



City Council Agenda

November 18, 2024
7:00 p.m.

City Council Chambers
97 N. Broad Street
Hillsdale, MI 49242

Reconvene from November 12, 2024

III. Oath of Offices (Board of Canvassers to Certify Election after November 12, 2024)

Ward 1 Council Seat Jacob Bruns (Reconvene meeting to November 18, 2024)

Ward 2 Council Seat Matthew Bentley

Ward 3 Council Seat Bob Flynn

Ward 4 Council Seat Robert Socha

IV. Mayor Pro Tem Election (Reconvene to November 18, 2024)

V. Public Comments on Non-Agenda Items

VI. Adjournment

I. Call to Order and Pledge of Allegiance

II. Roll Call

III. Approval of Agenda

IV. Public Comments on Agenda Items

V. Consent Agenda

A. Approval of Bills

1. City and BPU Claims of October 17, 2024: \$297,979.51

2. Payroll of November 7, 2024: \$214,154.92

B. City Council Minutes of November 4, 2024

C. Finance Minutes of November 4, 2024

D. BPU Minutes of November 12, 2024

E. BPU SmartSights WIN-911

F. BPU Grit Screw Wear Shoe Replacement

G. BPU Mowing Contract 1 year Extension

H. BPU Hallett and South Lift Station Standby Generators

VI. Communications/Petitions

A. Audit Report

B. Holiday Bazaar Flyer

C. Hillsdale County Commissioner Update – Doug Ingles

VII. Introduction and Adoption of Ordinances/Public Hearing

VIII. Old Business

IX. New Business

- A. Airport Hangar Lease
- B. Airport Tug Purchase
- C. FOIA Appeal

X. Miscellaneous Reports

- A. Proclamation – None
- B. Appointments – Planning Commission – Christian Winters
- C. Other- None

XI. General Public Comment

XII. City Manager's Report

XIII. Council Comment

XIV. Adjournment

Section 4.5. - [Mayor pro tem.]

The Mayor and Council shall, at its first meeting following each regular City election and after the newly elected members take office, elect one of its members to serve as Mayor Pro-Tem, for a term expiring at the first council meeting following the next regular City election. Such election shall be by written ballot and by majority vote of the Mayor and members of the Council in office at the time. In event of absence or disability of both the Mayor and Mayor Pro-Tem, the Council may designate another of its members to serve as acting Mayor during such absence or disability.

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INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE
EXP CHECK RUN DATES 10/17/2024 - 10/17/2024
BOTH JOURNALIZED AND UNJOURNALIZED
PAID

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GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 101 GENERAL FUND					
Dept 175.000 ADMINISTRATIVE SERVICES					
101-175.000-802.000	LIGHT BULBS 40W LED COUNCIL	AMAZON CAPITAL SERVICES, I	LIGHT BULBS 40W LED COUNCIL	99.48	109470
101-175.000-802.000	EXTENSION CORDS AND CORD TRIP GU	AMAZON CAPITAL SERVICES, I	EXTENSION CORDS AND CORD TRIP GUARD	36.88	109470
Total For Dept 175.000 ADMINISTRATIVE SERVICES				136.36	
Dept 191.000 FINANCE DEPARTMENT					
101-191.000-801.000	AUDIT SERVICES FOR FYE 2024	YEO & YEO PC	AUDIT SERVICES FOR FYE 2024	2,800.00	109559
Total For Dept 191.000 FINANCE DEPARTMENT				2,800.00	
Dept 215.000 CITY CLERK DEPARTMENT					
101-215.000-726.000	TRANSMITTAL BAGS	AMAZON CAPITAL SERVICES, I	TRANSMITTAL BAGS, KLEENEX	134.64	109470
101-215.000-726.000	WINDOW ENVELOPES SECURITY TINT	ARROW SWIFT PRINTING	WINDOW ENVELOPES SECURITY TINT	302.20	109473
101-215.000-801.000	PAPER SHREDDING SERVICE	ACCUSHRED, LLC	PAPER SHREDDING SERVICE	70.95	109468
101-215.000-801.000	COPIER LEASES - CITY	CURRENT OFFICE SOLUTIONS	COPIER LEASES - CITY	261.83	109486
Total For Dept 215.000 CITY CLERK DEPARTMENT				769.62	
Dept 253.000 CITY TREASURER					
101-253.000-726.000	TONER	CURRENT OFFICE SOLUTIONS	TONER	101.48	109486
101-253.000-801.000	PRINT TAX BILLS - REMINDER BILL	KCI	PRINT TAX BILLS - REMINDER BILL NOTICE	300.00	109519
Total For Dept 253.000 CITY TREASURER				401.48	
Dept 257.000 ASSESSING DEPARTMENT					
101-257.000-726.000	SUPPLIES	KIMBERLY A. THOMAS	REIMBURSEMENT	32.03	109544
101-257.000-801.000	COPIER LEASES - CITY	CURRENT OFFICE SOLUTIONS	COPIER LEASES - CITY	59.30	109486
101-257.000-850.000	MONTHLY VERIZON BILL - OCT 24	VERIZON WIRELESS	MONTHLY VERIZON BILL - OCT 24	40.01	109549
Total For Dept 257.000 ASSESSING DEPARTMENT				131.34	
Dept 265.000 BUILDING AND GROUNDS					
101-265.000-801.000	MATS FOR CITY HALL	CINTAS CORPORATION	MATS FOR CITY HALL	15.74	109481
101-265.000-801.000	MATS FOR CITY HALL	CINTAS CORPORATION	MATS FOR CITY HALL	15.74	109481
101-265.000-801.000	MOP & BUF DISPATCH	EAST 2 WEST ENTERPRISES, I	MOP & BUF DISPATCH	40.00	109491
101-265.000-801.000	CHILLER FOR CITY HALL CLEANED OU	JC MECHANICAL SERVICES, I	CHILLER FOR CITY HALL CLEANED OUT	475.00	109515
101-265.000-850.000	TELEPHONE - CITY HALL	ACD.NET	TELEPHONE - CITY HALL	145.62	109469
101-265.000-850.000	OOMA FAXING EQUIP OCT 24	OOMA, INC.	OOMA FAXING EQUIP OCT 24	129.36	109532
101-265.000-920.000	505431439 - 22 N MANNING - MITCH	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 22 N MANNING	45.16	982
101-265.000-920.000	505119616 - 97 N BROAD - CITY HA	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 97 N BROAD	43.37	984
Total For Dept 265.000 BUILDING AND GROUNDS				909.99	
Dept 301.000 POLICE DEPARTMENT					
101-301.000-742.000	JACKET FOR OFFICER STROTHEIDE	GALLS, LLC	JACKET FOR OFFICER STROTHEIDE	88.85	109499
101-301.000-801.000	COPIER LEASES - CITY	CURRENT OFFICE SOLUTIONS	COPIER LEASES - CITY	25.30	109486
101-301.000-801.000	TRU PERSON LOOK UP FOR SEPTEMBER	TRANSUNION RISK AND ALTERN	TRU PERSON LOOK UP FOR SEPTEMBER 2024	75.00	109545
101-301.000-801.000	POLICE	VERIZON WIRELESS	INTERNET FOR POLICE UNITS AND FIRE TRUC	160.04	109549
101-301.000-930.000	ATTACHEMENT OF SPLASH SHIELD UNI	FRANK BECK CHEVROLET CO.	ATTACHEMENT OF SPLASH SHIELD UNIT 2-4	55.00	109495
101-301.000-930.000	UNIT 2-4 TIE ROD, TUBE ASY, PUMP	STILLWELL FORD MERCURY, I	UNIT 2-4 TIE ROD, TUBE ASY, PUMP ASY, C	4,155.71	109541
101-301.000-930.000	BROKEN LIGHT BRACKET ON UNIT 2-4	STILLWELL FORD MERCURY, I	BROKEN LIGHT BRACKET ON UNIT 2-4	111.52	109541
101-301.000-955.221	SCREENS - STROTHEIDE	JONESVILLE HEALTH CARE PLI	SCREENS - BRITTON, STROTHEIDE, BECKER,	65.00	109516
101-301.000-956.000	CPL RENEWAL REIMBURSEMENT FOR HA	HAROLD D. JENKINS	CPL RENEWAL REIMBURSEMENT FOR HAROLD JF	117.50	109508
Total For Dept 301.000 POLICE DEPARTMENT				4,853.92	
Dept 336.000 FIRE DEPARTMENT					
101-336.000-726.000	METAL THREAD HANDLE	GELZER HJ & SON INC	METAL THREAD HANDLE	7.69	109503
101-336.000-801.000	FIRE	VERIZON WIRELESS	INTERNET FOR POLICE UNITS AND FIRE TRUC	20.02	109549
101-336.000-930.000	HYDRAULIC CYLINDER REPAIR LADDER	BLACK FORKLIFT SALES & SEF	HYDRAULIC CYLINDER REPAIR LADDER TRUCK	1,428.10	109478

