted to ensure continued compliance.

View of Responsible Officials: Management agrees with the finding and will create appropriate policies and procedures to alleviate the finding from re-occurring.

THE CITY OF CHARLOTTE MICHIGAN

CORRECTIVE ACTION PLAN

2024-001 - Unfavorable Budget Variances

Corrective Action: Institute a grant policy for budgeting grants.

Responsible Party: Finance Director

Date to Complete By: 1-31-25

2024-002 – Written Policies Required by Uniform Grant Guidance

Corrective Action: Institute a formal grant policy in accordance with Uniform Grant Guidance.

Responsible Party: Finance Director

Date to Complete By: 1-31-25

CITY OF CHARLOTTE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024

FINDINGS/NONCOMPLIANCE

Control Deficiencies Related to Internal Controls Over the Basic Financial Statements.

2023-001 MATERIAL JOURNAL ENTRIES PROPOSED BY AUDITORS

Condition: Material journal entries for the adjustment of capital asset activity, OPEB trust activity, net pension liability, net OPEB liability, and related deferred outflows and inflows of resources were proposed by the auditors and were necessary for the fair presentation of the financial statements. These misstatements were brought to the attention of management and were subsequently recorded in the City's general ledger.

Resolution: Issues such as this are reevaluated each year and if there are entries necessary it is noted at that time. Material journal entries were not required during the current year audit. We consider this issue resolved.

Findings Related to Compliance with Requirements Applicable to the Basic Financial Statements.

No prior audit findings noted.

Findings Related to Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with the Uniform Guidance.

No prior audit findings noted.

City of Charlotte
Year Ended June 30, 2024

Audit Presentation
December 9, 2024

Presented by:
Dane M. Porter, CPA
Senior Manager

Maner Costerisan
Certified Public Accountants
Business & Technology Advisors

Opinions

- In our opinion, the financial statements...present fairly, in all material respects,...

Management's Responsibility for the Financial Statements

- Preparation and fair presentation of the financial statements in accordance with GAAP
- Including design, implementation, and maintenance of internal controls
- Also responsible for fraud detection, deterrence, and prevention

Auditor's Responsibility

- The objective, or purpose, of an audit is to express opinions on the financial statements based on our audit
- The purpose is *not* to detect fraud or express an opinion on your internal controls

CITY OF CHARLOTTE
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	$ 8,546,100	$ 3,406,040	$ 11,952,140	$ 1,427,604
Receivables				
Accounts, net	5,952	1,116,463	1,122,415	75
Notes	-	-	-	11,465
Special assessments	9,661	-	9,661	1,319
Due from other governmental units	399,648	42,209	441,857	-
Inventories	18,504	234,277	252,781	-
Prepaids	190,795	28,930	219,725	-
Total current assets	9,170,660	4,827,919	13,998,579	1,440,463
Noncurrent assets				
Capital assets not being depreciated	4,017,740	104,995	4,122,735	214,777
Capital assets, net of accumulated depreciation	16,061,396	15,001,070	31,062,466	-
Total noncurrent assets	20,079,136	15,106,065	35,185,201	214,777
TOTAL ASSETS	29,249,796	19,933,984	49,183,780	1,655,240
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	17,755	-	17,755	-
Deferred outflows of resources related to pensions	1,704,119	347,846	2,051,965	-
Deferred outflows of resources related to OPEB	5,637	-	5,637	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,727,511	347,846	2,075,357	-
LIABILITIES				
Current liabilities				
Accounts payable	508,005	118,396	626,401	83,939
Accrued liabilities	294,905	29,413	324,318	-
Accrued interest payable	6,450	-	6,450	-
Unearned revenue	271,382	-	271,382	-
Current portion of compensated absences	183,355	48,577	231,932	-
Current portion of long-term debt	185,013	-	185,013	-
Total current liabilities	1,449,110	196,386	1,645,496	83,939
Noncurrent liabilities				
Noncurrent portion of compensated absences	309,111	33,235	342,346	-
Noncurrent portion of long-term debt	1,176,281	-	1,176,281	-
Net other post-employment benefits liability	704,409	-	704,409	-
Net pension liability	9,541,647	1,947,642	11,489,289	-
Total noncurrent liabilities	11,731,448	1,980,877	13,712,325	-
TOTAL LIABILITIES	13,180,558	2,177,263	15,357,821	83,939
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	120,164	24,528	144,692	-
NET POSITION				
Net investment in capital assets	18,735,597	15,106,065	33,841,662	214,777
Restricted				
Expendable, restricted for:				
Streets and highways	2,845,153	-	2,845,153	-
Fire	66,436	-	66,436	-
Debt service	152,845	-	152,845	-
Police training	20,133	-	20,133	-
Industrial park	254,815	-	254,815	-
Drug enforcement	6,422	-	6,422	-
Camp Frances	16,985	-	16,985	-
Grants	22,383	-	22,383	-
Unrestricted	(4,444,184)	2,973,974	(1,470,210)	1,356,524
TOTAL NET POSITION	$ 17,676,585	$ 18,080,039	$ 35,756,624	$ 1,571,301

See accompanying notes to financial statements.

CITY OF CHARLOTTE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
Primary government								
Governmental activities								
General government	$ 1,756,703	$ 664,206	$ 1,117,420	$ -	$ 24,923	$ -	$ 24,923	$ -
Public safety	4,291,076	502,907	392,602	714,843	(2,680,724)	-	(2,680,724)	-
Public works	1,800,537	117,307	2,480,590	802,144	1,599,504	-	1,599,504	-
Community development	418,468	18,100	-	-	(400,368)	-	(400,368)	-
Recreation and culture	343,267	-	101	-	(343,166)	-	(343,166)	-
Interest on long-term debt	37,371	-	15,065	-	(22,306)	-	(22,306)	-
Total governmental activities	8,647,422	1,302,520	4,005,778	1,516,987	(1,822,137)	-	(1,822,137)	-
Business-type activities								
Water Supply and Sewage Disposal	4,021,569	5,019,944	-	343,775	-	1,342,150	1,342,150	-
Recycling	57,694	14,721	34,223	-	-	(8,750)	(8,750)	-
Total business-type activities	4,079,263	5,034,665	34,223	343,775	-	1,333,400	1,333,400	-
Total primary government	$ 12,726,685	$ 6,337,185	$ 4,040,001	$ 1,860,762	(1,822,137)	1,333,400	(488,737)	-
Component units								
Downtown Development Authority	$ 24,502	$ 2,475	$ 10,491	$ -	-	-	-	(11,536)
Local Development Financing Authority	4,150	684	-	-	-	-	-	(3,466)
Brownfield Redevelopment Authority	85,893	-	-	-	-	-	-	(85,893)
Total component units	$ 114,545	$ 3,159	$ 10,491	$ -	-	-	-	(100,895)
General revenues								
Property taxes					4,856,572	24,791	4,881,363	175,433
Unrestricted state shared revenues					1,191,438	-	1,191,438	-
Investment earnings					307,701	96,837	404,538	42,929
Gain on disposal of assets					249,829	-	249,829	-
Miscellaneous					-	59,633	59,633	-
Total general revenues					6,605,540	181,261	6,786,801	218,362
Change in net position					4,783,403	1,514,661	6,298,064	117,467
Net position, beginning of the year					12,893,182	16,565,378	29,458,560	1,453,834
Net position, end of the year					$ 17,676,585	$ 18,080,039	$ 35,756,624	$ 1,571,301

See accompanying notes to financial statements.

CITY OF CHARLOTTE
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024

	General	Major Streets	Fire	Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	$ 4,138,827	$ 1,637,040	$ 335,793	$ 1,633,646	$ 7,745,306
Receivables					
Accounts, net	3,766	365	1,631	190	5,952
Special assessments	-	-	-	9,661	9,661
Due from other governmental units	211,152	135,581	-	52,915	399,648
Inventories	18,504	-	-	-	18,504
Prepaids	129,505	2,092	38,024	1,996	171,617
TOTAL ASSETS	$ 4,501,754	$ 1,775,078	$ 375,448	$ 1,698,408	$ 8,350,688
LIABILITIES					
Accounts payable	$ 326,820	$ 43,718	$ 14,335	$ 90,635	$ 475,508
Accrued liabilities	258,844	1,978	30,295	2,308	293,425
Unearned revenue	7,000	-	264,382	-	271,382
TOTAL LIABILITIES	592,664	45,696	309,012	92,943	1,040,315
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	9,661	9,661
FUND BALANCES					
Nonspendable	148,009	2,092	38,024	1,996	190,121
Restricted	-	1,727,290	28,412	1,593,808	3,349,510
Assigned	841,375	-	-	-	841,375
Unassigned	2,919,706	-	-	-	2,919,706
TOTAL FUND BALANCES	3,909,090	1,729,382	66,436	1,595,804	7,300,712
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 4,501,754	$ 1,775,078	$ 375,448	$ 1,698,408	$ 8,350,688

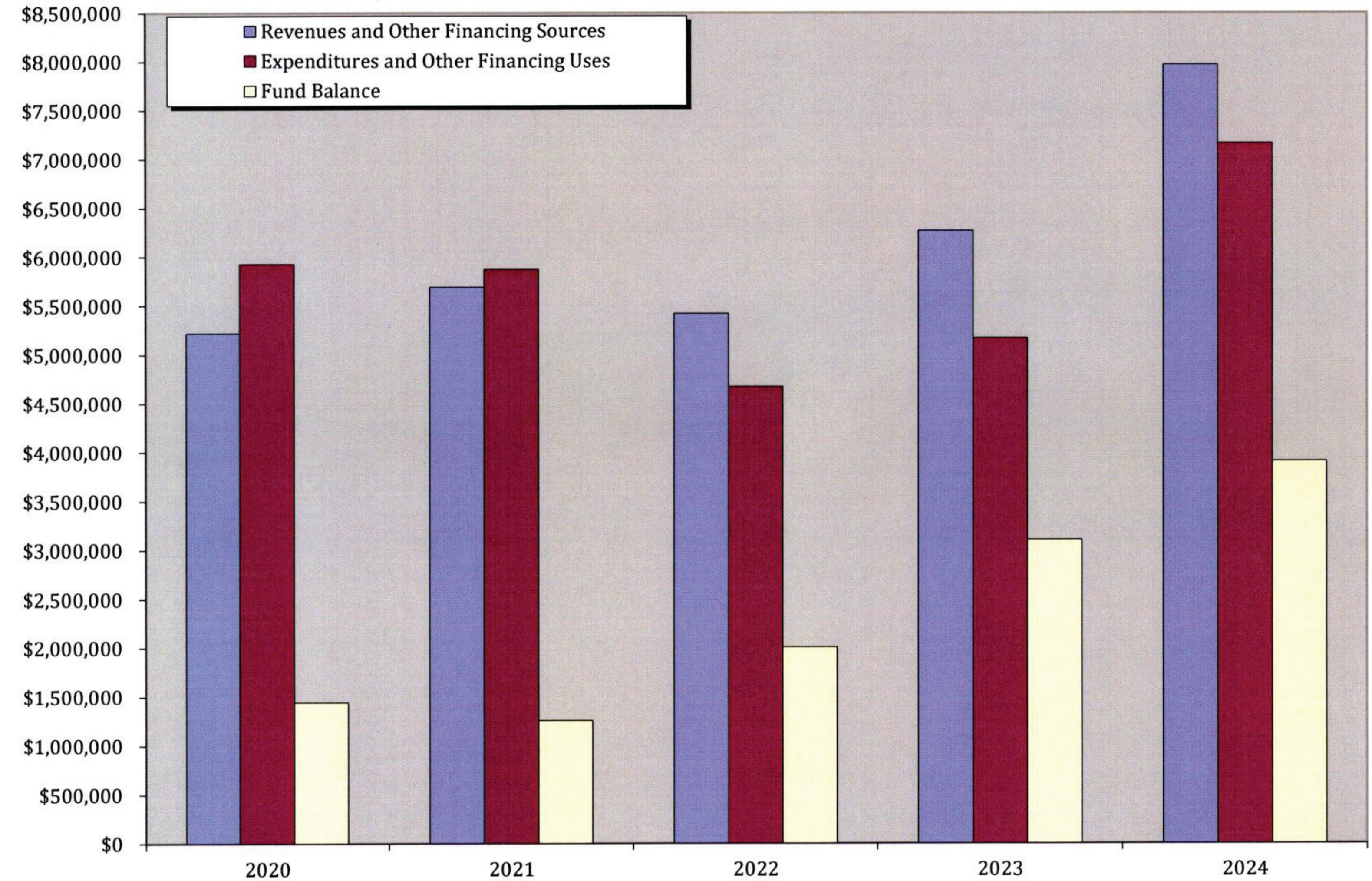
See accompanying notes to financial statements.

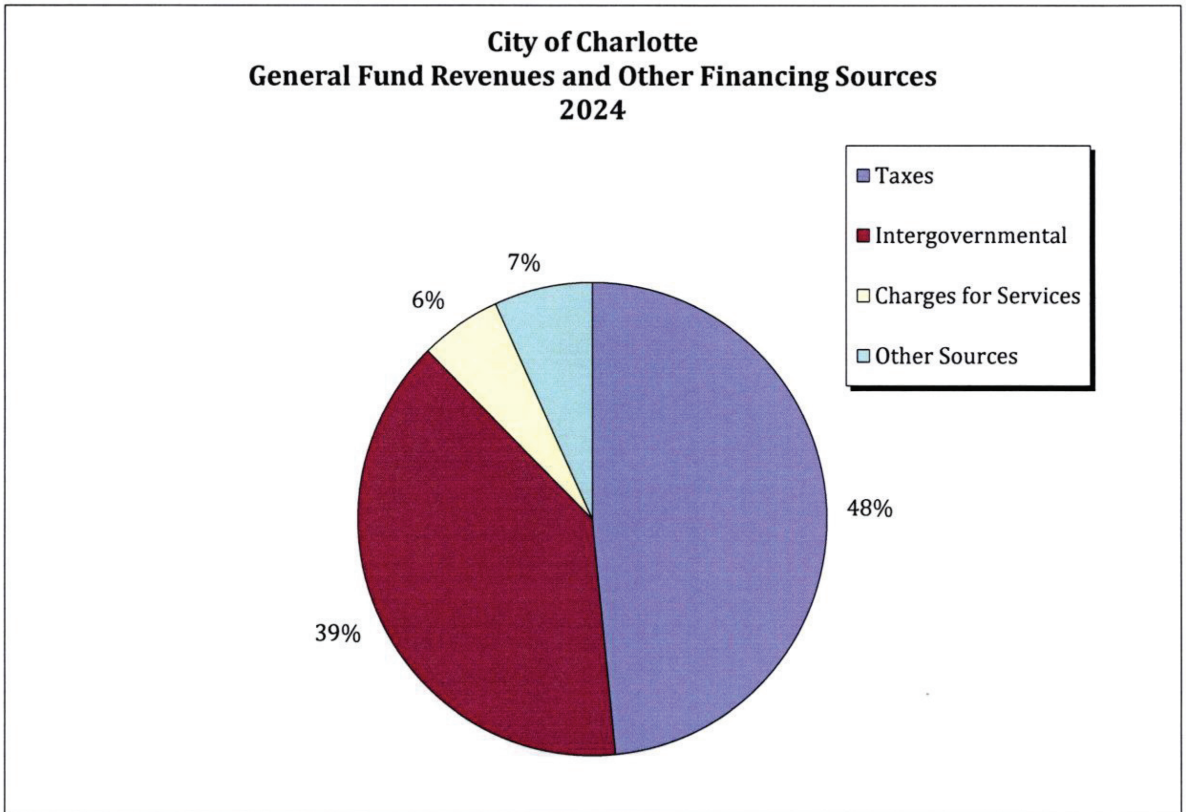
CITY OF CHARLOTTE
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024

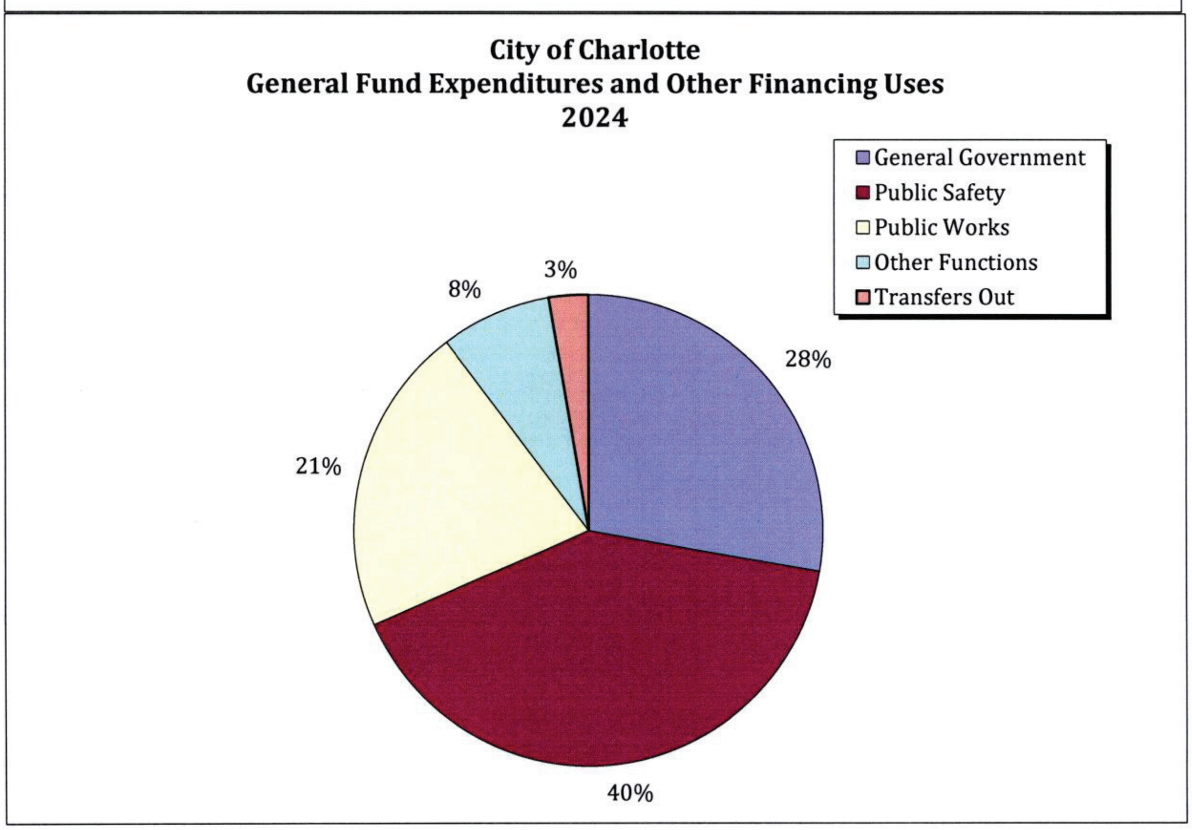
	General	Major Streets	Fire	Nonmajor Governmental Funds	Total
REVENUES					
Property taxes	$ 3,857,672	$ -	$ 919,423	$ 234,295	$ 5,011,390
Special assessments	-	-	-	3,339	3,339
Licenses and permits	34,415	-	-	-	34,415
Intergovernmental	3,122,547	1,961,050	1,050,336	372,286	6,506,219
Charges for services	448,145	-	471,935	-	920,080
Fines and forfeits	3,419	-	-	-	3,419
Interest and rents	229,568	42,195	7,782	72,436	351,981
Other	272,625	76,791	93,142	200,893	643,451
TOTAL REVENUES	7,968,391	2,080,036	2,542,618	883,249	13,474,294
EXPENDITURES					
Current					
General government	1,991,321	-	-	-	1,991,321
Public safety	2,906,511	-	2,647,202	6,267	5,559,980
Public works	1,526,156	1,653,746	-	435,998	3,615,900
Community and economic development	423,756	-	-	27,270	451,026
Recreation and culture	124,179	-	-	3,166	127,345
Debt service	-	-	23,381	203,500	226,881
TOTAL EXPENDITURES	6,971,923	1,653,746	2,670,583	676,201	11,972,453
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	996,468	426,290	(127,965)	207,048	1,501,841
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	172,200	119,856	292,056
Transfers out	(192,060)	(99,996)	-	-	(292,056)
TOTAL OTHER FINANCING SOURCES (USES)	(192,060)	(99,996)	172,200	119,856	-
NET CHANGE IN FUND BALANCES	804,408	326,294	44,235	326,904	1,501,841
Fund balances, beginning of year	3,104,682	1,403,088	22,201	1,268,900	5,798,871
Fund balances, end of year	$ 3,909,090	$ 1,729,382	$ 66,436	$ 1,595,804	$ 7,300,712

See accompanying notes to financial statements.

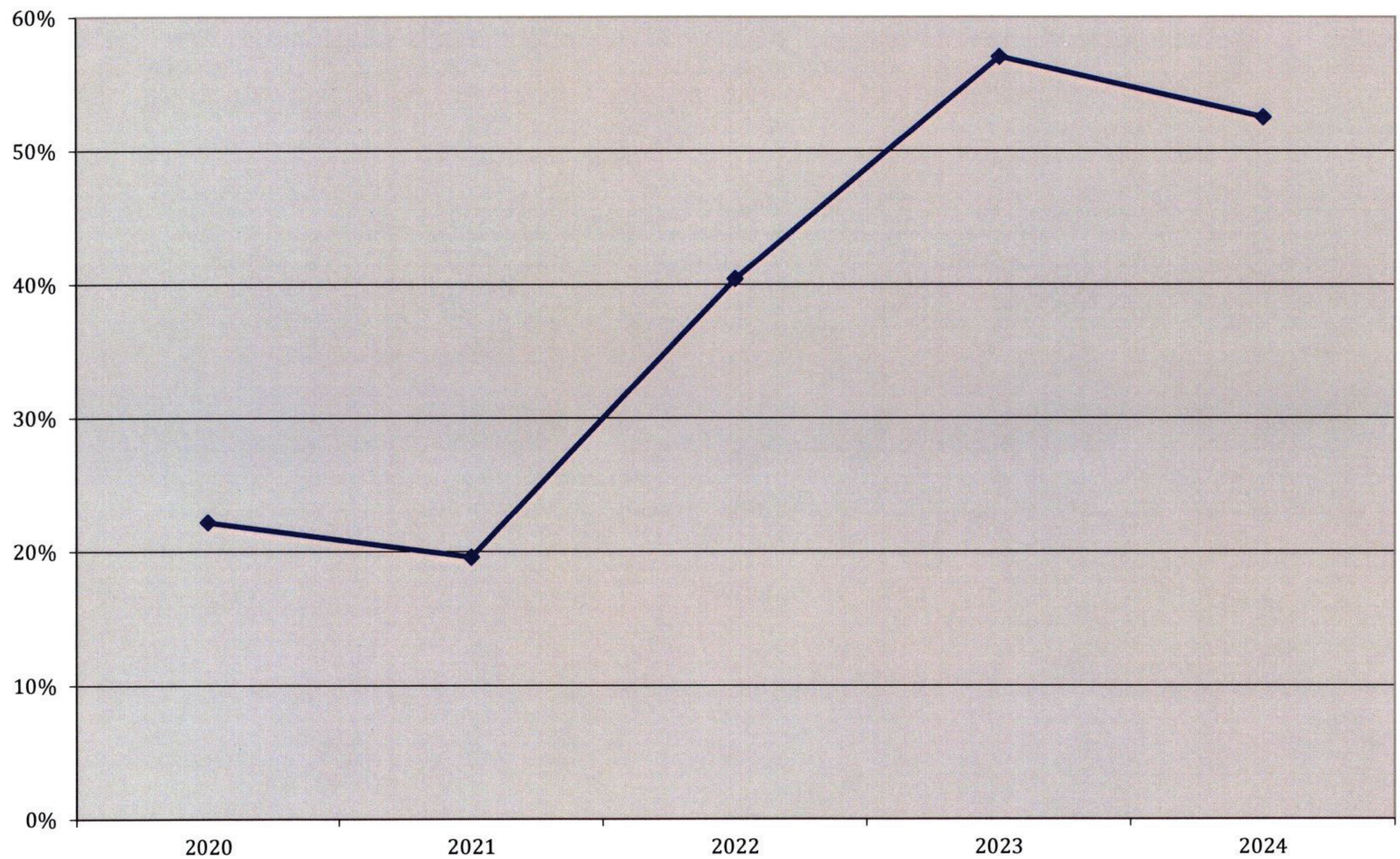
City of Charlotte
General Fund Revenues, Expenditures, and Fund Balance




City of Charlotte
General Fund Revenues and Other Financing Sources
2024
Taxes
Intergovernmental
Charges for Services
Other Sources
7%
6%
48%
39%


City of Charlotte
General Fund Expenditures and Other Financing Uses
2024
General Government
Public Safety
Public Works
Other Functions
Transfers Out
3%
8%
28%
21%
40%

City of Charlotte
General Fund Unrestricted Fund Balance as a Percentage of Expenditures and Other Financing Uses



CITY OF CHARLOTTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles:	*Unmodified*
Internal control over financial reporting:	
➢ Material weakness(es) identified?	___ Yes _X_ No
➢ Significant deficiency(ies) identified that are not considered to be material weakness(es)?	___ Yes _X_ None reported
Noncompliance material to financial statements noted?	_X_ Yes ___ No

Federal Awards

Internal control over major federal programs:	
➢ Material weakness(es) identified?	___ Yes _X_ No
➢ Significant deficiency(ies) identified that are not considered to be material weakness(es)?	___ Yes _X_ None reported
Type of auditor's report issued on compliance for major programs:	*Unmodified*
Any audit findings that are required to be reported in accordance with Title 2 CFR Section 200.516(a)?	_X_ Yes ___ No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
97.044	Assistance to Firefighters Grants
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	___ Yes _X_ No

Questions?

Thank you for your time.