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GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 101 GENERAL FUND					
Dept 336.000 FIRE DEPARTMENT					
		Total For Dept 336.000 FIRE DEPARTMENT		1,455.81	
Dept 441.000 PUBLIC SERVICES DEPARTMENT					
101-441.000-726.000	KLEENEX	AMAZON CAPITAL SERVICES, I	TRANSMITTAL BAGS, KLEENEX	13.36	109470
101-441.000-726.000	2 GAL STAND N SPRAY FOR CRACK FI	GELZER HJ & SON INC	2 GAL STAND N SPRAY FOR CRACK FILLING	33.99	109503
101-441.000-801.000	MATS FOR DPS	CINTAS CORPORATION	MATS FOR CITY HALL AND RAGS FOR SHOP	37.26	109481
101-441.000-801.000	MATS FOR DPS	CINTAS CORPORATION	MATS FOR DPS AND RAGS FOR SHOP	37.26	109481
101-441.000-801.000	COPIER LEASES - CITY	CURRENT OFFICE SOLUTIONS	COPIER LEASES - CITY	158.19	109486
101-441.000-801.000	TRUCKING SPOILS	DRY MAR TRUCKING & DIRTWOF	TRUCKING SPOILS	450.00	109490
101-441.000-850.000	MONTHLY VERIZON BILL - OCT 24	VERIZON WIRELESS	MONTHLY VERIZON BILL - OCT 24	45.90	109549
101-441.000-930.000	FLUORESCNT ZURN FLUSH VALVE FOR	AMERICAN COPPER AND BRASS,	FLUORESCNT ZURN FLUSH VALVE FOR DPS URI	326.70	109471
101-441.000-955.441	BOOT ALLOWANCE	COLE, AARON	AARON COLE - SAFETY ALLOWANCE	349.13	109483
101-441.000-955.441	LUCAS KIMBLE - SAFETY ALLOWANCE	POWERS CLOTHING, INC.	LUCAS KIMBLE - SAFETY ALLOWANCE	183.60	109535
101-441.000-955.588	SCREENS - HOWARD	JONESVILLE HEALTH CARE PLI	SCREENS - BRITTON, STROTHEIDE, BECKER,	90.00	109516
		Total For Dept 441.000 PUBLIC SERVICES DEPARTMENT		1,725.39	
Dept 447.000 ENGINEERING SERVICES					
101-447.000-801.000	COPIER LEASES - CITY	CURRENT OFFICE SOLUTIONS	COPIER LEASES - CITY	59.30	109486
		Total For Dept 447.000 ENGINEERING SERVICES		59.30	
Dept 567.000 CEMETERIES					
101-567.000-801.000	FENCE FOR LAKE VIEW CEMETARY	WATKINS FENCE	FENCE FOR LAKE VIEW CEMETARY	800.00	109553
		Total For Dept 567.000 CEMETERIES		800.00	
Dept 595.000 AIRPORT					
101-595.000-726.000	BATTERIES	GELZER HJ & SON INC	BATTERIES	21.99	109503
101-595.000-726.000	WATER, CLEANER,SODA, ICE, SOAP,	HILLSDALE MARKET HOUSE, I	WATER, CLEANER,SODA, ICE, SOAP, SUCKERS	55.56	109511
101-595.000-726.000	CREAMER, CUPS, COFFEE, SOAP, SNA	HILLSDALE MARKET HOUSE, I	CREAMER, CUPS, COFFEE, SOAP, SNACK BARS	83.94	109511
101-595.000-740.000	DIESEL FUEL FOR TRACTOR	BRINER OIL CO, INC	DIESEL FUEL FOR TRACTOR	554.93	109479
101-595.000-850.000	TELEPHONE - AIRPORT	ACD.NET	TELEPHONE - AIRPORT	33.40	109469
101-595.000-930.000	MAINT/REPAIR SUPPLIES FOR VEHICL	FAMILY FARM & HOME	MAINT/REPAIR SUPPLIES FOR VEHICLES/MOWE	447.84	109494
101-595.000-930.000	PARTS FOR JOHN DEERE	GREENMARK EQUIPMENT	PARTS FOR JOHN DEERE	53.20	109505
101-595.000-930.000	MAINTENANCE ON FUEL TANKS	SPARLING CORPORATION	MAINTENANCE ON FUEL TANKS	879.99	109539
101-595.000-930.000	REIMB - V-BELT, FILTER FOR 4 WHE	STEVE BOYD	REIMB - V-BELT, FILTER FOR 4 WHEELER -	272.36	109540
101-595.000-930.000	TREATMENT FOR BEES	DEAN A MORT	TREATMENT FOR BEES	200.00	109543
		Total For Dept 595.000 AIRPORT		2,603.21	
Dept 701.000 PLANNING DEPARTMENT					
101-701.000-801.000	COPIER LEASES - CITY	CURRENT OFFICE SOLUTIONS	COPIER LEASES - CITY	59.30	109486
		Total For Dept 701.000 PLANNING DEPARTMENT		59.30	
Dept 728.000 ECONOMIC DEVELOPMENT					
101-728.000-956.200	EDP ANNUAL DINNER	ECONOMIC DVLPMT PARTNERSHIE	EDP ANNUAL DINNER	35.00	109492
		Total For Dept 728.000 ECONOMIC DEVELOPMENT		35.00	
Dept 756.000 PARKS					
101-756.000-726.000	HOT PATCH FOR PARKING LOTS - PAR	GERKEN MATERIAL, INC	HOT PATCH FOR LOCALS, MAJORS AND PARKS	228.00	109504
		Total For Dept 756.000 PARKS		228.00	
		Total For Fund 101 GENERAL FUND		16,968.72	
Fund 202 MAJOR ST./TRUNKLINE FUND					
Dept 444.000 SIDEWALKS					
202-444.000-801.000	60 READING AVE SIDEWALK PLAN B	DRY MAR TRUCKING & DIRTWOF	60 READING AVE SIDEWALK PLAN B	817.50	109490

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Fund 202 MAJOR ST./TRUNKLINE FUND					
Dept 444.000 SIDEWALKS					
		Total For Dept 444.000 SIDEWALKS		817.50	
Dept 450.000 STREET SURFACE					
202-450.000-726.000	HOT PATCH FOR MAJORS - BPU	GERKEN MATERIAL, INC	HOT PATCH FOR LOCALS, MAJORS AND PARKS	413.25	109504
202-450.000-726.000	HOT PATCH FOR MAJORS - BPU	GERKEN MATERIAL, INC	HOT PATCH FOR LOCALS, MAJORS AND SURFAC	364.90	109504
202-450.000-726.000	HOT PATCH FOR MAJORS	GERKEN MATERIAL, INC	HOT PATCH FOR MAJORS AND LOCALS	640.50	109504
202-450.000-801.000	SERVICE CORNER OF ST JOE AND SOU	CLARK ELECTRIC INC.	SERVICE CORNER OF ST JOE AND SOUTH ST	362.29	109482
		Total For Dept 450.000 STREET SURFACE		1,780.94	
Dept 480.000 DRAINAGE					
202-480.000-801.000	FENCE FOR DRAINAGE AT MORRY ST	WATKINS FENCE	FENCE FOR DRAINAGE AT MORRY ST - DEPOSIT	3,250.00	109553
		Total For Dept 480.000 DRAINAGE		3,250.00	
Dept 490.000 TRAFFIC					
202-490.000-726.000	CLEARANCE SIGN FOR MAJORS	DORNBOS SIGN & SAFETY INC	72X21 AND 72X24 CLEARANCE SIGNS	234.43	109489
202-490.000-801.000	MAJOR PAVEMENT MARKINGS	FRONTLINE ROAD SAFETY	PAVEMENT MARKINGS THROUGH OUT CITY	28,667.09	109497
		Total For Dept 490.000 TRAFFIC		28,901.52	
		Total For Fund 202 MAJOR ST./TRUNKLINE FUND		34,749.96	
Fund 203 LOCAL STREET FUND					
Dept 450.000 STREET SURFACE					
203-450.000-726.000	HOT PATCH FOR LOCALS	GERKEN MATERIAL, INC	HOT PATCH FOR LOCALS, MAJORS AND PARKS	324.75	109504
203-450.000-726.000	HOT PATCH FOR LOCALS - BPU	GERKEN MATERIAL, INC	HOT PATCH FOR LOCALS, MAJORS AND SURFAC	290.98	109504
203-450.000-726.000	HOT PATCH FOR LOCALS - BPU	GERKEN MATERIAL, INC	HOT PATCH FOR MAJORS AND LOCALS	448.50	109504
203-450.000-726.000	GRADE STAKES FOR WESTWOOD PROJEC	JONESVILLE LUMBER	GRADE STAKES FOR WESTWOOD PROJECT	79.96	109517
		Total For Dept 450.000 STREET SURFACE		1,144.19	
Dept 470.000 TREES					
203-470.000-801.000	REMOVE MAPLE TREE AT 110 MANNING	LONSBERRY, JEFFREY	REMOVE MAPLE TREE AT 110 MANNING ST	2,500.00	109485
203-470.000-801.000	LOCAL ST TREE TRIMMING	LONSBERRY, JEFFREY	LOCAL ST TREE TRIMMING	7,437.50	109485
		Total For Dept 470.000 TREES		9,937.50	
Dept 490.000 TRAFFIC					
203-490.000-726.000	CLEARANCE SIGN FOR LOCALS	DORNBOS SIGN & SAFETY INC	72X21 AND 72X24 CLEARANCE SIGNS	265.33	109489
203-490.000-801.000	LOCAL PAVEMENT MARKINGS	FRONTLINE ROAD SAFETY	PAVEMENT MARKINGS THROUGH OUT CITY	1,500.00	109497
		Total For Dept 490.000 TRAFFIC		1,765.33	
		Total For Fund 203 LOCAL STREET FUND		12,847.02	
Fund 208 RECREATION FUND					
Dept 751.000 RECREATION DEPARTMENT					
208-751.000-801.000	FOOTBALL PANTS LAUNDERING	SUD Z COIN LAUNDRY - HILLS	FOOTBALL PANTS LAUNDERING	50.00	109542
208-751.000-801.008	FOOTBALL OFFICIATING	JACE LENNOX	FOOTBALL OFFICIATING	160.00	109514
208-751.000-801.008	FOOTBALL OFFICIATING	WILLIAM PEIFFER	FOOTBALL OFFICIATING	110.00	109555
208-751.000-801.008	FOOTBALL OFFICIATING	WYATT EVERETT WAHTOLA	FOOTBALL OFFICIATING	160.00	109558
		Total For Dept 751.000 RECREATION DEPARTMENT		480.00	
		Total For Fund 208 RECREATION FUND		480.00	
Fund 247 TAX INCREMENT FINANCE ATH.					
Dept 900.000 CAPITAL OUTLAY					
247-900.000-930.000	DAWN THEATER HVAC MAINTENANCE EM	GRIFFITHS MECHANICAL CONTF	DAWN THEATER HVAC MAINTENANCE EMERGENCY	2,647.50	109507
247-900.000-930.000	DAWN THEATER HVAC MAINTENANCE	GRIFFITHS MECHANICAL CONTF	DAWN THEATER HVAC MAINTENANCE	3,735.82	109507

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Fund 247 TAX INCREMENT FINANCE ATH.					
Dept 900.000 CAPITAL OUTLAY					
		Total For Dept 900.000 CAPITAL OUTLAY		6,383.32	
		Total For Fund 247 TAX INCREMENT FINANCE ATH.		6,383.32	
Fund 252 CONTRIBUTIONS & DONATIONS					
Dept 900.000 CAPITAL OUTLAY					
252-900.000-970.000	PLAY STRUCTURE - WATERWORKS RENO	GAMETIME	PLAY STRUCTURE WATERWORKS RENOVATION -	20,260.88	109500
		Total For Dept 900.000 CAPITAL OUTLAY		20,260.88	
		Total For Fund 252 CONTRIBUTIONS & DONATIONS		20,260.88	
Fund 271 LIBRARY FUND					
Dept 790.000 LIBRARY					
271-790.000-726.000	WATER DELIVERY SERVICE	HEFFERNAN SOFT WATER SERV	WATER DELIVERY SERVICE	12.00	109509
271-790.000-801.000	COPIER LEASE AND PRINTS FOR SEPT	CURRENT OFFICE SOLUTIONS	COPIER LEASE AND PRINTS FOR SEPT.	178.18	109486
271-790.000-801.000	MONTHLY BATHROOM AND FOYER CLEAN	EAST 2 WEST ENTERPRISES, I	MONTHLY BATHROOM AND FOYER CLEANING 9 T	445.00	109491
271-790.000-801.000	4TH QTR OVERDRIVE	WOODLANDS LIBRARY COOPERAT	4TH QTR OVERDRIVE	237.00	109556
271-790.000-850.000	TELEPHONE - LIBRARY	ACD.NET	TELEPHONE - LIBRARY	53.74	109469
271-790.000-850.000	OOMA FAXING EQUIP OCT 24	OOMA, INC.	OOMA FAXING EQUIP OCT 24	64.68	109532
271-790.000-930.000	HARDWARE TO SECURE BOOKSHELF TO	GELZER HJ & SON INC	HARDWARE TO SECURE BOOKSHELF TO WALL	16.84	109503
271-790.000-982.000	BOOKSOCT24 ADULT	INGRAM LIBRARY SERVICES	BOOKSOCT24 ADULT	26.15	109513
271-790.000-982.000	BOOKS - OCT24 ADULT	INGRAM LIBRARY SERVICES	BOOKS - OCT24 ADULT	105.18	109513
271-790.000-982.000	BOOKS SEPT 24 ADULT	INGRAM LIBRARY SERVICES	BOOKS SEPT 24 ADULT	19.58	109513
271-790.000-982.000	BOOKS - ADULT	INGRAM LIBRARY SERVICES	BOOKS - OCT24 ADULT	454.28	109513
271-790.000-982.000	BOOKS - OCT24 ADULT	INGRAM LIBRARY SERVICES	BOOKS - OCT24 ADULT	93.75	109513
271-790.000-982.000	BOOKS - OCT24 ADULT	INGRAM LIBRARY SERVICES	BOOKS - OCT24 ADULT	19.53	109513
271-790.000-982.000	BOOKS - OCT24 ADULT	INGRAM LIBRARY SERVICES	BOOKS - OCT24 ADULT	59.73	109513
271-790.000-982.000	BOOKS - ADULT	INGRAM LIBRARY SERVICES	BOOKS - SEPT24 ADULT	17.55	109513
271-790.000-982.002	REPLACEMENT BOOK FOR STORYTIME B	AMAZON CAPITAL SERVICES, I	REPLACEMENT BOOK FOR STORYTIME BACKPAC	12.08	109470
271-790.000-982.002	REPLACING DAMAGED BOOK "CRAKNY"	AMAZON CAPITAL SERVICES, I	REPLACING DAMAGED BOOK "CRAKNY"	11.05	109470
271-790.000-982.002	DAMAGED BOOK "ART OF CHINESE PAP	JORDAN VALLEY DISTRICT LI	DAMAGED BOOK "ART OF CHINESE PAPER FOLI	18.00	109518
		Total For Dept 790.000 LIBRARY		1,844.32	
Dept 792.000 LIBRARY - CHILDREN'S AREA					
271-792.000-726.000	RACK FOR KIT COLLECTION & STICKE	DEMCO, INC	RACK FOR KIT COLLECTION & STICKERS TO F	130.62	109488
271-792.000-726.000	BOOK DISPLAY & STICKERS TO HANDO	DEMCO, INC	BOOK DISPLAY & STICKERS TO HANDOUT	103.01	109488
271-792.000-982.000	BOOKS OCT24 CHILD	INGRAM LIBRARY SERVICES	BOOKS OCT24 CHILD	21.49	109513
271-792.000-982.000	BOOKS - OCT24 CHILD	INGRAM LIBRARY SERVICES	BOOKS - OCT24 CHILD	11.49	109513
		Total For Dept 792.000 LIBRARY - CHILDREN'S AREA		266.61	
		Total For Fund 271 LIBRARY FUND		2,110.93	
Fund 481 AIRPORT IMPROVEMENT FUND					
Dept 000.000					
481-000.000-263.000	SALES TAX - SEPT 2024	STATE OF MICHIGAN	SALES TAX - SEPT 2024	2,503.34	656
481-000.000-687.300	SALES TAX - SEPT 2024	STATE OF MICHIGAN	SALES TAX - SEPT 2024	(12.52)	656
		Total For Dept 000.000		2,490.82	
Dept 900.000 CAPITAL OUTLAY					
481-900.000-740.295	JET A FUEL	AVFUEL CORP	JET A FUEL	19,938.95	985
481-900.000-970.000-215041	STRAP, CABLE TIES - HANGAR RENOV	GELZER HJ & SON INC	STRAP, CABLE TIES - HANGAR RENOVATIONS	43.67	109503
		Total For Dept 900.000 CAPITAL OUTLAY		19,982.62	
		Total For Fund 481 AIRPORT IMPROVEMENT FUND		22,473.44	

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Fund 582 ELECTRIC FUND					
Dept 000.000					
582-000.000-110.000	CURRENT TRANSFORMER - 5KV 2	POWER LINE SUPPLY	INVENTORY	3,144.00	109534
582-000.000-110.000	MACHINE BOLT - 5/8 X 14"	POWER LINE SUPPLY	INVENTORY	736.35	109534
582-000.000-110.000	EYE BOLT - 5/8 X 10"	POWER LINE SUPPLY	INVENTORY	487.00	109534
582-000.000-110.000	CONNECTOR APC10-SB BOLT ON	POWER LINE SUPPLY	CONNECTORS	222.94	109534
582-000.000-110.000	INSULATOR STATION POST	POWER LINE SUPPLY	INSULATORS	1,429.06	109534
582-000.000-110.000	CONNECTOR - ANDERSON PARALL	POWER LINE SUPPLY	INVENTORY	83.97	109534
582-000.000-202.100	4CCH	BALDWIN, DAVID J	UB refund for account: 013892	6.24	109474
582-000.000-202.100	ROUND	BEACH, TORY C	UB refund for account: 013395	118.66	109476
582-000.000-202.100	4ENBK1	BUBACZ, DAVID J	UB refund for account: 015105	45.58	109480
582-000.000-202.100	4ENBK1	EWING, GAIL L	UB refund for account: 018200	14.00	109493
582-000.000-202.100	4TAX	FROM, LINDA T	UB refund for account: 016701	4.62	109496
582-000.000-202.100	6CCH	GELZER & SON, H J	UB refund for account: 011823	52.00	109501
582-000.000-202.100	6CCH	GELZER & SON, H J	UB refund for account: 011825	19.00	109502
582-000.000-202.100	4ENBK1	GREGORY, SHEILA A	UB refund for account: 010793	5.51	109506
582-000.000-202.100	4CCH	KIRKINGBURG, ANDREW C	UB refund for account: 026901	57.00	109521
582-000.000-202.100	4ENBK1	TROPIANO, RICKY A	UB refund for account: 011609	71.77	109546
582-000.000-202.100	4ENBK1	WOODWORTH, JUSTIN R	UB refund for account: 024528	27.00	109557
582-000.000-249.100	OPERATION ROUND-UP - SEPT 2024	COMMUNITY ACTION AGENCY	OPERATION ROUND-UP - SEPT 2024	2,614.14	109484
582-000.000-249.100	LIEAF-6099 SEPTEMBER 2024 P.A. 9	LARA - MI PUBLIC SERVICE C	LIEAF-6099 SEPTEMBER 2024 P.A. 95	5,348.75	109522
582-000.000-263.000	SALES TAX - SEPT 2024	STATE OF MICHIGAN	SALES TAX - SEPT 2024	35,476.93	656
582-000.000-692.200	SALES TAX - SEPT 2024	STATE OF MICHIGAN	SALES TAX - SEPT 2024	(223.93)	656
Total For Dept 000.000				49,740.59	
Dept 175.000 ADMINISTRATIVE SERVICES					
582-175.000-726.000	CHAINSAW HELMET WITH FACE SHIELD	AMAZON CAPITAL SERVICES, I	CHAINSAW HELMET WITH FACE SHIELD	81.39	109470
582-175.000-726.000	WARNING NOTICE DOOR HANGERS	ARROW SWIFT PRINTING	WARNING NOTICE DOOR HANGERS	171.43	109473
582-175.000-726.000	COPIES/CONTRACT BILLING - SEPT	CURRENT OFFICE SOLUTIONS	COPIES/CONTRACT BILLING - SEPT 2024	83.96	109486
582-175.000-726.000	AA BATTERIES	GELZER HJ & SON INC	AA BATTERIES	22.99	109503
582-175.000-726.000	REFILL JUGS	HEFFERNAN SOFT WATER SERV	REFILL JUGS	10.88	109509
582-175.000-726.000	WATER JUG REFILL	HEFFERNAN SOFT WATER SERV	WATER DELIVERY SERVICE	8.16	109509
582-175.000-726.000	UPS PACKAGE - METER	HILLSDALE MARKET HOUSE, I	UPS PACKAGE - METER	18.43	109511
582-175.000-726.000	WATER 45 MONROE ST	RUPERT'S CULLIGAN	WATER 45 MONROE ST	16.50	109538
582-175.000-801.000	TELEPHONE/FIBER - 45 MONROE STRE	ACD.NET	TELEPHONE/FIBER - 45 MONROE STREET	24.28	109469
582-175.000-801.000	MOWING SEP	BAXTER LAWN AND SNOW SERV	MOWING SEP	2,510.00	109475
582-175.000-801.000	MATS - 45 MONROE ST	CINTAS CORPORATION	MATS - 45 MONROE ST	2.50	109481
582-175.000-801.000	MATS - 45 MONROE ST	CINTAS CORPORATION	MATS - 45 MONROE ST	2.50	109481
582-175.000-801.000	COPIES/CONTRACT BILLING - SEPT	CURRENT OFFICE SOLUTIONS	COPIES/CONTRACT BILLING - SEPT 2024	138.13	109486
582-175.000-801.000	PRINTING/POSTAGE AND HANDLING -	DELAWARE SYSTEMS	PRINTING/POSTAGE AND HANDLING - SEPT 20	1,340.17	109487
582-175.000-801.000	POWER WASHING OF BUILDING	HOOP LAWN & SNOW, LLC	POWER WASHING OF BUILDING	750.00	109512
582-175.000-801.000	ALARM QUARTERLY ALL 11/24-01/25	MIDWEST ALARM SERVICES	ALARM QUARTERLY ALL 11/24-01/25	240.00	109528
582-175.000-801.000	ALARM QUARTERLY ALL 11/24-01/25	MIDWEST ALARM SERVICES	ALARM QUARTERLY ALL 8/24-10/24	240.00	109528
582-175.000-801.000	WEB ACCESS/UTILITY EXCHANGE - SE	ONLINE INFORMATION SERVICE	WEB ACCESS/UTILITY EXCHANGE - SEPTEMBE	65.32	109531
582-175.000-801.000	COMMISSION PAID FOR COLLECTIONS	ONLINE INFORMATION SERVICE	COMMISSION PAID FOR COLLECTIONS SEPT 20	91.38	109531
582-175.000-801.000	AUDIT SERVICES FOR FYE 2024	YEO & YEO PC	AUDIT SERVICES FOR FYE 2024	1,400.00	109559
582-175.000-801.000	CREDIT CARD PROCESSING FEES - SE	INVOICE CLOUD, INC.	CREDIT CARD PROCESSING FEES - SEPT 2024	225.86	655
582-175.000-850.000	TELEPHONE - POWER PLANT	ACD.NET	TELEPHONE - POWER PLANT	97.08	109469
582-175.000-850.000	TELEPHONE/FIBER - 45 MONROE STRE	ACD.NET	TELEPHONE/FIBER - 45 MONROE STREET	100.00	109469
582-175.000-850.000	OOMA FAXING EQUIP OCT 24	OOMA, INC.	OOMA FAXING EQUIP OCT 24	32.34	109532
582-175.000-850.000	MONTHLY VERIZON BILL - OCT 24	VERIZON WIRELESS	MONTHLY VERIZON BILL - OCT 24	551.92	109549
582-175.000-880.000	ANNUAL HALLOWEEN PARTY - 2024	HILLSDALE CO HALLOWEEN PA	ANNUAL HALLOWEEN PARTY - 2024	150.00	109510
582-175.000-880.000	COMMUNITY PROMOTION - SEPT 2024	MCKIBBIN MEDIA GROUP, INC.	COMMUNITY PROMOTION - SEPT 2024	125.00	109525
582-175.000-920.400	504504154 - 37 MONROE	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 37 MONROE GEN SET	20.79	976