Dane M. Porter, CPA
Senior Manager

Maner Costerisan
Certified Public Accountants
Business & Technology Advisors
2425 E. Grand River Avenue, Suite 1
Lansing, MI 48912
(517) 323-7500

McGinty, Hitch, Person, Anderson & Revore, P.C.
ATTORNEYS AT LAW
3410 BELLE CHASE WAY, SUITE 600
LANSING, MICHIGAN 48911
TELEPHONE (517) 351-0280
FAX (517) 351-3583
www.mcgintylaw.com

MEMORANDUM

TO: Charlotte City Council

FROM: Thomas M. Hitch, David M. Revore, City Attorneys

RE: CITY ATTORNEY REPORT – November 2024 Through December 5, 2024

DATE: December 6, 2024

The following serves as our report to the City Council on issues in which our office has been engaged since the last report:

1. Cannabis: Work with City officials considering potential further development.

2. Ordinances:

   a. Ordinance to amend City Code § 52-26 Public Nuisance Defined and Prohibited.

   b. Ordinance to adopt 2021 International Fire Code to coordinate with the City's adoption of the 2021 International Property Maintenance Code.

   c. Resume review of City ordinances for update revisions.

3. District Court. Prosecute misdemeanor offenses.

4. Code Enforcement. Continued work with Mr. Hillard, Tyger Fullerton, and Dan Daly regarding Code Enforcement.

5. HUD cases 05-23-0013-V, 05-23-0013-8, 05-23-5410-V. Continue work with City officials for agreement implementation.

6. Review Petition, and prepare and file with Tax Tribunal City's Answer, Appearance and Proof of Service. Shyft Group, Inc. - MTT No. 24-2188-TT.

7. Review contracts for DDA, Downtown Sidewalks and Airport Snow Removal, Combs Industrial Park Preliminary Engineering, Mckenna Associates, Inc., and Mannik & Smith Group, Inc.

8. Communications with City Manager, Chief of Police, Clerk.

DMR

THE CITY OF CHARLOTTE MICHIGAN

Memo

To: Honorable Mayor Lewis; City Council
From: Mary LaRocque, City Clerk
Date: December 04, 2024
Re: Claims and Expenditures for Council approval on Monday December 09, 2024

Background

Section 7.7(B) of the City Charter requires Council approval for the expenditure of city funds.

Recommendation

A report of claims is provided to council for review on the Wednesday preceding a council meeting at which the claims are approved. Questions about these claims should be directed to the City Manager and answers resolved by the Friday preceding said council meeting. Claims and expenditures are budgeted items and/or larger purchases pre-approved by Council. While review is recommended, approval should not be hindered.

Answers to Council inquiries, if any, are included in the meeting packet.

Financial Impacts

HRA Insurance claims week of November 25, 2024	$ 3,292.25
HRA Insurance Claims week of December 02, 2024	$ 2,667.50
Payroll paid Friday November 29, 2024	$242,470.37
Invoiced claims as of December 04, 2024	$124,702.55
Total	**$373,132.67**

Suggested Motion

Motion to approve Claims and Expenditures in the amount of **$373,132.67**

Vendor Code	Vendor Name / Invoice	Description	Amount
01691	1ST AYD CORPORATION		
	PSI744387	CLEANING SUPPLIES	344.83
	PSI744694	SAFETY SUPPLIES	388.90
TOTAL FOR: 1ST AYD CORPORATION			733.73
02015	ADVANTAGE FLEET, LLC		
	104761	CHARLOTTE FIRE DEPT KEYCHAINS	290.55
TOTAL FOR: ADVANTAGE FLEET, LLC			290.55
01669	ALRO STEEL CORPORATION		
	EKV7248PV	STEEL FOR PLANT & PUMPS	807.81
TOTAL FOR: ALRO STEEL CORPORATION			807.81
01764	AMAZON CAPITAL SERVICES		
	139X-N9XF-G1DM	ACCOUNT # A264N6SLCWDWHU(CLERK)HDMI CABLE	21.55
	13HV-QQYR-MMD3	ACCOUNT # A264N6SLCWDWHU (FIRE) 3 HOLE PUNCH COPY PAPER	25.49
	1FFR-9YFV-JQQD	ACCOUNT # A264N6SLCWDWHU (TREASURER) MAINTENANCE KIT FOR CONNIE'S PRINTER (RETURNED)	(159.95)
	1J1M-QJH7-FLT9	ACCOUNT # A264N6SLCWDWHU (CLERK) HEAVY DUTY PLASTIC FILE JACKETS	11.97
	1PVW-G7HM-FWYX	ACCOUNT # A264N6SLCWDWHU (FIRE) CREDIT MEMO RETURN BOOTS ON INVOICE#1JKW-HTRD-94XT	(129.99)
	1T7X-PQWL-LDNV	ACCOUNT # A264N6SLCWDWHU (CLERK) SMART SCREEN LASER POINTER	19.99
	1VKP-XFD7-NX63	ACCOUNT # A264N6SLCWDWHU (FIRE) INSULATED CUPS,KLEENEX TISSUESFOAM CUPS, JUMBO STORAGE BAGS)	295.03
	1YP1-JP1K-61XJ	ACCOUNT # A264N6SLCWDWHU (FIRE) TRASH BAGS, CHARMIN PAPER, PAPER TOWELS	609.95
TOTAL FOR: AMAZON CAPITAL SERVICES			694.04
02036	AMAZON CAPITAL SERVICES		
	1KTR-DNFQ-G4GL	ACCT # A1K517P63NLQUT(POLICE) ETHERNET SMART SWITCH	138.97
TOTAL FOR: AMAZON CAPITAL SERVICES			138.97
01665	AMBS MESSAGE CENTER INC.		
	241110245	USAGE PERIOD 11/01/2024 -11/30/2024	121.12
TOTAL FOR: AMBS MESSAGE CENTER INC.			121.12
01915	APEX SEPTIC & EXCAVATING, INC.		
	1773	SERVICE FOR AMITY ST	3,879.97
TOTAL FOR: APEX SEPTIC & EXCAVATING, INC.			3,879.97
01656	APEX SOFTWARE		
	328608	APEX SKETCHING SOFTWARE	1,040.00
TOTAL FOR: APEX SOFTWARE			1,040.00
02108	ASSESSING SOLUTIONS INC.		
	DECEMBER 2024	ASSESSING SERVICES FOR FISCAL YEAR 2025 (DECEMBER 2025)	3,750.00
TOTAL FOR: ASSESSING SOLUTIONS INC.			3,750.00

Vendor Code	Vendor Name / Invoice	Description	Amount
01635	AT&T LONG DISTANCE		
	517543228811N	AIRPORT MODEM LINE OCT 14 - NOV 13,2024	185.40
	517543839611N	CITY HALL MAIN LINE OCT 14- NOV 13, 2024	249.84
	517543887411N	DPW CALLOUT OCT 14 - NOV 13,2024	61.00
TOTAL FOR: AT&T LONG DISTANCE			496.24
01630	AUTO GEM DISTRIBUTING		
	13278	CLEANING SUPPLIES FOR FIRE ENGINES	153.60
TOTAL FOR: AUTO GEM DISTRIBUTING			153.60
02142	BRONNER'S COMMERCIAL DISPLAY		
	INV52075	HOLIDAY LIGHT BULBS	920.58
TOTAL FOR: BRONNER'S COMMERCIAL DISPLAY			920.58
01555	BYRUM ACE HARDWARE		
	407239	(FIRE) CABLE TIES, TIEDOWN TACHET LOOP	36.49
	409960	(CARA) HILLMAN FASTENERS	4.17
	410408	(DPW) INSTALLATION BIT, SPADE BIT	42.97
	410440	(FIRE) ANCHOR POINT	13.99
	410513	(WWTP) FITTINGS	33.17
	410589	(DPW) GORILLA CLEARGLUE, HANGER STRAP	19.98
	410663	(FIRE) HILLMAN FASTENERS, KEY	44.90
	410741	(DPW) WALL PLATE, BOX SWITCH, RECEPTICAL OUTLET	125.31
	411262	(DPW) HILLMAN FASTENERS, SPRAY PAINT	11.27
	411291	(FIRE) EXTENSION CORD	44.97
	411354	(WWTP) PLUMBING FOR WELL #5	56.14
	411498	(WWTP) PLUMBING SUPPLIES	75.94
	411550	(WWTP) PLUMBING SUPPLIES	3.99
	412233	(FIRE) FARM & IMPLEMENT BLACK	25.77
	412329	(FIRE) LID FOR PAILS, PLASTIC BUCKET	75.51
TOTAL FOR: BYRUM ACE HARDWARE			614.57
01486	CONSULTANTS ON CALL, LLC		
	2024-20405	MANAGED SERVICES	2,800.00
TOTAL FOR: CONSULTANTS ON CALL, LLC			2,800.00
01811	CONSUMERS ENERGY		
	9327767915	ELECTRIC STREET LIGHTS- CIAC	100.00
TOTAL FOR: CONSUMERS ENERGY			100.00
01429	DELAU FIRE & SAFETY INC		
	71814	FIRE SYSTEM REPAIRS	1,350.50
TOTAL FOR: DELAU FIRE & SAFETY INC			1,350.50
02017	DINGES FIRE COMPANY		
	62130	HANDLE COVER KIT-RED	44.02
TOTAL FOR: DINGES FIRE COMPANY			44.02
01414	DORNBOS SIGN & SAFETY INC.		
	INV79206	DRILL KIT	800.00
	INV79284	FLARED LEG BRACKET,SNAP LOCK ASSEMBLY	58.20
TOTAL FOR: DORNBOS SIGN & SAFETY INC.			858.20
01410	DR LAB SERVICES LLC		
	1311	ANNUAL LAB CALIBRATIONS	2,330.00
TOTAL FOR: DR LAB SERVICES LLC			2,330.00

Vendor Code	Vendor Name / Invoice	Description	Amount
01375	ELHORN ENGINEERING COMPANY		
	304553	WWTP HYPOCHLORITE	1,225.00
	304554	PHOSPHATE	4,579.00
TOTAL FOR: ELHORN ENGINEERING COMPANY			5,804.00
00932	ERIC ROGERS LLC		
	34099	DDA SNOW REMOVAL	1,840.00
	34120	AIRPORT SNOW REMOVAL SERVICES (1ST OF 10 PAYMENTS)	4,250.00
	34121	AIRPORT SNOW REMOVAL SERVICES (2ND OF 10 PAYMENTS	4,250.00
TOTAL FOR: ERIC ROGERS LLC			10,340.00
01322	GALE BRIGGS, INC.		
	M2205	SAND AND GRAVEL	8,652.78
TOTAL FOR: GALE BRIGGS, INC.			8,652.78
01297	H2O COMPLIANCE SERVICES INC		
	00009825	CROSS CONNECTION PROGRAM NOVEMBER 1- 30, 2024	1,217.70
TOTAL FOR: H2O COMPLIANCE SERVICES INC			1,217.70
01438	HASSEL FREE FUELS		
	CFSI-11454	ACCOUNT # 010109 (FIRE) FUEL	721.63
TOTAL FOR: HASSEL FREE FUELS			721.63
01970	HOPKINS MECHANICAL SERVICES, LLC		
	H24516	CITY HALL PIPE REPAIRS	2,018.00
	H24549	CHARLOTTE CITY HALL BOILER START UP	2,144.00
TOTAL FOR: HOPKINS MECHANICAL SERVICES, LLC			4,162.00
01226	JOHNSON'S PICTURE FRAMING		
	18592	REPAIR 16X20 FRAM COUNCIL CHAMBERS, 16X20 CLEAR GLASS	27.00
TOTAL FOR: JOHNSON'S PICTURE FRAMING			27.00
01327	JON FULLERTON		
	11.25.2024	REIMBURSEMENT OF MILEAGE FOR FORENSIC INTERVIEWING IN LANSING (11/19/24 - 11/21/2024)	96.48
TOTAL FOR: JON FULLERTON			96.48
01976	KENT COMMUNICATIONS INC		
	341502	WINTER TAX BILLS	894.01
TOTAL FOR: KENT COMMUNICATIONS INC			894.01
01195	KONICA MINOLTA BUSINESS		
	296971672	MONTHLY MAINTENANCE FOR COLOR METER BILLING PERIOD 10/17/2024 - 11/16/2024	7.49
	296977447	BILLING PERIOD 11/17/2024 - 12/16/2024	60.98
TOTAL FOR: KONICA MINOLTA BUSINESS			68.47
01182	LANSING UNIFORM CO.		
	105035-A	UNIFORM SHIRTS, NAME TAGS	171.90
	105228-A	BADGE HATS CPD	517.25
TOTAL FOR: LANSING UNIFORM CO.			689.15