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Fund 582 ELECTRIC FUND					
Dept 175.000 ADMINISTRATIVE SERVICES					
582-175.000-920.400	504504154 - 37 MONROE	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 37 MONROE	20.42	977
582-175.000-920.400	503214966 - 45 MONROE	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 45 MONROE ST	25.48	980
582-175.000-956.000	SCREENS - SMITH	JONESVILLE HEALTH CARE	PLIS SCREENS - BRITTON, STROTHEIDE, BECKER,	100.00	109516
582-175.000-956.200	EDP ANNUAL DINNER	ECONOMIC DVLPMT PARTNERSHIP	EDP ANNUAL DINNER	35.00	109492
Total For Dept 175.000 ADMINISTRATIVE SERVICES				8,701.91	
Dept 543.000 PRODUCTION					
582-543.000-726.000	ELECTRODE GRINDER WHEELS	FAMILY FARM & HOME	ELECTRODE GRINDER WHEELS	64.49	109494
582-543.000-726.000	TRUCK ELECTRICAL PLUGS	PERFORMANCE AUTOMOTIVE	TRUCK ELECTRICAL PLUGS	8.88	109533
582-543.000-801.000	ENVIRONMENTAL SERVICES EPA SEMI	AMERICAN MUNICIPAL POWER,	ENVIRONMENTAL SERVICES EPA SEMI ANNUAL	220.00	109472
582-543.000-930.000	POWERPLANT DOOR GLASS	G&G GLASS, INC	POWERPLANT DOOR GLASS	234.14	109498
Total For Dept 543.000 PRODUCTION				527.51	
Dept 544.000 DISTRIBUTION					
582-544.000-726.800	PULLING GRIP	AMAZON CAPITAL SERVICES,	1PULLING GRIP	119.00	109470
582-544.000-726.800	LIGHT BULBS	AMAZON CAPITAL SERVICES,	1LIGHT BULBS 80W LED CORN	109.98	109470
582-544.000-726.800	OUTRIGGER PADS	AMAZON CAPITAL SERVICES,	1OUTRIGGER PADS	270.50	109470
582-544.000-730.000	BRAKE PADS	PERFORMANCE AUTOMOTIVE	BRAKE PADS	72.40	109533
582-544.000-730.000	RADIO FOR NEW F150	RAYLECOM COMMUNICATIONS,	1RADIO FOR NEW F150	366.00	109536
582-544.000-730.000	REPAIR AUGER	WHITE'S WELDING SERVICE	REPAIR AUGER	100.00	109554
582-544.000-801.000	INSPECT SUBS INFRARED	BISBEE INFRARED	INSPECT SUBS INFRARED	550.00	109477
582-544.000-801.000	POLE DISPOSAL AND SEPTEMBER RENT	LRS, LLC	POLE DISPOSAL AND SEPTEMBER RENTAL	607.00	109523
582-544.000-930.000	CASTER	FAMILY FARM & HOME	CASTER	44.99	109494
582-544.000-930.000	CASTER	FAMILY FARM & HOME	PINTLE HOOK	89.99	109494
582-544.000-930.000	WIRE WHEEL	GELZER HJ & SON INC	WIRE WHEEL	15.98	109503
582-544.000-930.000	FASTENERS	GELZER HJ & SON INC	FASTENERS	9.87	109503
582-544.000-930.000	RECEPTACLE AND SEALANT	GELZER HJ & SON INC	RECEPTACLE AND SEALANT	15.26	109503
582-544.000-930.000	PLYWOOD SCREWS FROSTY	JONESVILLE LUMBER	PLYWOOD SCREWS FROSTY	116.02	109517
582-544.000-930.000	LUMBER FROSTY BASE	JONESVILLE LUMBER	LUMBER FROSTY BASE	110.74	109517
582-544.000-930.000	CONDUIT	KENDALL ELECTRIC	CONDUIT	631.58	109520
582-544.000-930.000	CLAMPS AND CHANNEL	KENDALL ELECTRIC	CLAMPS AND CHANNEL	196.60	109520
582-544.000-930.000	VEHICLE 110130/SPECIAL WASTE SOL	WM CORPORATE SERVICES, INC	VEHICLE 110130/SPECIAL WASTE SOLID OTHE	397.88	109551
582-544.000-930.546	CLOSE 4160 BREAKER REGULATOR	UTILITIES INSTRUMENTATION	CLOSE 4160 BREAKER REGULATOR	4,168.22	109548
Total For Dept 544.000 DISTRIBUTION				7,992.01	
Total For Fund 582 ELECTRIC FUND				66,962.02	
Fund 588 DIAL A RIDE					
Dept 596.000 DIAL-A-RIDE					
588-596.000-801.000	RUGS & MOP RENTALS OCTOBER 2024	CINTAS CORPORATION	RUGS & MOP RENTALS OCTOBER 2024	16.47	109481
588-596.000-818.000	ANNUAL TRUST FUND	MICHIGAN TRANSIT POOL	Q4 COVERAGE - 2024	2,503.00	109527
Total For Dept 596.000 DIAL-A-RIDE				2,519.47	
Total For Fund 588 DIAL A RIDE				2,519.47	
Fund 590 SEWER FUND					
Dept 000.000					
590-000.000-202.100	SBK1	FROM, LINDA T	UB refund for account: 016701	63.75	109496
590-000.000-202.100	SCCH	TROPIANO, RICKY A	UB refund for account: 011609	13.93	109546
Total For Dept 000.000				77.68	
Dept 175.000 ADMINISTRATIVE SERVICES					
590-175.000-726.000	WARNING NOTICE DOOR HANGERS	ARROW SWIFT PRINTING	WARNING NOTICE DOOR HANGERS	85.71	109473

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Fund 590 SEWER FUND					
Dept 175.000 ADMINISTRATIVE SERVICES					
590-175.000-726.000	COPIES/CONTRACT BILLING - SEPT	CURRENT OFFICE SOLUTIONS	COPIES/CONTRACT BILLING - SEPT 2024	41.97	109486
590-175.000-726.000	WATER 45 MONROE ST	RUPERT'S CULLIGAN	WATER 45 MONROE ST	8.25	109538
590-175.000-801.000	TELEPHONE/FIBER - 45 MONROE STRE	ACD.NET	TELEPHONE/FIBER - 45 MONROE STREET	12.13	109469
590-175.000-801.000	MOWING SEP	BAXTER LAWN AND SNOW SERV	MOWING SEP	1,255.00	109475
590-175.000-801.000	MATS - 45 MONROE ST	CINTAS CORPORATION	MATS - 45 MONROE ST	1.25	109481
590-175.000-801.000	MATS - 45 MONROE ST	CINTAS CORPORATION	MATS - 45 MONROE ST	1.25	109481
590-175.000-801.000	COPIES/CONTRACT BILLING - SEPT	CURRENT OFFICE SOLUTIONS	COPIES/CONTRACT BILLING - SEPT 2024	69.06	109486
590-175.000-801.000	PRINTING/POSTAGE AND HANDLING -	DELAWARE SYSTEMS	PRINTING/POSTAGE AND HANDLING - SEPT 20	670.08	109487
590-175.000-801.000	POWER WASHING OF BUILDING	HOOP LAWN & SNOW, LLC	POWER WASHING OF BUILDING	375.00	109512
590-175.000-801.000	ALARM QUARTERLY ALL 11/24-01/25	MIDWEST ALARM SERVICES	ALARM QUARTERLY ALL 11/24-01/25	225.00	109528
590-175.000-801.000	ALARM QUARTERLY ALL 11/24-01/25	MIDWEST ALARM SERVICES	ALARM QUARTERLY ALL 8/24-10/24	225.00	109528
590-175.000-801.000	WEB ACCESS/UTILITY EXCHANGE - SE	ONLINE INFORMATION SERVICE	WEB ACCESS/UTILITY EXCHANGE - SEPTEMBE	32.66	109531
590-175.000-801.000	COMMISSION PAID FOR COLLECTIONS	ONLINE INFORMATION SERVICE	COMMISSION PAID FOR COLLECTIONS SEPT 20	45.69	109531
590-175.000-801.000	AUDIT SERVICES FOR FYE 2024	YEO & YEO PC	AUDIT SERVICES FOR FYE 2024	700.00	109559
590-175.000-801.000	CREDIT CARD PROCESSING FEES - SE	INVOICE CLOUD, INC.	CREDIT CARD PROCESSING FEES - SEPT 2024	112.92	655
590-175.000-850.000	TELEPHONE - WWTP 101 W GALLOWAY	ACD.NET	TELEPHONE - WWTP 101 W GALLOWAY	19.29	109469
590-175.000-850.000	TELEPHONE/FIBER - 45 MONROE STRE	ACD.NET	TELEPHONE/FIBER - 45 MONROE STREET	50.00	109469
590-175.000-850.000	OOMA FAXING EQUIP OCT 24	OOMA, INC.	OOMA FAXING EQUIP OCT 24	16.17	109532
590-175.000-850.000	MONTHLY VERIZON BILL - OCT 24	VERIZON WIRELESS	MONTHLY VERIZON BILL - OCT 24	137.76	109549
590-175.000-880.000	ANNUAL HALLOWEEN PARTY - 2024	HILLSDALE CO HALLOWEEN PAF	ANNUAL HALLOWEEN PARTY - 2024	75.00	109510
590-175.000-880.000	COMMUNITY PROMOTION - SEPT 2024	MCKIBBIN MEDIA GROUP, INC.	COMMUNITY PROMOTION - SEPT 2024	62.50	109525
590-175.000-920.400	504504154 - 37 MONROE	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 37 MONROE GEN SET	10.39	976
590-175.000-920.400	504504154 - 37 MONROE	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 37 MONROE	10.21	977
590-175.000-920.400	503214966 - 45 MONROE	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 45 MONROE ST	12.74	980
590-175.000-960.000	STOP PAYMENT FEE - CK#109240	SOUTHERN MI BANK & TRUST	STOP PAYMENT FEE - CK#109240	35.00	987
Total For Dept 175.000 ADMINISTRATIVE SERVICES				4,290.03	
Dept 546.000 OPERATIONS					
590-546.000-726.800	PORTABLE GAS DETECTOR	AMAZON CAPITAL SERVICES, I	PORTABLE GAS DETECTOR	94.49	109470
590-546.000-726.800	MANHOLE HOOKS X 4	AMAZON CAPITAL SERVICES, I	MANHOLE HOOKS X 4	113.98	109470
590-546.000-730.039	BPU VEHICLE MAINT/SUPPLIES	PERFORMANCE AUTOMOTIVE	PUMP LINES FOR VACTOR	73.35	109533
590-546.000-920.400	504504154 - 135 BARBER ST	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 135 BARBER ST	44.40	979
590-546.000-930.970	6X6 POSTS	JONESVILLE LUMBER	6X6 POSTS	357.20	109517
Total For Dept 546.000 OPERATIONS				683.42	
Dept 547.000 TREATMENT					
590-547.000-726.900	SUPPLIES - LABORATORY	RUPERT'S CULLIGAN	DISTILLED LAB WATER	21.00	109538
590-547.000-726.900	SUPPLIES - LABORATORY	USAB	COUNTER PEN	65.56	109547
590-547.000-801.000	MERCURY TESTING - DENTISTS	MERIT LABORATORIES	MERCURY TESTING - DENTISTS	575.00	109526
590-547.000-801.000	GRIT DUMPSTER DISPOSAL	REPUBLIC SERVICES OF KALAM	GRIT DUMPSTER DISPOSAL	1,608.55	109537
590-547.000-920.400	504904602 - 101 W GALLOWAY	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 101 W GALLOWAY DF	87.75	973
590-547.000-920.400	505161747 - 101 W GALLOWAY MN	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 101 W GALLOWAY MN	60.71	975
590-547.000-920.400	504904602 - 101 W GALLOWAY	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 101 W GALLOWAY	821.28	978
590-547.000-920.400	504756735 - W GALLOWAY GR	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - W GALLOWAY GR	43.79	981
590-547.000-930.000	HOSE NOZZLE	GELZER HJ & SON INC	HOSE NOZZLE	9.49	109503
590-547.000-930.000	HARDWARE	GELZER HJ & SON INC	HARDWARE	9.78	109503
Total For Dept 547.000 TREATMENT				3,302.91	
Total For Fund 590 SEWER FUND				8,354.04	
Fund 591 WATER FUND					
Dept 000.000					
591-000.000-202.100	WCCH	FROM, LINDA T	UB refund for account: 016701	51.63	109496

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Fund 591 WATER FUND					
Dept 000.000					
591-000.000-202.100	WCCH	TROPIANO, RICKY A	UB refund for account: 011609	13.51	109546
Total For Dept 000.000				65.14	
Dept 175.000 ADMINISTRATIVE SERVICES					
591-175.000-726.000	WARNING NOTICE DOOR HANGERS	ARROW SWIFT PRINTING	WARNING NOTICE DOOR HANGERS	85.71	109473
591-175.000-726.000	COPIES/CONTRACT BILLING - SEPT	CURRENT OFFICE SOLUTIONS	COPIES/CONTRACT BILLING - SEPT 2024	41.97	109486
591-175.000-726.000	WATER 45 MONROE ST	RUPERT'S CULLIGAN	WATER 45 MONROE ST	8.25	109538
591-175.000-801.000	TELEPHONE/FIBER - 45 MONROE STRE	ACD.NET	TELEPHONE/FIBER - 45 MONROE STREET	12.13	109469
591-175.000-801.000	MOWING SEP	BAXTER LAWN AND SNOW SERV	MOWING SEP	1,255.00	109475
591-175.000-801.000	MATS - 45 MONROE ST	CINTAS CORPORATION	MATS - 45 MONROE ST	1.25	109481
591-175.000-801.000	MATS - 45 MONROE ST	CINTAS CORPORATION	MATS - 45 MONROE ST	1.25	109481
591-175.000-801.000	COPIES/CONTRACT BILLING - SEPT	CURRENT OFFICE SOLUTIONS	COPIES/CONTRACT BILLING - SEPT 2024	69.06	109486
591-175.000-801.000	PRINTING/POSTAGE AND HANDLING -	DELAWARE SYSTEMS	PRINTING/POSTAGE AND HANDLING - SEPT 20	670.08	109487
591-175.000-801.000	POWER WASHING OF BUILDING	HOOP LAWN & SNOW, LLC	POWER WASHING OF BUILDING	375.00	109512
591-175.000-801.000	ALARM QUARTERLY ALL 11/24-01/25	MIDWEST ALARM SERVICES	ALARM QUARTERLY ALL 11/24-01/25	225.00	109528
591-175.000-801.000	ALARM QUARTERLY ALL 11/24-01/25	MIDWEST ALARM SERVICES	ALARM QUARTERLY ALL 8/24-10/24	225.00	109528
591-175.000-801.000	WEB ACCESS/UTILITY EXCHANGE - SE	ONLINE INFORMATION SERVICE	WEB ACCESS/UTILITY EXCHANGE - SEPTEMBE	32.66	109531
591-175.000-801.000	COMMISSION PAID FOR COLLECTIONS	ONLINE INFORMATION SERVICE	COMMISSION PAID FOR COLLECTIONS SEPT 20	45.69	109531
591-175.000-801.000	AUDIT SERVICES FOR FYE 2024	YEO & YEO PC	AUDIT SERVICES FOR FYE 2024	700.00	109559
591-175.000-801.000	CREDIT CARD PROCESSING FEES - SE	INVOICE CLOUD, INC.	CREDIT CARD PROCESSING FEES - SEPT 2024	112.92	655
591-175.000-801.070	CAPITAL IMPROV BOND - GENERAL OB	HUNTINGTON NATIONAL BANK	CAPITAL IMPROV BOND - GENERAL OBLICAT	500.00	986
591-175.000-850.000	TELEPHONE - WTP 401 HILLSDALE ST	ACD.NET	TELEPHONE - WTP 401 HILLSDALE STREET	48.54	109469
591-175.000-850.000	TELEPHONE/FIBER - 45 MONROE STRE	ACD.NET	TELEPHONE/FIBER - 45 MONROE STREET	50.00	109469
591-175.000-850.000	OOMA FAXING EQUIP OCT 24	OOMA, INC.	OOMA FAXING EQUIP OCT 24	16.17	109532
591-175.000-850.000	MONTHLY VERIZON BILL - OCT 24	VERIZON WIRELESS	MONTHLY VERIZON BILL - OCT 24	137.76	109549
591-175.000-880.000	ANNUAL HALLOWEEN PARTY - 2024	HILLSDALE CO HALLOWEEN PA	ANNUAL HALLOWEEN PARTY - 2024	75.00	109510
591-175.000-880.000	COMMUNITY PROMOTION - SEPT 2024	MCKIBBIN MEDIA GROUP, INC.	COMMUNITY PROMOTION - SEPT 2024	62.50	109525
591-175.000-920.400	504504154 - 37 MONROE	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 37 MONROE GEN SE	10.39	976
591-175.000-920.400	504504154 - 37 MONROE	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 37 MONROE	10.21	977
591-175.000-920.400	503214966 - 45 MONROE	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 45 MONROE ST	12.74	980
591-175.000-956.000	SCREENS - BRITTON, BECKER	JONESVILLE HEALTH CARE PLI	SCREENS - BRITTON, STROTHEIDE, BECKER,	115.00	109516
Total For Dept 175.000 ADMINISTRATIVE SERVICES				4,899.28	
Dept 545.000 PURIFICATION					
591-545.000-727.100	SUPPLIES - POTASSIUM PERMAGANATE	WATER SOLUTIONS UNLIMITED	POTASSIUM PERMANGANATE	5,742.00	109552
591-545.000-920.400	504558065 - 401 HILLSDALE	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 401 HILLSDALE	68.48	974
591-545.000-930.000	REPAIRS & MAINTENANCE	FAMILY FARM & HOME	SUPPLIES	24.46	109494
591-545.000-930.000	REPAIRS & MAINTENANCE	GELZER HJ & SON INC	TAPE	43.54	109503
Total For Dept 545.000 PURIFICATION				5,878.48	
Total For Fund 591 WATER FUND				10,842.90	
Fund 633 PUBLIC SERVICES INV. FUND					
Dept 000.000					
633-000.000-101.000	DO NOT ENTER (SYMBOL) (30X30)	DORNBOS SIGN & SAFETY INC	30X30 HIP DO NOT ENTER AND 24X30 COMMEF	294.54	109489
Total For Dept 000.000				294.54	
Total For Fund 633 PUBLIC SERVICES INV. FUND				294.54	
Fund 640 REVOLVING MOBILE EQUIP. FUND					
Dept 443.000 MOBILE EQUIPMENT MAINTENANCE					
640-443.000-726.000	RAGS FOR SHOP	CINTAS CORPORATION	MATS FOR CITY HALL AND RAGS FOR SHOP	5.00	109481
640-443.000-726.000	RAGS FOR SHOP	CINTAS CORPORATION	MATS FOR DPS AND RAGS FOR SHOP	5.00	109481

10/17/2024 11:02 AM
User: lsergent
DB: Hillsdale

INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE
EXP CHECK RUN DATES 10/17/2024 - 10/17/2024
BOTH JOURNALIZED AND UNJOURNALIZED
PAID

Page: 9/10

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 640 REVOLVING MOBILE EQUIP. FUND					
Dept 443.000 MOBILE EQUIPMENT MAINTENANCE					
640-443.000-726.000	LINCH PINS AND PTO LOCK PIN FOR	FAMILY FARM & HOME	LINCH PINS AND PTO LOCK PIN FOR SHOP	14.06	109494
640-443.000-726.000	SUPPLIES	GELZER HJ & SON INC	KEYS FOR SHOP AT DPS	4.58	109503
640-443.000-726.000	UTILITY BRUSH AND WIRE FITTING B	GELZER HJ & SON INC	UTILITY BRUSH AND WIRE FITTING BRUSH FC	11.98	109503
640-443.000-726.000	ELECTRICAL TEST KIT FOR SHOP	GELZER HJ & SON INC	ELECTRICAL TEST KIT FOR SHOP	67.99	109503
640-443.000-726.000	SWEATBAND, WELDING GLOVE AND TRE	NEFCO	SWEATBAND, WELDING GLOVE AND TREE RADII	41.78	109529
640-443.000-730.000	GRADE 8 NUTS AND SHAFT COLLAR FO	FAMILY FARM & HOME	GRADE 8 NUTS AND SHAFT COLLAR FOR 54.2	34.30	109494
640-443.000-730.000	FASTENERS AND ANCHORS FOR #54.2	GELZER HJ & SON INC	FASTENERS AND ANCHORS FOR #54.2	14.94	109503
640-443.000-730.000	NUTS, GUIDE AND CAP FOR 16.3	GREENMARK EQUIPMENT	NUTS, GUIDE AND CAP FOR 16.3	36.82	109505
640-443.000-730.000	FAN HOUSING FOR #120	GREENMARK EQUIPMENT	FAN HOUSING FOR #120	74.49	109505
640-443.000-730.000	INSTALL SPREADER ON #153	GREENMARK EQUIPMENT	INSTALL SPREADER ON #153	4,604.20	109505
640-443.000-730.000	PARTS FOR #16	MACQUEEN EMERGENCY GROUP	PARTS FOR #16	785.73	109524
640-443.000-730.000	ELBOW AND CLAMP FOR #24	PERFORMANCE AUTOMOTIVE	ELBOW AND CLAMP FOR #24	16.08	109533
640-443.000-730.000	VOLT REG FOR #24	PERFORMANCE AUTOMOTIVE	VOLT REG FOR #24	67.89	109533
640-443.000-730.000	12V 1000 CCA AND SUPER BATT CLAM	PERFORMANCE AUTOMOTIVE	12V 1000 CCA AND SUPER BATT CLAMP FOR #	348.37	109533
640-443.000-730.000	1/4-20 U-NUTS FOR 16.3	PERFORMANCE AUTOMOTIVE	1/4-20 U-NUTS FOR 16.3	6.69	109533
640-443.000-801.000	TIRE FOR #59	NORM'S TIRE & SERVICE	TIRE FOR #59	28.00	109530
640-443.000-801.000	TIRES FOR #72	NORM'S TIRE & SERVICE	TIRES FOR #72	535.96	109530
640-443.000-920.000	505153845 - 149 WATERWORKS - RME	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 149 WATERWORKS	40.24	983
640-443.000-981.000	CHIPPER PURCHASE 2024	VERMEER OF MICHIGAN, INC	CHIPPER PURCHASE 2024	85,988.17	109550
Total For Dept 443.000 MOBILE EQUIPMENT MAINTENANCE				92,732.27	
Total For Fund 640 REVOLVING MOBILE EQUIP. FUND				92,732.27	