Vendor Code	Vendor Name / Invoice	Description	Amount
01790	LEAP		
	2604	SMALL MUNICIPALITY MEMBERSHIP FEE FOR 2025	3,000.00
TOTAL FOR: LEAP			3,000.00
01173	LEA'S AUTO BODY		
	8997	REPLACE AIR DUCT TO ENGINE AND BELT	240.10
TOTAL FOR: LEA'S AUTO BODY			240.10
02016	MACQUEEN EMERGENCY		
	P27764	CARRIAGE BOLT, LEFT AND RIGHT SIDE SHOE	260.75
TOTAL FOR: MACQUEEN EMERGENCY			260.75
02072	MANER COSTERISAN		
	60926	2024 AUDIT SERVICES	17,000.00
TOTAL FOR: MANER COSTERISAN			17,000.00
01714	MATTHEW MITSCHKE		
	2024 NOVEMBER	BOOT ALLOWANCE PER CONTRACT NOVEMBER 2024	250.00
TOTAL FOR: MATTHEW MITSCHKE			250.00
01137	MCGINTY, HITCH, PERSON, ANDE., P.C.		
	NOVEMBER 2024	FY25 ATTORNEY SERVICES (NOVEMBER 2024)	10,815.02
TOTAL FOR: MCGINTY, HITCH, PERSON, ANDE., P.C.			10,815.02
01082	MICHIGAN NETWORK CONSULTANTS		
	2024-20397	CONTRACT FOR PROFESSIONAL IT SERVICES WEEKLY VISIT 11/25/2024	1,250.00
	2024-20398	CONTRACT FOR PROFESSIONAL IT SERVICES (WEEKLY VISIT- 7/1,7/8,7/15,7/22,7/29,8/5,8/23/2024)	8,750.00
	2024-20402	CONTRACT FOR PROFESSIONAL IT SERVICES WEEKLY VISIT 12/2/2024	1,250.00
	2024-20411	TEAMVIEWER LICENSE- FY 2024	2,250.00
	2024-20412	27" MONITORS- FINANCE DIRECTOR, HDMI CABLES	535.60
TOTAL FOR: MICHIGAN NETWORK CONSULTANTS			14,035.60
01078	MICHIGAN STATE POLICE		
	551-647284	TOKEN FEE 10/01/2024 TO 12/31/2024	231.00
TOTAL FOR: MICHIGAN STATE POLICE			231.00
01536	NAPA MPEC		
	274196	FILTER	62.35
	274564	AIR FILTER TRUCK 317	38.44
TOTAL FOR: NAPA MPEC			100.79
01835	NORTH CENTRAL LABORATORIES		
	511578	B.O.D. STANDARD	72.25
TOTAL FOR: NORTH CENTRAL LABORATORIES			72.25
01005	OSCAR W. LARSON CO.		
	SRVCE00000100550	PAINTING OF AIRPORT FUEL TANKS	8,884.41
TOTAL FOR: OSCAR W. LARSON CO.			8,884.41

Vendor Code	Vendor Name / Invoice	Description	Amount
MISC	ROBERT JEWETT TRUST		
	12/2/2024	REIMBURSEMENT OF RENTAL PAYMENT, SELLING HOUSE	100.00
TOTAL FOR: ROBERT JEWETT TRUST			100.00
00935	ROCHESTER CREATIONS		
	4049	LONG SLEEVE POLO"S FULL TIME	246.00
	4051	BLACK POLO (CODE ENFORCEMENT OFFICER)	74.00
TOTAL FOR: ROCHESTER CREATIONS			320.00
01996	SCOTT PERRY		
	2024/OCTOBER	BOOT ALLOWANCE PER CONTRACT-OCT 2024	250.00
TOTAL FOR: SCOTT PERRY			250.00
00901	SHARE CORP.		
	287138	EQUIPMENT	126.75
TOTAL FOR: SHARE CORP.			126.75
02135	SPALDING DEDECKER ASSOCIATES, INC.		
	00101261	PUBLIC WORKS DIRECTOR SERVICES	7,495.31
TOTAL FOR: SPALDING DEDECKER ASSOCIATES, INC.			7,495.31
02021	STAPLES		
	6016820395	SPIN MOP & BUCKET	46.29
TOTAL FOR: STAPLES			46.29
00086	SUPERIOR SIGNALS, INC.		
	22637849	TRAFFIC ARROWS, BRACKETS	687.00
TOTAL FOR: SUPERIOR SIGNALS, INC.			687.00
00847	SWANSON ELECTRIC		
	1548.53	POWER CORD HOLIDAY LIGHTS	1,170.00
TOTAL FOR: SWANSON ELECTRIC			1,170.00
02004	THE RAPID GROUP, LLC		
	168563	SHRED CART	25.00
TOTAL FOR: THE RAPID GROUP, LLC			25.00
00820	TRACE ANALYTICAL LABORATORIES		
	4110696	C.A.P. DISCHARGE ANALYSIS	54.00
TOTAL FOR: TRACE ANALYTICAL LABORATORIES			54.00
00810	TRUCK & TRAILER SPECIALTIES		
	DJO005385	FLATBED W/CRANE INSTALL SPRING WORK EXTRA	475.00
TOTAL FOR: TRUCK & TRAILER SPECIALTIES			475.00
00791	USA BLUE BOOK		
	INV00548990	FLOURIDE AMPULS	597.84
TOTAL FOR: USA BLUE BOOK			597.84
00777	WALDRON FUELS		
	6969	FUEL	685.53
TOTAL FOR: WALDRON FUELS			685.53

Vendor Code	Vendor Name / Invoice	Description	Amount
00774	WASTE MANAGEMENT-		
	8500891-1710-3	REFUSE PICKUP 10/01/2024 TO 10/31/2024	1,743.44
	8503297-1710-0	REFUSE PICKUP	2,129.36
TOTAL FOR: WASTE MANAGEMENT-			3,872.80
00753	WOLVERINE PEST SERVICE		
	128342	MONTHLY PREVENTION TREATMENT	50.00
TOTAL FOR: WOLVERINE PEST SERVICE			50.00
02013	WOW! BUSINESS		
	020130258.N	11/11/2024 - 12/10/2024	59.99
TOTAL FOR: WOW! BUSINESS			59.99
TOTAL - ALL VENDORS			124,702.55

PAYMENT TYPE TOTAL

Paper Check	124,206.31
EFT Transfer	496.24

THE CITY OF CHARLOTTE MICHIGAN

Memo

To: Honorable Mayor Lewis; City Council
From: Mary LaRocque, City Clerk
Date: December 05, 2024
Re: Staff report on Mayoral appointments to boards and commissions.

Background
In accordance with Section 4.4 (7) of the City Charter, the Mayor shall make appointments of members to the boards and commissions of the city which are authorized by law or direction of the Council.

Recommendation
It is recommended that Council approves the following Mayoral appointment(s);

NAME	BOARD/COMMISSION	EXPIRATION OF TERM
Kimberly Curran	Board of Review	12/31/2029

Financial Impacts
No financial impact

Suggested Motion
Motion to approve the Mayoral appointment(s) as outlined herein to their respective board or commission for the term of expiration given.

CITY OF CHARLOTTE
RESOLUTION NO. 2024-44
TO APPROVE CHANGES TO SIGNATORIES
FOR INDEPENDENT BANK ACCOUNTS

WHEREAS, the City maintains its various bank accounts with Independent Bank whose branch is located at 129 Lansing Street in Charlotte; and

WHEREAS, certain City officers and employees are authorized to act on behalf of the City to make various transactions with regard to those accounts and, in this capacity, are designated as signatories on these accounts; and

WHEREAS, a change in personnel has prompted the necessity to update signatories on the bank accounts, and

WHEREAS, it is a requirement of Independent Bank to submit a Resolution by Council approving designated City personnel who are assigned as signatories on the bank accounts; now therefore

BE IT RESOLVED that Finance Director/Treasurer Christina Horton is to be added as a signatory.

The foregoing resolution was presented by and supported by for approval. Carried; Yea ; Nay ; Absent .

CERTIFICATION

I, Mary LaRocque, City Clerk for the City of Charlotte, County of Eaton, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the City Council of the City of Charlotte during its regular meeting held on December 09, 2024, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being 1976 P.A. 267, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

____
Mary LaRocque, City Clerk

THE CITY OF CHARLOTTE MICHIGAN

Memo

To: City Manager Hillard; Honorable Mayor Lewis; City Council
From: Mary LaRocque, City Clerk
Date: December 09, 2024
Re: Establishing the 2025 City Meeting Date Schedule

Background:

Pursuant to Public Act 267 of 1976 and the City Ordinance, the City Council is required to establish and publish a schedule of regular meeting dates for the upcoming calendar year. In accordance with the City Charter, regular meetings of the City Council are scheduled to be held on the second and fourth Monday of each calendar month at 7:00 p.m. in the established Council chambers at City Hall. Additionally, other city boards and commissions, including the Planning Commission, Downtown Development Authority (DDA), Parks Advisory Committee, and the Airport Authority, hold regular meetings on set dates and times each month.

However, due to conflicts with observed holidays and scheduling issues for certain boards and commissions, adjustments to specific meeting dates are necessary for the 2025 calendar year.

Recommendation:

Staff recommends approval of the proposed 2025 meeting schedule for the City Council and affiliated boards and commissions, as outlined in the resolution. The recommended changes account for conflicts with observed holidays and other scheduling conflicts that arise, ensuring that all meetings are conducted in a timely and efficient manner. These changes include:

- **City Council:** The meeting on Memorial Day, Monday, May 26, 2025, will be rescheduled to Tuesday, May 27, 2025.
- **Airport Advisory:** The meeting scheduled for Presidents Day, Monday, January 20, 2025, will be rescheduled to Monday, January 27, 2025.
- **Downtown Development Authority:** The meeting scheduled for Tuesday, January 21, 2025, will be rescheduled to Tuesday, January 28, 2025.

Financial Impact:

There is no anticipated direct financial impact associated with the approval of this resolution.

Proposed Motion:

To approve Resolution 2025-45, establishing the official meeting dates for the 2025 calendar year as presented, and to direct the City Clerk to ensure the publication of the meeting schedule in *The County Journal* and post notices in compliance with all applicable legal requirements

CITY OF CHARLOTTE
RESOLUTION 2024-45
TO ESTABLISH THE MEETING DATES FOR THE 2025 CALENDAR YEAR

WHEREAS, pursuant to Public Act 267 of 1976 and the City Ordinance, it is required that the City Council establish and publish a schedule of regular meeting dates; and

WHEREAS, pursuant to City Charter, regular meetings of the City Council shall be held in the established Council chamber in the City Hall on the second and fourth Monday of each calendar month at 7:00 p.m.; and

WHEREAS, the Planning Commission regular meetings are held on the 1st Tuesday of each calendar month at 7:00 p.m. in Council chambers; and

WHEREAS, the Downtown Development Authority meetings are held on the 3rd Tuesday of each calendar month at 6:30 p.m. in Council chambers; and

WHEREAS, the Parks Advisory meetings are held on the 1st Tuesday of the calendar months of January, February, April, May, September and October at 7:00 p.m. in the Community room on the basement floor at City Hall; and

WHEREAS, The Airport Authority meetings are held on the 3rd Monday of the calendar months January, April, July, and October at 8:00 a.m. in the Fitch H. Beach airport terminal; and

WHEREAS, due to conflicts with the city's observed holiday schedule, the City Council meeting that falls on Memorial Day, Monday, May 26, will be held on Tuesday, May 27, 2025; and

WHEREAS, similarly, the Airport Advisory meeting that falls on Presidents Day, Monday, January 20, 2025, will be held on Monday, January 27, 2025; and

WHEREAS, due to a scheduling conflict, the Downtown Development Authority meeting that falls on Tuesday January 21, will be held on Tuesday January 28, 2025

NOW, THEREFORE, BE IT RESOLVED, that the following meeting dates for the City Council and affiliated Boards and Commissions of the City of Charlotte for the 2025 calendar year are hereby established:

CITY OF CHARLOTTE					
2025 CITY MEETING DATES					
THE CITY OF CHARLOTTE MICHIGAN	CITY COUNCIL 7 PM	PLANNING COMMISSION 7 PM	DOWNTOWN DEV. AUTH. 6:30 PM	PARKS ADVISORY 7 PM	AIRPORT ADVISORY 8 AM
JANUARY	13 & 27	7	28*	7	27*
FEBRUARY	10 & 24	4	18	4	
MARCH	10 & 24	4	18		
APRIL	14 & 28	1	15	1	21
MAY	12 & 27*	6	20	6	
JUNE	9 & 23	3	17		
JULY	14 & 28	1	15		21
AUGUST	11 & 25	5	19		
SEPTEMBER	8 & 22	2	16	2	
OCTOBER	13 & 27	7	21	7	20
NOVEMBER	10 & 24	4	18		
DECEMBER	8 & 22	2	16		
LOCATION	A	A	A	B	C
	*noted date change				
	A - Council Chambers - City Hall 111 E. Lawrence Ave. - Top floor				
	B - Community Room - City Hall 111 E. Lawrence Ave. - Basement floor				
	C - Airport Terminal - Fitch H. Beach Airport - 1325 Island Hwy.				

BE IT FURTHER RESOLVED, that the City Clerk is hereby directed to publish the 2025 meeting schedule in *The County Journal* and post a copy of the schedule at City Hall.

The foregoing resolution was presented by and supported by for approval. Carried; Yea ; Nay ; Absent

CERTIFICATION

I, Mary LaRocque, City Clerk for the City of Charlotte, County of Eaton, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the City Council of the City of Charlotte during its regular meeting held on December 09, 2024, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being 1976 P.A. 267, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

____

Mary LaRocque, City Clerk

THE CITY OF CHARLOTTE MICHIGAN

Memo

To: City Manager Hillard; Honorable Mayor Lewis; City Council
From: Mary LaRocque, City Clerk
Date: December 6, 2024
Re: One-time lump sum payment for employee hired under previous contract

Background:
In 2023, during the term of the previous Collective Bargaining Agreement (CBA) between the City of Charlotte and the Police Officers Labor Council – Charlotte Police Non-Supervisory Unit, a Letter of Understanding (LOU) was established that provided for a one-time lump sum payment to employees hired during that period upon successful completion of their Field Training (½ payment) and probationary periods (final payment).

However, an employee hired under the terms of the previous contract has completed their Field Training, (was paid their first ½ of the lump-sum payment) and has just completed of their probationary period, but is subject to the terms of the current Collective Bargaining Agreement (CBA) that does not explicitly address this second lump sum payment. To ensure fairness and consistency with the intent of the previous agreement, it is necessary to issue a resolution clarifying the employee's eligibility for the second lump sum payment under the previous terms.

Recommendation:
It is recommended that the City Council approve a resolution that grants this employee the second lump sum payment of $2,500.00, as described in the LOU of the previous Collective Bargaining Agreement. This payment will be made once the employee successfully completes their probationary period, in accordance with the terms outlined in the LOU, and subject to applicable state and federal tax withholdings.

This approval ensures the City’s commitment to honoring the terms of the previous agreement, while also ensuring fairness to employees who were hired during that period. It also clarifies that this action does not create a precedent or modify the terms of the current Collective Bargaining Agreement in any way.

Financial Impact:
The total cost of the one-time lump sum payment for the eligible employee is $2,500.00. This payment will be made during the first full payroll period following the employee's successful completion of the probationary period. The cost will be absorbed within the current budget allocated for employee compensation.

Suggested Motion:
“I move to approve the resolution authorizing the one-time lump sum payment of $2,500.00 to the employee hired under the terms of the previous Collective Bargaining Agreement, who has completed Field Training and is in the process of completing their probationary period, as outlined in the Letter of Understanding approved in August 2023. The payment will be made in the first full payroll period following the successful completion of the employee’s probationary period, subject to applicable withholding.”

LETTER OF UNDERSTANDING
Between the Police Officers Labor Council - Charlotte Police Non-Supervisory Unit and the City of Charlotte

Subject: One-Time Lump Sum Payment for Employee Hired Under Previous Contract

WHEREAS, the Police Officers Labor Council - Charlotte Police Non-Supervisory Unit (hereinafter referred to as the "Union") and the City of Charlotte (hereinafter referred to as the "City") entered into a Collective Bargaining Agreement effective from July 1, 2024, through June 30, 2027 (the "Current Agreement"); and

WHEREAS, a Letter of Understanding (LOU) was drafted and approved on August 14, 2023, during the term of the previous Collective Bargaining Agreement effective from July 1, 2021, through June 30, 2024, regarding a one-time lump sum payment to new hires upon completion of Field Training and probationary periods (the "Previous Agreement"); and

WHEREAS, there is an employee who was hired during the term of the Previous Agreement, who has completed Field Training and is now in the process of completing their probationary period, and who would have been entitled to the second lump sum payment outlined in the LOU of the Previous Agreement, but who is now subject to the terms of the Current Agreement, which does not specifically address the second payment described in the Previous Agreement's LOU;

THEREFORE, the parties agree as follows:

1. **Eligibility for Payment:** Any employee hired under the terms of the Previous Agreement, who has completed Field Training and is in the process of completing their probationary period, shall be entitled to the second lump sum payment of $2,500.00, as described in the LOU of the Previous Agreement.
2. **Payment Timing:** The second payment shall be made in the first full payroll period following the successful completion of the employee's probationary period, subject to applicable withholding, including required state and federal tax withholding.
3. **No Modification to Other Terms/Non-Precedent:** Except as explicitly modified by this LOU, all other terms and conditions of the Current Agreement shall remain in full force and effect and this LOU shall not be a precedent nor serve as any such example.

This Letter of Understanding is made and agreed to by the undersigned parties on this ___ day of ______________, 2024.

FOR THE CITY:

______________________ Date __/__/2024
Robert Hillard, City Manager

FOR THE UNION:

______________________ Date 12/3/2024
Jeremy Poortvliet, President POLC Non-Sup

Scott Eager Date 12/3/2024
POLC Labor Representative

LETTER OF UNDERSTANDING

WHEREAS, the Police Officers Labor Council – Charlotte Police Non-Supervisory Unit, hereinafter referred to as the "Union," and the City of Charlotte, hereinafter referred to as the "City," are signatories to a Collective Bargaining Agreement which is effective from July 1, 2021 through June 30, 2024;

WHEREAS, the Union and City recognize the need to enhance recruitment of new members into the bargaining unit represented by the Union they agree as follows:

1. A one-time $2,500.00 lump sum payment, subject to required State and Federal withholding, will be paid to any new hire after the employee has completed Field Training. Payment will be made the first full payroll period after training is completed.

2. An additional $2,500.00 will be paid to a new hire after successfully completing their probationary period in accordance with ARTICLE 6. PROBATIONARY PERIOD. This payment will be subject to required withholding. Payment will be made the first full payroll period after completion of the probationary period.

3. Except as modified herein all other terms and conditions of the Collective Bargaining Agreement will remain in full force and effect.

FOR THE CITY:

Erin LaPere
City Manager
Dated: 8/14/2023

FOR THE UNION

, President
POLC Non-Supervisory Unit
Dated: 8/14/23

POLC Labor Representative
Dated: 8/14/2023

THE CITY OF
CHARLOTTE
MICHIGAN

To: Honorable Mayor Tim Lewis and City Council Members
From: Robert Hillard, City Manager
Date: December 6, 2024
Re: Markdom International Industrial Facilities Exemption - Public Hearing Request

Background:
Pursuant to the provisions of Act 198 of the Public Acts of 1974, as amended, the City is required to establish a public hearing to consider the approval of an application for an Industrial Facilities Exemption (IFT). Markdom International, proposing to be located at 400 Parkland Dr., has submitted an application for an IFT, which is eligible for review by the City Council. Representatives of the company, as well as the Lansing Economic Area Partnership (LEAP) are planning to be in attendance to discuss the project.

In accordance with state law, we are requesting approval from the City Council to set a public hearing on **December 23, 2024**, to consider the approval of the Industrial Facilities Exemption (IFT) application for Markdom International. The public hearing will provide an opportunity for community input and ensure compliance with the required legal processes.

Recommendation:
It is recommended that the City Council approve the establishment of the public hearing for December 23, 2024, to consider the IFT application from Markdom International.

MARKDOM
INTERNATIONAL INC

Markdom of America 2024

Nov 27, 2024

Vision

Being a leader in plastic injection and assembly by achieving the satisfaction of our customers through the service provided, teamwork and the continuous improvement of our processes.

Mission

Satisfy the requirements of our customers, shareholders, and employees. Offering products of quality, profitability and work well-being through the commitment, responsibility, experience and professionalism of our people.

Corporate History

76 Markdom
stic Products
Established

2020 Markdom International Inc. Established

June 2021 Acquired EQ Components SA de CV.

(Established 2 years ago)

September 2022 Expansion of 70,000 Sqf Markdom Componentes de Mexico SA de CV.

October 2024 Establish Markdom Molding del Bajio in Mexico

Next Facility Markdom USA in Michigan/Ohio in 2025

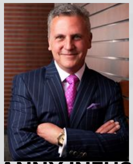
Company Size Over 400 Employees
IATF certification for All Plants

- ✔ Ship over 3,000,000 parts a month to customer locations.
- ✔ Every GM assembly plant in North America, China and Korea receives parts from Markdom.
- ✔ 10 years in a row Supplier of Year Award from GM (Markdom Canada Location)

Management Team

NICK ORLANDO

President & Chief Executive Officer



DANNY INFUSINO

President and Chief Commercial Officer

CHANGIZE SADR

President Engineering and Chief Technology Officer

GIOVANNI BARBARA

President and Chief Manufacturing Officer

ROBB YORK

Vice-President of Sales

BILLY ZMIJA

Vice-President of Operations

Expanding Geographic Manufacturing Locations

- **USA** (Michigan / Ohio)

  Corporate Summary
  - 100,000 sq. ft.

  Core Business
  - Injection Molding; 100 to 2,800 Tons
  - Functional Plastics
  - Interior / Exterior Plastics

- **CANADA** (Toronto)

  Corporate Summary
  - Headquarters
  - 2 Locations: >200,000 sq. ft.
  - Certified to IATF 16949
  - ISO 14001 Compliant

  Core Business
  - Injection Molding; 100 to 2,800 Tons
  - Functional Plastics
  - Interior Plastics
  - Mold making – in house facility

- **MEXICO** (Monterrey)

  Corporate Summary
  - 128,000 sq. ft. facility
  - Certified to IATF 16949

  Core Business
  - Injection Molding; 100 to 2,000 Tons
  - Functional Plastics
  - Interior / Exterior Plastics
  - Consumer Products

- **MEXICO** (Irapuato)

  Corporate Summary
  - 50,000 sq. ft. facility actual
  - 140,000 sq. ft. facility expansion (2025)
  - Certified to IATF 16949

  Core Business
  - Injection Molding; 100 to 2,000 Tons
  - Functional Plastics
  - Interior Plastics
  - Consumer Products

MARKDOM – CUSTOMERS

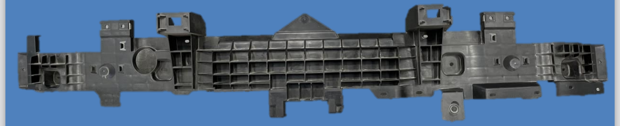
gm
STELLANTIS
RIVIAN

Whirlpool
mabe
Carrier
Rheem

MARTINREA
ADIENT
Yanfeng Global Automotive Interiors
NYX México Plastics
IAC International Automotive Components
MARELLI

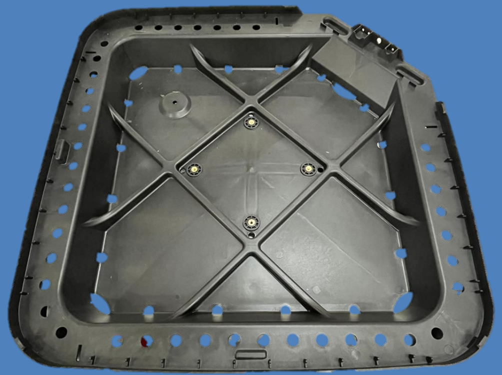
Portfolio

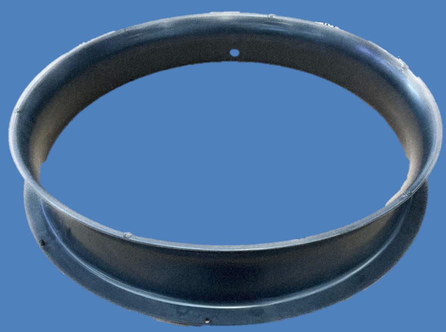
Automotive



Consumer Products

Industrial





Yearly Revenue& Headcount

Total Revenue

	2025	2026	2027	2028
Total Revenue	**-**	**4,659,603**	**21,886,774**	**37,322,879**

Total Headcount

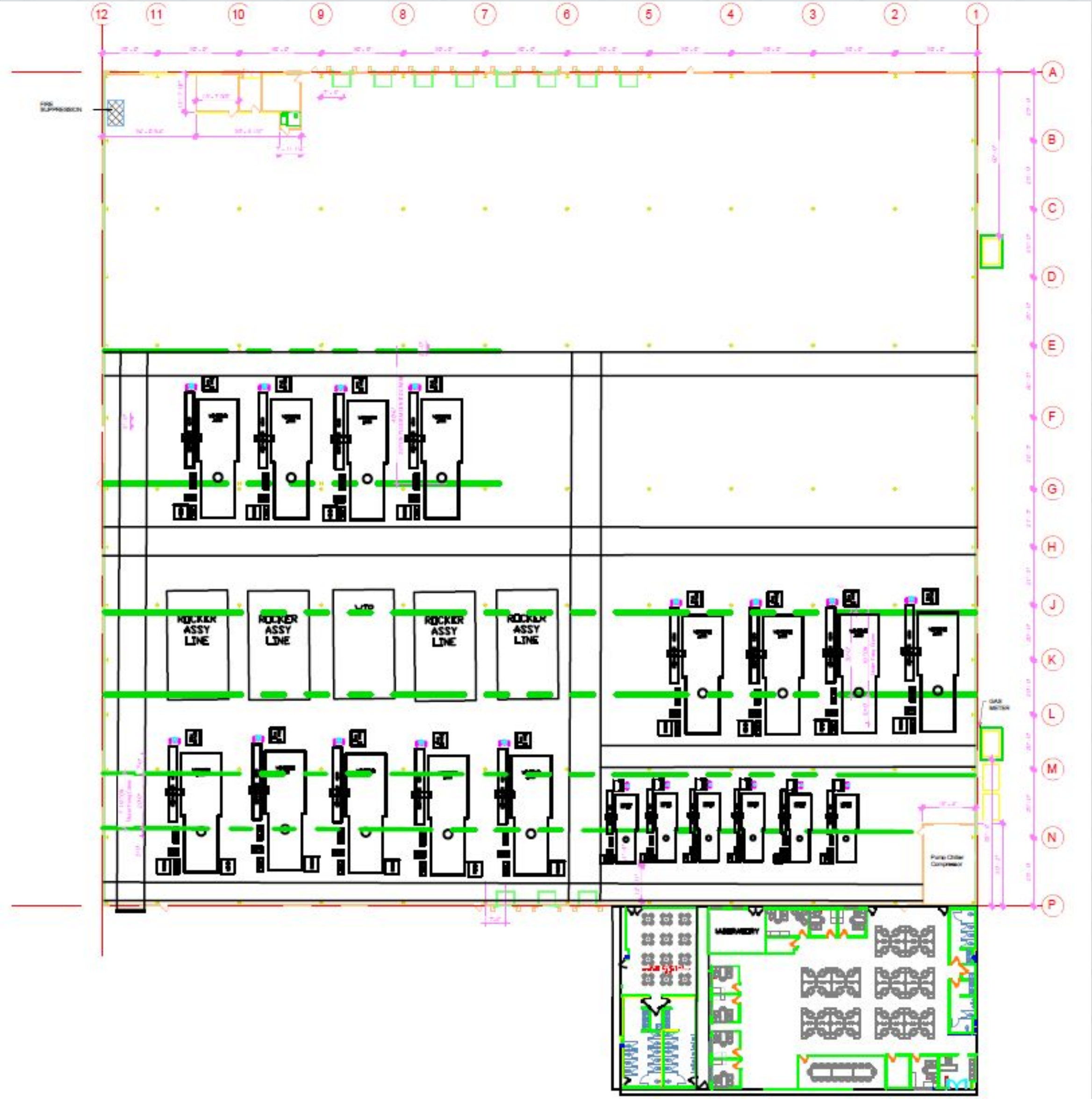
	2025	2026	2027	2028
Direct	0	70	133	169
Indirect	7	23	29	31
SG&A	3	3	3	3
HeadCount	**10**	**96**	**165**	**203**