10/17/2024 11:02 AM
User: lsergent
DB: Hillsdale

INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE
EXP CHECK RUN DATES 10/17/2024 - 10/17/2024
BOTH JOURNALIZED AND UNJOURNALIZED
PAID

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund Totals:					
			Fund 101 GENERAL FUND	16,968.72	
			Fund 202 MAJOR ST./TRUNK	34,749.96	
			Fund 203 LOCAL STREET F	12,847.02	
			Fund 208 RECREATION FUNI	480.00	
			Fund 247 TAX INCREMENT I	6,383.32	
			Fund 252 CONTRIBUTIONS &	20,260.88	
			Fund 271 LIBRARY FUND	2,110.93	
			Fund 481 AIRPORT IMPROVI	22,473.44	
			Fund 582 ELECTRIC FUND	66,962.02	
			Fund 588 DIAL A RIDE	2,519.47	
			Fund 590 SEWER FUND	8,354.04	
			Fund 591 WATER FUND	10,842.90	
			Fund 633 PUBLIC SERVICES	294.54	
			Fund 640 REVOLVING MOBII	92,732.27	
			Total For All Funds:	297,979.51	

CITY COUNCIL MINUTES

City of Hillsdale
November 4, 2024
7:00 P.M.

Regular Meeting

Call to Order and Pledge of Allegiance

Mayor Adam Stockford opened the meeting with the Pledge of Allegiance.

Roll Call

Mayor Adam Stockford called the meeting to order. Clerk Price took roll call.

Council Members present:	Adam Stockford, Mayor Anthony Vear, Ward 1 Cynthia Pratt, Ward 2 William Morrissey, Ward 2 Bruce Sharp, Ward 3 Gary Wolfram, Ward 3 Joshua Paladino, Ward 4 Robert Socha, Ward 4
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Council Members absent:	R Greg Stuchell, Ward 1
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Also Present: David Mackie (City Manager), Attorney John Lovinger, Katy Price (City Clerk), Jason Blake (DPS Director), Brandon Janes (IT), Mark Nicholas, Dan Poole (HCFD), CJ Toncray, Jeremiah Regan, C Winter, Matt Kniffin, Lucy Moyer, Sam Negus, John Condon, Joan Harvey, Susan Smith, Sam Waldvogel, John Mach, David Danford, Jack McLain, Jeff Fazekas, Dominick Sansone, Russell Richardson and Timothy Green.

Approval of Agenda

Motion by Councilman Morrissey, support by Councilman Vear, to approve the agenda as presented.

All ayes. Motion carried.

Public Comment

Jack McLain, Hillsdale Twp., spoke on rude comments that were made by a councilmember to another councilmember that was said at the last meeting, and a comment that discussions behind closed doors were needed.

Consent Agenda

- A. Approval of Bills
 - 1. City and BPU Claims of October 3, 2024: \$1,824,554.29
 - 2. Payroll of October 10, 2024: \$208,704.95
October 24, 2024: \$206,118.17
- B. City Council Minutes of October 21, 2024
- C. Finance Minutes of October 21, 2024
- D. Public Services Minutes October 15, 2024
- E. EDC Minutes of October 15, 2024
- F. BRA Minutes of October 15, 2024
- G. Traffic Control Order for Veterans Day Ceremony
- H. Veterans Day Ceremony Use Agreement
- I. Traffic Control Order for Holiday Steam-powered Passenger Train

Motion by Councilman Morrissey, support by Councilwoman Pratt, to approve the Consent Agenda.

Roll Call:

Councilman Paladino	Aye
Councilman Sharp	Aye
Councilman Socha	Aye
Councilman Vear	Aye
Councilman Wolfram	Aye
Mayor Stockford	Aye
Councilman Morrissey	Aye
Councilwoman Pratt	Aye

Motion passed 8-0

Communications/Petitions

A. Hillsdale County Commissioner Update – Doug Ingles

Introduction and Adoption of Ordinances/Public Hearings

A. Public Hearing- Resolution to Adopt Brownfield Plan for 300 Hidden Meadows Drive

The Three Meadows North project is anticipated to include multiple phases that span two or more years and will result in the development of sixty-two (62) new single-family detached homes when all phases have been completed.

The Developer has an executed purchase agreement with the City of Hillsdale Economic Development Corporation (“EDC”) to purchase the Property, which totals just over 22 acres, on which they propose to build these dwellings. The Developer intends to sell the first 80% (49 homes) of the units at market rate prices. In the event the market does not absorb the for-sale units then the Developer will rent the unsold units at market rate rents. A minimum of 20% (13 homes) will be reserved for workforce housing rentals to be rented to households earning at or below 120% of the Area Median Income (“AMI”).

The Developer is requesting reimbursement from the Brownfield Redevelopment Authority (“the Authority”) of up to \$7,032,663 for eligible brownfield activities. These eligible activities, which are defined in Act 381, are described in Section 2 of the Plan. Tax increment revenues (“TIR”) resulting from the increase in the value of the property as it is developed will be used to reimburse the Developer for the cost of eligible activities as authorized by Act 381.

The current taxable value of the Property is \$0.00 because it is owned by EDC and therefore tax exempt. The total private capital investment on the project is expected to be \$15,250,000. In year 25, the future taxable value of the property is estimated to be \$11,235,413, at which time the city will start collecting approximately \$228,935 in taxes annually.

This project will help meet Hillsdale’s critical need for additional housing. According to data from the Michigan Statewide Housing Plan, the vacancy rate in Hillsdale County was 0.9% in 2022, which was a 48.3% drop in the vacancy rate over the preceding five years. In the City of Hillsdale, only 2% of housing units were built after 2010, while 58.1% of housing units were built pre-1970. Our community has an aging housing stock and the dropping vacancy rate and rapidly rising property values confirm a severe housing shortage in our community that will worsen if we do not increase the supply of housing. As we continue to see new and existing companies investing in Hillsdale and the associated job growth that is occurring, this project, delivering 62 new units to Hillsdale, will have a meaningful impact on helping to alleviate the local housing shortage.

Brian Farkas, Allen Edwin Homes Workforce Director, presented the project, workforce housing, current housing data, rental costs and answered multiple questions from council.

Joe Agostinelli, Michigan Growth Advisors, commented that the project is utilizing Brownfield Redevelopment Financing Act and reviewed the Brownfield program with council.

Mayor Stockford opened podium for public comment at 7:22 p.m.

John Condon, BRA/EDC Chair, longtime resident gave background on what the City has been working on for Housing. BRA motion made to recommend council to approve the 381 workplan for this project.

John Mach, 11 Windswept Lane, project will extend to Windswept Lane, He would like to see more exits and asked to purchase property next to him.

Susan Smith, Hillsdale County EDP Director, stated there is a critical need for workforce housing in Hillsdale. Business attraction is what the EDP works on and is losing interest for the County due to lack of housing in the City. There is no housing option.

Timothy Green, ward three, attended the EDC meeting where they made a motion to send the recommendation to council for approval. He stated there wasn't much discussion against the project from the board. Green also doesn't like the aesthetic of the homes and stated it won't solve the workforce housing issue.

Jeremiah Regan, ward three, stated citizen wouldn't receive a tax incentive for building a home and doesn't feel a workforce housing project developer should get any tax incentives.

Jack McLain, Hillsdale Twp. commented if the demand is there for housing why the tax incentive is being given.

Sam Waldvogel, EDC Board member, gave recommendation from the EDC board for the project and stated there is a definite need for workforce housing in Hillsdale.

Dominick Sansone, asked council to vote in opposition of the project. He also spoke on median income in the City and the workforce housing development.

Matt Kniffin, ward three, commented on purchase price of property and the emergency services and going out of the way to get to the development and spoke on special assessments. Asked council to vote no on the plan.

CJ Toncray, ward three, commented on the tax abatement length for the project. The housing of the homes are within market price but is hard to get it in the Hillsdale area.

Christian Winters, ward one, not in favor of the project. Would like local contractors used for housing developments.

Russell Richardson, ward four, stated he doesn't know if this housing development is the correct approach for our housing shortage. He spoke about median income.

David Danford, stated he feels its rent seeking. Not in favor of the project. He doesn't like the aesthetic of the houses and stated the houses are generally cheaply built homes that are cookie cut and doesn't think they will last that long. Hillsdale has beautiful homes that can be reclaimed and asked council to vote against project.

Sam Negus, ward three, stated the developer presentation was good, but isn't in favor of the project does not like the aesthetic of houses as its modernized and spoke on tax incentives.

Mayor Stockford opened podium at 7:58 p.m.

Sam Fry, Economic Development Coordinator, addressed the concerns from the comments made during the public hearing and gave background on the Three Meadows property along with the EDC board's intent for the property. Phase one of the project has been completed that was approved by council a year ago, the plan presented is for the second phase of the project.

LENGTHY Council discussion ensued with city staff and the developer on housing demands, rental cost, tax incentive, aesthetics, rental requirements, illegal immigrants and building times.

Council discussed tabling the item.

Motion by Councilman Sharp, support by Councilwoman Pratt, to adopt the Brownfield Plan for 300 Hidden Meadows. **Resolution #3618.**

Roll Call:

Councilwoman Pratt	Aye
Councilman Sharp	Aye
Councilman Socha	Nay

Councilman Vear	Aye
Councilman Wolfram	Aye
Mayor Stockford	Nay
Councilman Morrisey	Aye
Councilman Paladino	Nay

Motion passed 5-3

Old Business

New Business

A. Set Oath of Office Meeting for Newly Elected Council Members

Motion by Councilman Socha, support by Councilman Morrisey, to set meeting for November 12, 2024 at 8:00 p.m. due to the Veterans Day holiday (Monday November 11, 2024).

By a voice vote, the motion passed unanimously.

B. Cemetery Rules and Regulations Update

Jason Blake, DPS Director, spoke on 48” grave height approval.

Motion by Councilman Socha, support by Councilman Vear, to approve the Cemetery rules and regulations update of adding a 48” height grave marker.

By a voice vote, the motion passed unanimously.