LAYOUT 2025

100,000 SQ FT operative floor

12 IMM
4 Overhead cranes 1 - 30 T
3 – 10 T

8,600 SQ FT OFFICES



MARKDOM
INTERNATIONAL INC

THANK YOU

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the completed application and the required attachments with the clerk of the local government unit. If you have any questions regarding the completion of this form, call 517-335-7491.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	Date Received by Local Unit
STC Use Only	
Application Number	Date Received by STC

APPLICANT INFORMATION

All boxes must be completed.

1a. Company Name (Applicant must be the occupant/operator of the facility): Markdom of America Inc

1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code): 308906

1c. Facility Address (City, State, ZIP Code) (real and/or personal property location): 400 Parkland Drive, Charlotte, Michigan, 48813

1d. City/Township/Village (indicate which): City of Charlotte

1e. County: Eaton

2. Type of Approval Requested
- [X] New (Sec. 2(5))
- [ ] Transfer
- [ ] Speculative Building (Sec. 3(8))
- [ ] Rehabilitation (Sec. 3(6))
- [ ] Research and Development (Sec. 2(10))
- [ ] Increase/Amendment

3a. School District where facility is located: Charlotte Public Schools

3b. School Code: MI-23030

4. Amount of years requested for exemption (1-12 Years): 12

5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed.

The 400 Parkland Drive facility is 100,724 square feet. The intended use is for injection molding. The current plant is the addition of approximately 10,000 square feet so the total size of the facility would increase to be approximately 110,724 square feet. The estimated cost of the office addition would range from $1.5M - $2.0M. There will be an investment of up to $1 million to the existing building to remove the internal offices and reorganize cranes, electrical, etc.

6a. Cost of land and building improvements (excluding cost of land) .... 2,000,000 (Real Property Costs)
* Attach list of improvements and associated costs.
* Also attach a copy of building permit if project has already begun.

6b. Cost of machinery, equipment, furniture and fixtures .... 17,500,000 (Personal Property Costs)
* Attach itemized listing with month, day and year of beginning of installation, plus total

6c. Total Project Costs .... 19,500,000 (Total of Real & Personal Costs)
* Round Costs to Nearest Dollar

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

	Begin Date (M/D/Y)	End Date (M/D/Y)	Owned	Leased
Real Property Improvements	02/01/2025	10/01/2025	[ ]	[X]
Personal Property Improvements	02/01/2025	12/31/2026	[X]	[ ]

8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. [ ] Yes [X] No

9. No. of existing jobs at this facility that will be retained as a result of this project.

10. No. of new jobs at this facility expected to create within 2 years of completion. 175-200

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

a. TV of Real Property (excluding land) .... ______
b. TV of Personal Property (excluding inventory) .... ______
c. Total TV .... ______

12a. Check the type of District the facility is located in:
- [X] Industrial Development District
- [ ] Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit): 03/28/1988

12c. Is this application for a speculative building (Sec. 3(8))? [ ] Yes [X] No

APPLICANT CERTIFICATION - complete all boxes.

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name Nick Orlando	13b. Telephone Number (416) 575-2117	13c. Fax Number	13d. E-mail Address norlando@markdom.com
14a. Name of Contact Person MI-23030	14b. Telephone Number (416) 575-2117	14c. Fax Number	14d. E-mail Address norlando@markdom.com
15a. Name of Company Officer (No Authorized Agents) Nick Orlando - President and CEO			
15b. Signature of Company Officer (No Authorized Agents)		15c. Fax Number	15d. Date November 27, 2024
15e. Mailing Address (Street, City, State, ZIP Code) 315 Nantucket Boulevard, Toronto, Ontario, M1p-2p2		15f. Telephone Number (416) 575-2117	15g. E-mail Address norlando@markdom.com

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

16. Action taken by local government unit

☐ Abatement Approved for _______ Yrs Real (1-12), _____ Yrs Pers (1-12)

After Completion ☐ Yes ☐ No

☐ Denied (Include Resolution Denying)

16a. Documents Required to be on file with the Local Unit

Check or Indicate N/A if Not Applicable

☐ 1. Notice to the public prior to hearing establishing a district.
☐ 2. Notice to taxing authorities of opportunity for a hearing.
☐ 3. List of taxing authorities notified for district and application action.
☐ 4. Lease Agreement showing applicants tax liability.

16b. The State Tax Commission Requires the following documents be filed for an administratively complete application:

Check or Indicate N/A if Not Applicable

☐ 1. Original Application plus attachments, and one complete copy
☐ 2. Resolution establishing district
☐ 3. Resolution approving/denying application.
☐ 4. Letter of Agreement (Signed by local unit and applicant)
☐ 5. Affidavit of Fees (Signed by local unit and applicant)
☐ 6. Building Permit for real improvements if project has already begun
☐ 7. Equipment List with dates of beginning of installation
☐ 8. Form 3222 (if applicable)
☐ 9. Speculative building resolution and affidavits (if applicable)

16c. School Code	
17. Name of Local Government Body	18. Date of Resolution Approving/Denying this Application

Attached hereto is an original application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time, and that any leases show sufficient tax liability.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

For faster service, email the completed application and additional required documentation to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing, MI 48909

STC USE ONLY				
LUCI Code	Begin Date Real	Begin Date Personal	End Date Real	End Date Personal

THE CITY OF
CHARLOTTE
MICHIGAN

City Clerk's Office
City of Charlotte
111 E. Lawrence
Charlotte, MI 48813

December 10, 2024

To: City of Charlotte Treasurer, City of Charlotte Assessor, City of Charlotte DDA, Eaton County Treasurer, Eaton County Equalization Office, Eaton Regional Education Service Agency, Charlotte Public Schools, State of Michigan, Michigan State Land Bank Authority, Charlotte District Library, applicant Markdom of America, Inc. and for publication in The County Journal

NOTICE OF HEARING

Act 198 of 1974 provides for tax relief on new or rehabilitated industrial construction. This Act requires that the general public and your organization be notified of a hearing on the application for exemption.

Markdom of America, Inc., 400 Parkland Drive, Charlotte, MI has made application for an Industrial Facilities Tax Exemption Certification for its facility located at 400 Parkland Drive, Charlotte in Charlotte Industrial Development District No. 7.

You are hereby notified that a hearing will be held on this application on Monday, December 23, 2024 at 7:00 p.m., before the Charlotte City Council, Council Chambers, 111 E. Lawrence Ave. Charlotte, Michigan. The City of Charlotte will provide necessary reasonable auxiliary aids and services to individuals with disabilities upon ten days' notice by contacting the City Clerk.

Mary LaRocque, City Clerk
(517) 543-8843

I, Mary LaRocque, City Clerk of the City of Charlotte hereby certify the foregoing is a true and correct copy of a public hearing notice served on the above listed taxing authorities and general public.

Mary LaRocque

Memo

To: Rob Hillard, City Manager

From: Paul Brentar, Chief of Police

Date: 11-04-2024

Re: High Street, Speed Complaints/Stop Sign Request

There have been some complaints recently about speeding vehicles and a request for a stop sign on High St./Amity St. The reason for the requests/complaints is due to a perceived issue of speeding vehicles on this residential throughfare. It is felt that a stop sign would lower the speeds of vehicles in this area.

I have done some extensive research on the topic and have found that the Chief of Police, as required by law, must make a complete study of the traffic issues before committing to the installation of traffic control devices and/or signage as guided by the Uniform Traffic Code for Cities and Villages along with the Michigan Manual of Uniform Traffic Control Devices. It is also recommended that less obtrusive measures be attempted and that, if ineffective, all warrants should be met before erecting signs, or other devices. To date several methods of traffic control have been implemented to address the problem.

- Stationary Radar assignments have been directed for several weeks with attempts to focus on primary violations days and times as reported to the department.

- Traffic Counters from the DPW were utilized to gather data for use in determining warrants for additional traffic control devices. These devices were placed on 09-03-24 and were removed on 09-18-24 both north and south of Washington Elementary School to maximize the total picture of vehicles traveling on High St. One counter analyzed over 22K vehicles and the other over 18K vehicles during that time period. Both of these counters showed an average speed of 29 mph in the 25-mph zone. The software from the counters showed an enforcement rating of **LOW** for both counters with an average of 7% of enforceable violations. *State standards warranting Stop Signs were not met.* (Section 2B-6(2) Average of 6000 vehicles per day and/or 3 or more crashes that are susceptible to correction within a 12-month period or that five or more such crashes have been reported within a 2-year period and/or an obstructive view.
- In a cooperative effort with Charlotte Public Schools, two (2) new solar powered radar signs have been ordered with a 50/50 cost share for these signs on High St.

The Michigan Motor Vehicle Code and the Michigan Manual of Uniform Traffic Control Devices list the warrants for signage and ***discourage*** the use of “Stop Signs” for use in controlling speed.

At this time, I cannot recommend a stop sign at High and Amity Streets for the following reasons:

1. High St. fails to meet even the minimum standards for additional “Stop Signs” (i.e. traffic volume, crashes, etc.)

2. Other less intrusive approaches have been used in the past with some success. Additionally, we are trying less intrusive measures again with the solar powered radar signs.

3. Crash data shows that there have not been enough crashes that are susceptible to correction on High St. within a 12-month period or that five or more such crashes have been reported within a 2-year period. High St. averages less than one (1) of these types of crashes per year. This number does not meet the state requirement when it comes to warranting a stop sign or other signage. Additionally, there is not an obstructed view on High St. either.

4. Current standards discourage the use of “Stop Signs” to control speed.

In conclusion, residential speed violations are a city-wide issue and should be addressed in this manner. Strong enforcement (when staffing allows) coupled with constant study, and management according to established principals should be used when addressing perceived speed issues on residential streets. Recommendation for change will result when the elements dictate the best and most logical direction for the safety and well being of the community. As always, if you have any questions or would like to discuss the manner further, please let me know.

Respectfully,

Paul Brentar, Chief of Police

CHARLOTTE
Michigan

DOWNTOWN RESIDENTIAL OVERNIGHT PARKING PROGRAM

A. Welcome!

You're part of a unique group, and we're glad you've chosen downtown Charlotte as your home. Our goal is to make downtown overnight parking as convenient as possible for residents.

If you have any questions about the content of this brochure, please call the Charlotte City Hall at 543-2750 or if you have an enforcement concern, please contact Police Department at 543-1552.

B. Overnight Parking

1. Downtown overnight parking registration must be completed at the Charlotte City Hall located at 111 E. Lawrence Avenue.

2. New applicants must provide:

   - Proof of vehicle registration
   - Proof of residence in downtown district
   - Contact number for residence landlord

   Permits are non-transferable.

   A permit is valid only for the dates indicated on the permit sticker.

3. The permit sticker shall be displayed on the rear window of the registered vehicle in the lower corner of the driver's side.

4. Maximum of two permits per apartment.

C. Designated Lot Areas

Between the hours of 2 am and 5 am, permit holders must park their vehicles in **designated** residential parking spaces in the specified lots. For your convenience, these spaces are reserved for permit holders only from 8 pm to 10 am.

D. Fees, Fines & Enforcement

1. Fees

   Fees for overnight parking are as follows:

   - $30 for a 6 month non-refundable permit.
   - Permit stickers expire April 30 and October 31 each year.
   - Permits can be purchased at City Hall Monday through Friday from 9am-1pm and 2pm-4pm excluding holidays.

2. Overnight Visitor Parking

   Downtown residential overnight permit holders are encouraged to share our City with their visitors.

   - One visitor permit is available per apartment.
   - The fees and expiration dates for the visitor pass are the same as resident parking passes. This permit is transferable.
   - This pass enables your visitors to park in a designated public parking space in any of the specified lots.

3. Enforcement

   The Charlotte Police Department will be responsible for enforcing these rules and regulations.

   <u>All citation inquiries must be directed to the Charlotte Police Department at 111 East Lawrence Ave. or by telephone at 543-1552</u>.

   Fines will be levied for private parking areas, handicap parking, or overnight parking in public parking lots.

   Any motor vehicle remaining in a parking space for 48 continuous hours may be deemed abandoned and subject to impoundment pursuant to City Ordinance.

   City of Charlotte may deny renewal of a permit to an applicant for non-compliance with the provisions of the Code of Ordinances of the City of Charlotte.

E. Serving Our Downtown Residents

Your cooperation and support is essential to the success of the overnight parking program.

Our brochure map is easy to read and interpret, so please take a few minutes to familiarize yourself with the designated parking spaces. Again, thank you for making downtown your home.

Questions? Call 517-543-2750
Enforcement Concerns?
Call 517-543-1552

NO OVERNIGHT PARKING
OVERNIGHT PARKING BY PERMIT
ADA PARKING ONLY

OVERNIGHT PARKING BY PERMIT

CITY OF CHARLOTTE
111 E. LAWRENCE AVE.
CHARLOTTE, MI 48813

8/05

City of
CHARLOTTE
Michigan

CITY OF CHARLOTTE
DOWNTOWN RESIDENTIAL OVERNIGHT
PARKING PERMIT APPLICATION

<u>Application for:</u>
_____May 1 through October 31, 20___
_____November 1 through April 30, 20___

Applicant Information: *PLEASE PRINT*

Full Name:____

Address: ________________________________ Apt.#:__________

Telephone #/Daytime:_________________________ Evening:__________

Date of Application: __________________________

Name of Landlord: ___________________________

Landlord Telephone Number: _____________________

Vehicle Information:

License Plate #: ______________________________ State:______

Make: ___________________________________ Model: __________

Year: ___________________________________ Color: __________

Visitor's Parking Permit Issued: ________ Yes ________ No

I have received and read a copy of the Downtown Residential Overnight Parking Brochure, which details rules and regulations for overnight parking. I affirm that the information provided on this form is true and accurate to the best of my knowledge.

Questions and comments regarding tickets must be brought to the Charlotte Police Department, 111 E. Lawrence Avenue, (517)543-1552, Monday through Friday between 8:00 AM and 5:00 PM.

Signature of Applicant: ___________________________ Date: ___________________

Return completed form to the City of Charlotte Clerk's Office, 111 E. Lawrence Ave.

M:\DDA\Parking\Parking Permit Application.doc

THE CITY OF
CHARLOTTE
MICHIGAN

Visitors Permit

Permit #__________ Expires: __________

THE CITY OF
CHARLOTTE
MICHIGAN

Visitors Permit

Permit #__________ Expires: __________

michigan municipal league

2025 Elected Officials Academy Winter Advanced Summit

Log In to Register

When and Where

Start Date
2/21/2025 5:30 PM EST

End Date
2/22/2025 12:15 PM EST

Location
Virtual

City

State/Province

Elevate your leadership journey with the Elected Officials Academy (EOA) Advanced Summit, an exclusive opportunity for elected officials committed to furthering their expertise beyond the Core Summit. Building on the solid foundation established in the Core Summit, the Advanced Summit offers a rotating schedule of topics, ensuring officials access fresh content on various subjects, including leadership development, municipal finance, and budgeting.

Participating in the Advanced Summits not only enriches your leadership skills but also earns you nine elective credits applicable towards Levels Two and Three of the Academy.

Advanced Summit: Budgeting & Finance

Unlock the keys to fiscal excellence at the Advanced Summit: Budgeting & Finance. Tailored for seasoned municipal leaders, this specialized seminar provides elected officials with a deepened understanding of critical topics, including municipal budgeting, deciphering financial statements and audits, implementing priority-based budgeting, and navigating utility rate settings.

Engage in insightful discussions on innovative funding mechanisms for community projects and gain valuable insights into financial decision making. In a relaxed and collaborative environment, participants will not only broaden their financial acumen but also forge meaningful connections with peers. Join us for a focused exploration of financial leadership, where knowledge meets application in a setting conducive to strategic discussions and shared learning.

Agenda

Friday, February 21, 2025

Begin 5:30 p.m.; Break 7 p.m.; Adjourn 8:30 p.m.

Saturday, February 22, 2025

Begin 9 a.m.; Break 10:05 a.m.; Adjourn 12:15 p.m.

Faxable Form

Click **here** for a faxable registration form

Cost Per Person

League Member communities, $135

Nonmember Government, $185

Education Credits Approved for This Program

9 EOA

THE CITY OF CHARLOTTE MICHIGAN

Memo

To: City Manager Hillard; Honorable Mayor Lewis; City Council
From: Mary LaRocque, City Clerk
Date: December 06, 2024
Re: Exemption from the Requirements of 2011 Public Act 152, The Publicly Funded Health Insurance Contribution Act

Background
In 2011, the Michigan Legislature passed Public Act 152, also known as the Publicly Funded Health Insurance Contribution Act. The Act provides three options for municipalities to comply with its requirements regarding the funding of employee health care costs:

- The "Hard Caps" Option, which limits a public employer's total annual health care costs for employees based on coverage levels.
- The "80%/20%" Option, which limits a public employer's share of total annual health care costs to no more than 80%, and requires an annual majority vote of the governing body.
- The "Exemption" Option, which allows a local unit of government to exempt itself from the requirements of the Act by an annual 2/3 vote of the governing body.

The City has previously elected to follow the "Hard Caps" Option based on the rates provided by the Michigan Department of Treasury. However, the City's health care costs have surpassed the "hard cap" limits since 2023, placing an increasing burden on employees as they absorb the rising costs of premiums.

As a result, the City administration has expressed concern about the financial strain being placed on employees and is asking the Council to consider the option to exempt itself from the requirements of Public Act 152 for the upcoming coverage year.

Beginning early next year, the administration will take a closer look at the long-term future of healthcare and will engage in talks with the unions to explore potential solutions.

Recommendation
It is recommended that the City Council approve an exemption from the requirements of 2011 Public Act 152, pursuant to the "Exemption" Option under Section 8 of the Act, for the medical benefit plan coverage year January 1, 2025, through December 31, 2025.

This exemption would allow the City to manage its health care costs in a manner that is more sustainable for both the City and its employees, and would alleviate the financial burden on employees due to rising premiums.

Financial Impacts
By electing the Exemption Option, the City will continue to fund a greater portion of employee health care premiums, shifting from the "Hard Caps" option to a more favorable cost-sharing arrangement. For the 2025 coverage year, the City proposes a premium cost-sharing arrangement of 90% (City) and 10% (Employee). This

new arrangement balances the premium increase borne by employees to a more tolerable level, reducing the financial burden on employees while still managing the City's costs.

The financial impact of this decision is as follows:

- Increased Liability: The Hard Caps limit is set at $815,370.00, while 90% of the annual premium totals $862,028.10, therefore in 2025, the City will absorb an additional $46,658.10. $23,329.05 for the remainder of the current fiscal year (January to June), and another $23,329.05 in the first half of the next fiscal year (July to December).
- Employee Benefit: Employees will benefit from reduced out-of-pocket costs, as they will only be responsible for 10% of the premiums instead of bearing the full brunt of premium increases.
- While this decision increases the City's financial liability, it addresses the growing concern of employee financial hardship and helps to maintain a sustainable, equitable benefits package.

Suggested Motion
The Council of the City of Charlotte hereby elects to exempt the City of Charlotte from the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, pursuant to Section 8 of the Act, by a 2/3 vote of the governing body for the noted coverage year.

CITY OF CHARLOTTE
RESOLUTION 2024-46

TO EXEMPT THE CITY OF CHARLOTTE FROM THE REQUIREMENTS OF 2011 PUBLIC ACT 152, THE PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT FOR THE PLAN YEAR JANUARY 01, 2025 THROUGH DECEMBER 31, 2025

WHEREAS, 2011 Public Act 152 (the "Act") was passed by the State Legislature and signed by the Governor on September 24, 2011; and

WHEREAS, the Act contains three options for complying with the requirements of the Act, as follows:

- Section 3 - "Hard Caps" Option - limits a public employer's total annual health care costs for employees based on coverage levels, as defined in the Act;
- Section 4 - "80%/20%" Option - limits a public employer's share of total annual health care costs to not more than 80%. This option requires an annual majority vote of the governing body;
- Section 8 - "Exemption" Option - a local unit of government, as defined in the Act, may exempt itself from the requirements of the Act by an annual 2/3 vote of the governing body;

WHEREAS, the City has followed the "hard caps" option based on the rates provided by the Michigan Department of Treasury; and

WHEREAS, the hard cap limit was breached in 2023 and as premiums continue to increase, the full brunt of increases are borne by the employees, causing a detrimental effect on their well-being and financial stability; and

WHEREAS, the Council of the City of Charlotte has determined that it is in the best interest of the municipality to exempt itself from the requirements of 2011 Public Act 152 for the medical benefit plan coverage year January 01, 2025 through December 31, 2025;

WHEREAS, the premium cost sharing for the plan year will be 90% (City) / 10% (Employee) which increases the liability to the city over the hard cap limit by $23,329.05 for the remainder of this fiscal year and $23,329.05 during the next fiscal year;

NOW, THEREFORE, BE IT RESOLVED, that the Council of the City of Charlotte hereby elects to exempt the City of Charlotte from the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, pursuant to Section 8 of the Act, by a 2/3 vote of the governing body for the noted coverage year;

The foregoing resolution was presented by and supported by for approval. ADOPTED by roll call vote; Yea ; Nay ; Absent

CERTIFICATION

I, Mary LaRocque, City Clerk for the City of Charlotte, County of Eaton, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the City Council of the City of Charlotte during its regular meeting held on Monday December 09, 2024, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being 1976 P.A. 267, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

____

Mary LaRocque, City Clerk

THE CITY OF CHARLOTTE MICHIGAN

Memo

To: Honorable Mayor Lewis and the City Council; City Manager Hillard

From: Karen Lancaster, The WoodHill Group

Date: December 9, 2024

Re: Revised Credit Card Policy

Introduction

As part of a review of the City of Charlotte's policies, Finance determined the credit card policy allowing employees to use City-issued credit cards originally adopted December 13, 2004, needed to be updated to reflect current procedures.

Recommendation
We are recommending the City Council approve the attached policy.

Financial Impacts
None

Suggested Motion
The City Council moves to approve the City-issued credit card policy.

CITY OF CHARLOTTE

COUNCIL POLICY

SUBJECT	POLICY NO.	APP. DATE	PAGE
City-Issued Credit Cards	**2024-02**	**12/09/2024**	**1 of 5**

1. PURPOSE

The purpose of this policy is to establish procedures for City-issued credit cards and replaces the policy adopted by Council on December 13, 2004.

2. AUTHORITY

This policy is adopted pursuant to the provisions of State of Michigan Public Act 266 of 1995.

3. BACKGROUND

The City of Charlotte uses a Credit Card for purchases where using a credit card is advantageous or cost effective. This does not replace the City's purchasing policy and procedures.

The Finance Director/Treasurer is responsible for issuing, accounting for, monitoring, retrieving and generally overseeing compliance with the City's credit card policy. The City Manager is responsible for approving all issuance of credit cards.

Credit cards are issued to select employees by request of their manager and approval by the City Manager. Only the employee is authorized to use their own City-issued card.

City credit cards may be used only by employees of the City for the purchase of goods or services for the official business of the City. The card is to be used for low dollar purchases within each cardholder's credit card limit.

4. PROCEDURES

How to Obtain a Credit Card

a. To request a credit card, the cardholder must fill out the Credit Card Request Form (Exhibit A), signed by the department head and City manager.
b. In addition, the employee to whom the card is assigned, must fill out the Cardholder Agreement (Exhibit B).
c. Both forms are turned into Finance who is the credit card administrator for the City.

Making A Purchase

a. Purchases can be made for any authorized goods or services needed for the City as authorized by the department head and within the budget. Only the cardholder can use their own card. The purchase cannot exceed $4,999.99, at which point the employee must follow the City's purchasing policy.
b. No sales tax shall be paid on any goods or services as the City is tax-exempt. It is the cardholder responsibility to check the invoice for tax prior to payment with the credit card.
c. The cardholder shall present the card at the time of purchase and sign the receipt (where applicable). The receipt must be retained by the cardholder and submitted per the details of the monthly statement (see ***Reconciling the Monthly Statement*** below).
d. All goods must be shipped to a City of Charlotte business address.
e. If a shipment is incorrect, the cardholder should contact the vendor to arrange for a return and a credit to the credit card. It is the cardholder's responsibility to understand the vendor's return policy.
f. The employee named on the Credit Card is responsible for keeping track of the card and safeguarding against fraud.