C. DART Bus Price Increase

Motion by Councilman Sharp, support by Councilwoman Pratt, to approve F-550 DART Bus cost increase in the amount of \$18,737.00 which in total the bus would be \$195,461.00.

Roll Call:

Councilman Sharp	Aye
Councilman Socha	Aye
Councilman Vear	Aye
Councilman Wolfram	Aye
Mayor Stockford	Aye
Councilman Morrisey	Aye
Councilman Paladino	Aye
Councilman Pratt	Aye

Motion passed 8-0

Miscellaneous Reports

A. Proclamations – None

B. Appointment- Economic Development Corporation & Brownfield Redevelopment Authority – Kyrsten Newlon

Roll Call:

Councilman Sharp	Aye
Councilman Socha	Aye
Councilman Vear	Aye
Councilman Wolfram	Aye
Mayor Stockford	Aye
Councilman Morrisey	Aye
Councilman Paladino	Nay
Councilman Pratt	Aye

Motion passed 7-1

Motion by Councilman Socha, support by Councilwoman Pratt to extend meeting after 10:00 p.m.

C. Other- None

General Public Comment

Jeff Fazekas, commented on the leaf collection and the leaf machine that isn't being used.

Matthew Kniffin commented that an empty field isn't blight and chip sealing.

Jack McLain, commented on closing the public hearing. Good job passing the resolution for the brownfield plan.

Timothy Green, stated giving away of responsibility of Council to the state and experts. Thanked councilmembers that voted no on the project.

David Danford, stated that council was sold something from developers. He expressed displeasure of staff comments allowed after public comments. Thanked council for the project conversation.

Jeremiah Regan, spoke on city manager residency requirements of living in the city.

Dominick Sansone, spoke on the project developer.

City Manager Report

None

Motion by Councilman Socha, support by Councilwoman Pratt to extend meeting after 10:00 p.m.

By a voice vote, the motion passed unanimously.

Council Comment

Council member Socha would have like more time for the housing project.

Council member Sharp thanked residents for electing him to council. Thanked wife, staff and council enjoyed working with them. The community needs to grow in a positive way. Looks forward to retirement.

Council member Pratt stated it's her last meeting as well, she has listened and learned a lot serving on council.

Council member Socha apologized for comment made at the last meeting to Councilwoman Pratt.

Council member Vear thanked council and city staff and stated he has enjoyed working with them. If it is his last meeting he hopes that the new council can keep things moving in a good direction.

Council member Paladino wants things going through standing committees as he had lots of questions on the housing development project.

Mayor Stockford stated he bought house outside of city limits. He plans on tendering resignation in January 2025 as he will not be eligible to serve on council. Go vote tomorrow.

Adjournment

Motion by Councilmember Sharp, seconded by Councilmember Pratt to adjourn the meeting.

By a voice vote, the motion passed unanimously.

The meeting adjourned at 10:15 p.m.

Adam Stockford, Mayor

Katy Price, City Clerk

CITY OF HILLSDALE FINANCE COMMITTEE

Place: City Hall Second Floor Conference Room

Date: November 4, 2024

Time: 6:31 PM

PRESENT:

COMMITTEE: Gary Wolfram, Bruce Sharp, Will Morrisey

STAFF: Jason Blake (Director of Public Services), David Mackie (City Manager),
Kimberly Thomas (City Assessor)

PUBLIC: None

BOARD OF PUBLIC UTILITIES AND CITY OF HILLSDALE ACCOUNTS PAYABLE
INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE

Questions asked on Invoice Distribution Report by Finance Committee:

Fund 101

Department 175: Software for the City

Department 595: Chainsaw chain

Fund 202

Department 900: MDOT testing of components for roads

Fund 271

Department 790: Cryptids E-book

: Program for library customers to print documents

Fund 582

Department 000: City's share of power bill

Motioned by Sharp and Morrisey and seconded by Morrisey to approve.

Motion passed 3-0.

Motioned by Morrisey and seconded by Wolfram to adjourn

Motion passed 3-0.

Adjournment 6:41 PM

Minutes prepared by Gary Wolfram

**Hillsdale Board of Public Utilities
Regular Meeting**

November 12, 2024

The regular Hillsdale Board of Public Utilities meeting was called to order at the BPU Offices, 45 Monroe Street, Hillsdale, Michigan, at 7:00 p.m. by Mr. Pete Becker, president of the Board.

Board Members Present: Mr. Pete Becker—President
Mr. Phil McDowell
Mr. Eric Potes
Mr. Steve Wells

Board Members Absent: Mr. Jeremiah Hodshire

Others Present: David Mackie, City Manager & BPU Director; Jake Hammel, Electric Superintendent; Jeff Gier, Director of Water and Wastewater; Brandon Janes, Technical Services; Sam Fry, Marketing & Economic Development Coordinator.

APPROVAL OF AGENDA WITH ANY ADDITIONS

Mr. McDowell, supported by Mr. Wells, moved to approve the agenda as presented. Motion carried unanimously by voice vote.

PUBLIC COMMENT ON AGENDA ITEMS

No public present.

PREVIOUS BOARD MINUTES

Mr. McDowell, supported by Mr. Potes, moved to approve and place on file the Regular Meeting Minutes of October 8, 2024. Motion carried unanimously by voice vote.

REVIEW OF UTILITY BILLS/FINANCIALS

Mr. Potes, supported by Mr. McDowell, moved to approve the October 2024 bills in the amount of \$1,522,531.85. Motion carried unanimously by voice vote.

Mr. McDowell, supported by Mr. Wells, moved to approve and place on file the September 2024 Finance Report as presented. Motion carried unanimously by voice vote.

Mr. Mackie stated that the audit presentation will take place during November's regular meeting.

ACTION ITEMS

A. SmartSights WIN-911

BACKGROUND PROVIDED BY: Brandon Janes, Technical Services

The Scada systems at the WWTP and WTP use WIN-911 software to call out from the system during emergencies, alarms, etc. This is a sole-source item that is required for the correct

operation of our Scada systems. Requiring two licenses the cost for this licensing has increased from \$800.00 perpetual license to a subscription-based license that is now \$2,000.00 per year/per license. Total cost is \$12,000.00 for 3 years covering both locations.

RECOMMENDATION:

Staff recommends purchasing the licensing at a cost of \$12,000.00 spread out over 3 years.

Mr. Wells, supported by Mr. McDowell, moved to approve the purchase. Motion carried unanimously by voice vote.

B. Hallett and South Lift Station Standby Generators

BACKGROUND PROVIDED BY: Jeff Gier, Director of Water and Wastewater

Clark Electric has installed standby generators on our Barber Drive and Carleton Road lift stations. They were the low bid on those and this pricing is similar. Staff recommends going with this local contractor. This will complete backup power for all lift stations except Oak Street which does not see much flow. Funds are in the CIP under "Standby lift station generators" with \$70,000.00 budgeted.

RECOMMENDATION:

Staff supports award by the Board of both proposals from Clark Electric, Inc. at a cost of \$43,850.000.

Mr. McDowell, supported by Mr. Wells, moved to approve both proposals. Motion carried unanimously by voice vote.

C. Grit Screw Wear Shoe Replacement

BACKGROUND PROVIDED BY: Jeff Gier, Director of Water and Wastewater

The WWTP grit system was installed in 2017 with the large reconstruction project. This system utilizes a main auger that dewateres and carries grit to disposal equipment. This auger turns 24/7 and is in need of new wear shoes. Staff did not include this item in the capital budget, thinking it would not be needed until next year. WSG & Solutions is the only distributor in tri-state area for this grit system.

RECOMMENDATION:

Staff supports award by the Board of the quote from WSG & Solutions at a cost of \$11,975.00.

Mr. McDowell, supported by Mr. Potes, moved to approve the proposal. Motion carried unanimously by voice vote.

D. Mowing Contract – One Year Extension

BACKGROUND PROVIDED BY: Jake Hammel, Electric Superintendent

The mowing contract was bid as a three-year contract, with an optional fourth year extension at the third year price. The quality and the price meet staff expectations.

RECOMMENDATION:

Staff recommends accepting the optional fourth year of mowing at the same price as year three of the contract with Baxter Lawn & Snow. The mowing encompasses eight locations, weekly, from April 21-October 17, 2025, at a total cost of \$12,870.00.

Mr. McDowell, supported by Mr. Wells, moved to approve accepting the optional fourth year of the mowing contract. Motion carried unanimously by voice vote.

DEPARTMENT AND PROJECT REPORTS

Department heads reviewed the reports included in the meeting packet for board member review. Mr. Mackie reported that the recommendations made by the BPU Personnel Committee and City Council's O&G Committee, with regards to his contract, were not approved by Council. Mr. Mackie further reported that three new council members – Bob Flynn, Matt Bentley, and Jacob Bruns – will be sworn in on November 18, 2024. Mr. Mackie also stated that the BPU and MMEA lobbyists are monitoring Michigan's legislature to see what new rules or regulations applicable to municipal utilities may be enacted during the lame duck session.

MISCELLANEOUS

Mr. Fry stated that the rollout of the MyHillsdale app was going well. The newsletter included in the meeting packet, which will be mailed to all utility customers in the coming weeks, contains information on how to download the app.

OPPORTUNITY FOR GENERAL PUBLIC TO ADDRESS THE BOARD

No public present.

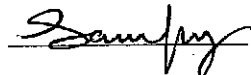
BOARD MEMBER ROUNDTABLE

Board members thanked staff for job well done. Mr. Potes stated he had a positive experience with the BPU when crews replaced a utility pole in his neighborhood.

ADJOURNMENT

Mr. Wells, supported by Mr. McDowell, moved to adjourn the meeting at 8:15 p.m. The motion carried unanimously by voice vote.

Minutes submitted by Sam Fry, Marketing & Development Coordinator



City of Hillsdale

Agenda Item Summary

MEETING DATE: November 18th, 2024

AGENDA ITEM #: Consent Agenda

SUBJECT: SmartSights WIN-911

BACKGROUND PROVIDED BY STAFF: Brandon Janes, Technical Services

Project Background:

The Scada systems at the WWTP and WTP use WIN-911 software to call out from the system during emergencies, alarms, etc. This is a sole-source item that is required for the correct operation of our Scada systems.

Requiring two licenses the cost for this licensing has increased from an \$800.00 perpetual license to a subscription-based license that is now \$2000.00 per year/per license.

Total cost is \$12,000.00 for 3 years covering both locations.

RECOMMENDATION:

Hillsdale BPU Board recommends purchasing the licensing at a cost of \$12,000.00 spread out over 3 years.



PO Box 19229 Austin, TX 78760
Phone: 512.326.1011 Email: sales@smartsights.com

Quote Name 2
Expiration Date 12/31/2024
Prepared By Sean Hertzberg
Contact Name Brandon Janes
Email technicalservices@hillsdalebpu.com
Please reference the quote name on your purchase order.