Reconciling the Monthly Statement

a. When the monthly statement is received by Finance, a credit card log will be created listing each purchase by the cardholder as listed on the statement. The cardholder must remit each receipt listed along with the General Ledger account to which the purchase shall be posted.
b. It is the cardholder's responsibility to review the charges for accuracy and ensure there are no fraudulent charges to their card.
c. Finance will balance the statement to the receipts and enter the charges on the monthly statement into the Accounts Payable system which will post to the General Ledger accounts given by the cardholder.

Card Deactivation

a. Upon voluntary or involuntary termination of the cardholder's employment, the credit card must be turned into the cardholder's manager. The cardholder's manager is responsible for giving the card to Finance for deactivation.
b. Finance will immediately deactivate the card with the bank.

c. Cards may also be deactivated at the request of the department head, City manager, Finance or the cardholder, if requested.

Misuse of the Credit Card by the Cardholder

In the event the credit card is misused and the procedures are violated, Finance will work with department heads and the City manager to determine the best course of action on a case-by-case basis in accordance with the City Personnel Manual and union contracts.

Reporting Lost or Stolen Cards

An employee who is issued a credit card is responsible for its protection and custody. If a credit card is lost or stolen, the employee's department head and the Finance Department shall be notified. The entity issuing the lost or stolen credit card shall be immediately notified to cancel the card.

Exhibit A

City of Charlotte
Credit Card Request Form

A credit card is being requested for the following employee:

______________________ ________________________________

First Name Middle Initial Last Name

____

Last four digits of your Social Security Number

____

City Department

By signing this form, the employee acknowledges they have received a copy of the Credit Card Policy dated 12/9/2024, as approved by Council and that the above information is accurate.

STANDARD LIMITS:

Single Purchase Limit: ________________________

Monthly Limit: ________________________

Number of Transactions within a monthly billing period: ________________________

APPROVING MANAGER SIGNATURE: __________________________

APPROVING MANAGER PRINTED NAME: __________________________

APPROVING MANAGER DATE: __________________________

CITY MANAGER APPROVAL/DATE: __________________________

Exhibit B
City of Charlotte
Cardholder Agreement

I understand that I am authorized to use the credit card to purchase goods and services on official business of the City, not exceeding $4,999.99, and within the parameters of the City's credit card policy (a copy of which has been provided to me).

I agree to purchase goods and services, consistent with my organizational responsibilities, to satisfy legitimate business needs of the City. I will not use the Credit Card issued to me for personal use or unprompted business purposes, and if I do, I understand I will be personally obligated to pay for the amount of those purchases.

I understand that my authorization to make such purchases shall automatically cease upon my separation from the City of Charlotte or upon my reassignment to another department. In either of these events, I will contact the Finance Department and my Department Head for instructions on how to return the card.

I have reviewed and understand the provisions of the attached Credit Card Policy.

I understand that any abuse or incorrect use of the Credit Card could result in disciplinary action per the City's personnel policies and/or any applicable union contracts.

______________________________ ______________________
Employee Signature Date

______________________________ ______________________
Printed Name Last Four Digits of SSN

I have approved the named employee for a City credit card. I agree to review the monthly statement and receipts for compliance with the established policies and procedures.

______________________________ ______________________
Department Head's Signature Title

______________________________ ______________________
Printed Name Date

THE CITY OF CHARLOTTE MICHIGAN

Memo

To: Honorable Mayor Lewis and the City Council; City Manager Hillard

From: Karen Lancaster, The WoodHill Group

Date: December 9, 2024

Re: Grant Policy

Introduction

As part of a review of the City of Charlotte's policies and discussion with the City's auditor, Finance determined a grant policy is needed due to the amount of grants received by the City.

Due to the complexity of the Federal and State grant processes, a grant policy helps ensure the City is following all of the requirements outlined by the Federal government and in accordance with grant agreements.

Recommendation
We are recommending the City Council approve the attached policy.

Financial Impacts
None

Suggested Motion
The City Council moves to approve the grant policy.

CITY OF CHARLOTTE

COUNCIL POLICY

SUBJECT	POLICY NO.	APP. DATE	PAGE
Grant Accounting and Administration Policy	**2024-03**	**12/09/2024**	**1 of** 8

1. PURPOSE

To outline guidelines for the submission of grant applications and the acceptance of grant awards (Federal, State or Local) or any non-grant Federal funding on behalf of the City of Charlotte.

Applicability

This policy applies to grants over $10,000 and ALL federal grants.

2. AUTHORITY

The municipality will maintain grant information and accounting to facilitate the annual audit and compliance with federal and state grant requirements.

3. PROCEDURES

A. Application for Grants – All grant applications must be approved by the City Council before submission for the grant. Contact the Finance Director for assistance in determining appropriate wording for the resolution as well as to discuss grant matches or other potential grant requirements. See Appendix A for required information for grant applications.

B. City Council Approval of the Award - The resolution should authorize the acceptance and administration of the grant and confirm either that the grant award and conditions are not substantially changed from the application or note any changes from the application. The resolution must also establish the appropriate expenditure accounts and appropriate any funds required.

C. Internal Controls over Federal Grant Awards- After the grant is awarded, review the grant award documentation with the Finance Director. ***No funds will be expended until all internal documentation has been completed.*** In this meeting, the Finance Director, or designee, will review the Grant Project Checklist (see Appendix C) with the grant administrator. The Checklist gathers information prior to the grant being set up in the financial system or any procurement activities/other incurred direct costs. Periodically, throughout the life cycle of the grant, the Finance Director will meet with the grant administrator to ensure compliance with the grant agreement. Areas of internal controls that will be reviewed include:

1. Procurement of good and services
2. Allowability of Costs-Documentation of costs charged to the grant must demonstrate the allowability under the grant agreement. The grant administrator is solely responsible for understanding the costs allowed under the grant.
3. Payroll and Fringes-Documentation of charges for payroll and fringes charged
4. Cash Management - Cash draws must be made timely in accordance with the grant agreement. Draws should be requested no later than 30 days after the end of the quarter. All draws must be reviewed by the Finance Director, or their designee, prior to requesting Federal money. No other staff is authorized to draw down funds on behalf of the City of Charlotte without Finance Director approval.
5. Indirect Costs - Under no circumstances, should the City of Charlotte apply for an indirect cost rate when applying for a grant, or accept reimbursement for indirect costs without discussing the implications with the Finance Director.
6. Authorization, Approvals and Documentation- For each transaction charged to the grant, the grant administrator is certifying the cost is allowable under the grant when the request for reimbursement is given to the Finance Director. Documentation to support the request must match the financial system and all related backup must be attached to the grant request including invoices, receipts, time and attendance reports and other related documentation.

For more information on the Uniform Grant Guidance requirements, please visit:

https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards

D. Grant Award Information Required for the Annual Audit - The grant administrator will provide the Finance Director with the following information (if applicable) (*See Appendix B* – for the *Summary of Grant Information* Form to attach with contract & resolution):

a) Grant name and program description.
b) A copy of the grant application.
c) A copy of the City Council resolution approving the grant
d) Funding agency. (If the funding agency is a State agency, the grant administrator must note whether the funds are pass-through funds from the Federal government.)
e) Catalog of Federal Domestic Assistance number, if grant award is Federal
f) Grant number.
g) Program amount requested.
h) Grant administrator contact person (name, title, and phone-number).

i) Financing Information
   i. Source of funds (grantor, amount)
   ii. Use of funds (type of expenditure, amount)
   iii. Grant expiration (length of time account will be needed)
   iv. Relationship to other grants/projects

For example, if the City Council approved a grant contract for a consultant study of land use, with total funding of $100,000 (Federal grant, $80,000; State grant, $15,000; local grant match of City funds of $5,000), see the financial information furnished to the Finance Director below:

Source of Funds	
Federal Funds	$80,000
State grant	$15,000
Municipality Funds	$ 5,000
Total	**$100,000**
Use of Funds	
Consultant services	$100,000
Total	$100,000

The grant administrator in consultation with the Finance Director would then set up the grant in the financial system using specific general ledger account numbers.

5) Grant Close Out Documents - After the terms of the grant have been satisfied, all necessary documents to close out the grant shall be prepared on a timely basis. Copies of all grants close-out documents (final reports) should be provided to the Finance Director after the final reimbursement is requested.

Appendix A

Summary of Grant Application for Review and Approval

Funding agency (if a State agency, it is also important to note if these are pass-through funds)

____

Grant name and program description and Project Name/File Number (if applicable):

____

____

Program Award Amount: $____

Grant administrator (name, title, phone #):

____

Grant Application Questions:

	Yes	No	N/A
Does the grant require matching funds? If yes, how much?			
Does the grant require a budget adjustment from the City Council?			
If the grant funds FTEs, is there a requirement to retain those employees for a certain period of time? If yes, how many years?			
If the grant funds capital outlay, is there a requirement to track the equipment for a certain number of years after the grant award? If yes, how many?			
If the grant has special reporting requirements, have those been discussed with Finance?			
If the grant has special banking requirements to receive funding, have those been discussed with the Treasurer?			
Are there other commitments that the City of Charlotte will be making if this grant is awarded?			

Appendix B
Summary of Grant Information

Funding agency (if a State agency, it is also important to note if these are pass-through funds)

____

____

Grant name and program description and Project Name/File Number (if applicable):

____

____

Catalog of Federal Domestic Assistance Number/UEI: ____________________________

Grant Number: ____

Program Award Amount: $____

Accounting information:

GL Accounts:____

Expected expenditure amount $_____________________________

Please attach copies of the following:

- grant application
- approved resolution
- grant award letter/contract
- grant closeout documents (if applicable)

Grant contact person (name, title, phone #): ______________________________

Return Completed Form to the Finance Director.

Submitted by: ____ Date:______________

Finance Director Approval: ______________________________ Date:______________

Return Completed Form to the Finance Director after all approvals are obtained.

Appendix C-Sample Grant Checklist

Department: ____

Federal Agency Awarding Grant:____

Grant Amount:____

Grant Name and GL Account: ____________________________________

General Questions

☐ Are you a direct recipient or a pass-through entity? (200.330)____________________

☐ Are you passing through funding to other agencies? (200.331)________________________

☐ Have you received your Federal Award Identification Information? If so, provide a copy to the Finance Director. If not, obtain your information and bring it to the Finance Director.

☐ Is your grant construction related? If yes, discuss specific construction requirements here.____

☐ Does your grant award include a grant match (200.306)? If so, how much and what is the source of the match? ____

☐ Does your grant generate any program income (200.307)? ______________________

☐ What is your period of performance (200.309)? __________________________________

☐ Does your grant involve the purchase of real property (200.311)? __________________

☐ Does your grant involve the purchase of equipment (200.313)? ________________________

☐ Does your grant involve the purchase of supplies (200.314)? ____________________

☐ Does your grant involve the purchase of intangible property (200.315)? ______________

☐ Does your grant allow for indirect costs (200.416)?__________________________

☐ Does this Grantor Agency have specific additional requirements above Uniform Grant Guidance? If so, summarize here.____

____

____

Procurement (200.318 to 200.326)

Prior to Bidding

☐ Notify Finance that bid/proposal has Federal grant funding

☐ Does your Grantor agency require a review of your bid/proposal specifications? If so, date review was complete: ____________________

☐ Demonstrate bid avoids purchasing unnecessary or duplicative items

☐ Demonstrate consideration of intergovernmental procurement agreements

☐ Demonstrate consideration of Federal excess and surplus property

☐ Demonstrate compliance with the recycled/recovered content per the EPA guidelines

☐ Demonstrate steps were taken to contract with small and minority businesses, women's business enterprises, and labor surplus area firms

☐ Include Federal Funding Reference in project solicitation

☐ Include Required Bid and Contract Documents Packet in bid packet

☐ Demonstrate compliance with the City's purchasing policy

During Project Bidding Process

☐ Bid advertisement date:____________________

☐ Pre-bid meeting date (if applicable): ____________________

☐ Confirm no mandatory meetings were required

After Bid Opening

☐ Provide analysis to the Finance Director of economical purchases (i.e. lease vs. buy, consolidation of procurements, use of surplus property.)

☐ Provide the Finance Director with a copy of the bid tabulation/proposal scoring for grant file

☐ Date Conflict of Interest was received____________________

☐ Provide the Finance Director evidence of review of Federal Debarment List located at www.sam.gov before contract award

Award Period

☐ Provide the Finance Director with a copy of the contract award letter and City Council resolution.

☐ Provide the Finance Director with how contractor oversight will be maintained.

☐ Provide the Finance Director with a copy of the Performance Bond (if required).

☐ For Quarterly/Semi-Annual Financial Reporting, were your reports filed in a timely manner? (200.327) Dates filed: ______________________________

☐ For Annual Financial Reporting, was your report filed in a timely manner? (200.327)

Date filed: ______________________

☐ For monitoring and reporting program performance, were your reports filed at the interval required by the Grantor agency with 90 days after the reporting period? (200.328) ______________________

____

☐ Submit a completed Reimbursement Request Form with the following information attached:

- ☐ Copy of invoice
- ☐ Copy of proof of payment
- ☐ Any other relevant backup documentation (if applicable) or ☐ N/A

Post-Award Closeout (200.343-200.345)

☐ Closeout submitted within 90 days of the end of the performance period

To be completed by the Finance Director in conjunction with the Grant Administrator.