Hillsdale Bpu
45 Monroe Street
Hillsdale, MI
US

Standard Terms:
Net 30 with approved credit, or Credit Card Shipment by UPS
Ground, PP&A
Prices and payment in U.S. dollars

Standard Delivery from receipt of approved order:
Two days after receipt of order
An Expedite Fee can accommodate earlier shipments

Product	Description	Quantity	Sales Price	Total Price
WIN-Pro-UG	WIN-911 Pro Perpetual Upgrade to WIN-911 Pro Subscription (3-year term). Includes 2-way communication with all notifiers: SMS, Email, Voice, and 10 Smartphone Apps. Announcer Remote acknowledgments, alarm requests, report requests. Basic Escalation / Call Out List XLReporter Integration A single SCADA Direct Connect/OPC A&E Server connection and a single OPC DA Server connection. Basic Customer Care with new product upgrades.	2.00	\$6,000.00	\$12,000.00
Subtotal				\$12,000.00
Total Price				\$12,000.00
Grand Total				\$12,000.00

Quote for Subscription for WIN911 Pro License #W07161513001C0D (WTP) and W07161513002C0D (WWTP), Hillsdale BPU. This will provide Subscription for 3 years from date of purchase as well as allow for upgrade to the newest versions of WIN911 Pro for that time period. Can be paid in full or broken in to yearly payments.

Thank you for the opportunity to provide a quote! Purchase orders and/or sales tax/resale exemption certificates may be emailed to orders@smartsights.com.



WIN-911 Multi-Year Subscription License Contract

Customer Name & Address ("Customer")

Brandon Janes/Hillsdale BPU

Customer's primary billing contact:

Customer's secondary billing contact:

Name:

Name:

Email: _____

Email: _____

Phone: _____

Phone: _____

This Multi-Year Subscription License Contract ("Contract") provides the following fixed pricing schedule for the continued use of WIN-911 software ("Software") and related services listed below.

2 x WIN-Pro-UG for #W07161513001C0D (WTP) and W07161513002C0D (WWTP), Hillsdale BPU

This is an addendum to Quote# 2411445006 and the SmartSights, LLC Terms and Conditions found at <https://www.win911.com/eula/>. All provisions of the SmartSights, LLC Terms and Conditions not otherwise addressed herein shall remain unchanged and in full force and effect.

Subscription Contract Payment Terms:

Subscription Term Dates:	Annual Subscription Payment Schedule*	Payments Due
1st Year of Contract:	\$3,626.40	30 days after initial PO received
2nd Year of Contract:	\$3,987.60	1 year from initial Date of Purchase
3rd Year of Contract:	\$4,386.00	2 years from initial Date of Purchase

**Excludes sales tax which may be applicable and will be added to invoices where required*

This Contract is valid from the date of purchase through 3 years from that date and grants to Customer a three-year subscription to use the WIN-911 software ("Subscription") noted herein.

- 1) This Contract will automatically renew unless Customer provides written notice of cancellation more than ninety (90) days prior to end of this subscription term.
- 2) Following completion of the initial term, a Subscription renewal invoice will be sent to Customer ninety (90) days prior to the commencement of the subsequent Subscription term. The Subscription renewal will be priced at the then-current list price. The invoice payment is due no later than the start of the new Subscription term.
- 3) If payment is not received prior to payment due date, SmartSights, LLC reserves the right to terminate the software license and related services.
- 4) If additional licenses or support are purchased during the term of this Contract, there will be an additional cost to add those licenses to the existing Subscription at the time of purchase. Different pricing or subscriptions terms may apply.
- 5) This Contract and the Subscription(s) will take effect upon 1) the date of later signature below and 2) the appending of an original purchase order for all the items quoted on Quote# **2411445006**
- 6) This Contract may not be cancelled or reduced unless agreed to in writing by both parties. Customer and SmartSights, LLC may mutually agree to replace this Contract with a new contract if Customer elects to upgrade product or support level.

The undersigned agrees to all subscription terms and conditions listed on this agreement for items purchased under Quote# **2411445006**.

Please sign below and return to **SmartSights, LLC**:

Customer

By: _____
Name: _____
Title: _____
Date: _____

SmartSights, LLC

By: _____
Name: _____
Title: _____
Date: _____



SOLE SOURCE / BEST SOURCE JUSTIFICATION

To be completed by the Department and forwarded to City Manager for Approval

Vendor: SmartSights – WIN-911

Amount \$12,000

Department: Technical Services/ Power Plant/Electric SCADA system

Date: 11/6/24

☒ Sole Source – A single vendor is uniquely qualified to meet the City's procurement objective.

Provide an explanation of the need that has to be fulfilled, focusing on the requirements (not a description of the product or service, which satisfies that need). Why is this vendor the only one that can fulfill the need identified? Describe the unique aspects of their product or service or attach letter from vendor:

WIN-911 is the software our SCADA systems at the WWTP and WTP use to call out in case of alarm/emergency. This is the current system installed.

Check appropriate reason below:

- ☒ This is a product manufactured by a single vendor.
- ☐ This product or service is sold only through this single distributor.
- ☐ This service is unique to a single organization.
- ☐ An unusual or compelling urgency exists (explain below).

What activities have already occurred prior to submitting this request? Discuss what other products and services in the market were reviewed and why they didn't fulfill the need. Have



you already evaluated products or services available on the market and then made a determination that this product or service is the only one that meets your need? Has the vendor already done any work related to this project or purchase?

This is the current system installed for our and is required for correct operation in case of emergency

■ Best Source – Does the need meet one of the following “best source” definitions instead of the sole source definition referenced above (explain below):

- The product or service must match or be compatible with current equipment or services; or
- It would not be economically feasible for another vendor to provide the product or service needed; or
- A single vendor is uniquely qualified to fulfill the City’s need; or
- An unusual or compelling urgency exists.

REQUESTED BY:

Signature _____ Date _____

(Typed Name) _____

APPROVALS:

City Manager _____ Date _____

City of Hillsdale

Agenda Item Summary

MEETING DATE: November 18, 2024

AGENDA ITEM #: Consent Agenda

SUBJECT: Grit Screw Wear Shoe Replacement

BACKGROUND PROVIDED BY STAFF: Jeff Gier, Director of Water and Wastewater

Project Background:

The WWTP grit system was installed in 2017 with the large reconstruction project. This system utilizes a main auger that dewateres and carries grit to disposal equipment. This auger turns 24/7 and is in need of new wear shoes. Staff did not include this item in the capital budget, thinking it would not be needed until next year. WSG & Solutions is the only distributor in tri-state area for this grit system.

RECOMMENDATION:

Hillsdale BPU Board supports award by City Council of the quote from WSG & Solutions at a cost of \$11,975.00.



440 Stump Road
Montgomeryville, PA 18936
Phone: 267-638-3000
Fax: 267-638-3081
Toll Free Phone: 1-866-353-7084
Web: www.wsgandsolutions.com

QUOTATION #: A18889-REV3 REV #: 3

QUOTATION DATE : October 9, 2024

WC13783
BILL TO : HILLSDALE BOARD OF PUBLIC UTILITIES, CI
45 MONROE STREET
HILLSDALE MI 49242

SHIP TO : HILLSDALE BOARD OF PUBLIC UTILITIES, CIT
45 MONROE STREET
HILLSDALE MI 49242

ATTN:
PHONE:

ATTENTION : CRAIG WICKHAM
PHONE : 517-437-3648
FAX :
EMAIL : cwickham@hillsdalebpu.com

ACCOUNT MANAGER : Michael Ricketson
PHONE : 267-638-3022
FAX : 267-638-3082
EMAIL : michael.ricketson@wsgandsolutions.com

REP : Peterson & Matz, Inc. [MI-FARMINGTON HILLS]
PHONE :
FAX :

SITE LOCATION :
ORIGINAL CONTRACT : C10726
CUSTOMER REF # :

ATTACHED STANDARD TERMS OF SALE SHALL BECOME PART OF ANY ORDER RESULTING FROM THIS QUOTATION.

Quote Pricing

Item	Item Part No.	Item Description	Quantity	UOM	Unit Price	Extended Price
1	C10726-411-5	SET OF HARD AR STEEL WEAR SHOES WITH STAINLESS STEEL ASSEMBLY HARDWARE FOR (1) GRIT WASHER SCREW	1	EA	11,975.00	11,975.00
Total :					\$	11,975.00

Comments : SHIPMENT SCHEDULE TO BE CONFIRMED.
ESTIMATED SHIPMENT 8 TO 10 WEEKS AFTER RECEIPT OF ORDER
PLEASE NOTE THAT DELIVERIES COULD BE IMPACTED BY GLOBAL SUPPLY CHAIN DELAYS.

WE INVOICE ELECTRONICALLY. PLEASE SUPPLY CONTACT NAME AND EMAIL ADDRESS FOR INVOICING PURPOSES WHEN ORDERING.

PAYMENT TERMS : NET 30
FREIGHT TERMS: PPD & ALLOWED, FOB SHIPPING POINT
LEAD TIME IS CONTINGENT UPON STOCK AVAILABILITY.

PRICES ARE IN EFFECT FOR 60 DAYS

IN THE EVENT OF AN ORDER, PLEASE PROVIDE YOUR BILLING ADDRESS, YOUR ACCOUNTS PAYABLE CONTACT NAME, PHONE NUMBER, EMAIL ADDRESS, TAX EXEMPT FORM AND TAX EXEMPT NUMBER.

MINIMUM ORDER CHARGE \$100.00

UPON RECEIPT OF A PURCHASE ORDER, WSG & SOLUTIONS, INC. WILL PROVIDE AN ORDER ACKNOWLEDGEMENT.

QUOTATION DATE : October 9, 2024

Standard Terms of Sale

1. **Applicable Terms.** These terms govern the purchase and sale of the equipment and related services, if any (collectively, "Equipment"), referred to in Seller's purchase order, quotation, proposal or acknowledgment, as the case may be ("Seller's Documentation"). Whether these terms are included in an offer or an acceptance by Seller, such offer or acceptance is conditioned on Buyer's assent to these terms. Seller rejects all additional or different terms in any of Buyer's forms or documents.
2. **Payment.** Buyer shall pay Seller the full purchase price as set forth in Seller's Documentation. Unless Seller's Documentation provides otherwise, freight, storage, insurance and all taxes, duties or other governmental charges relating to the Equipment shall be paid by Buyer. If Seller is required to pay any such charges, Buyer shall immediately reimburse Seller. All payments are due within 30 days after receipt of invoice. Partial shipments and invoices will be allowed unless otherwise agreed by the parties. Buyer shall be charged the lower of 1 1/2% interest per month or the maximum legal rate on all amounts not received by the due date and shall pay all of Seller's reasonable costs (including attorneys' fees) of collecting amounts due but unpaid. All orders are subject to credit insurance approval. These terms are completely independent from, and in no way contingent upon, when you receive payment, from the Owner and/or prime contractor.
3. **Delivery.** Delivery of the Equipment shall be in material compliance with the schedule in Seller's Documentation. Unless Seller's Documentation provides otherwise, Delivery terms are F.O.B. Shipping Point.
4. **Ownership of Materials.** All devices, designs (including drawings, plans and specifications), estimates, prices, notes, electronic data and other documents or information prepared or disclosed by Seller, and all related intellectual property rights, shall remain Seller's property. Seller grants Buyer a non-exclusive, non-transferable license to use any such material solely for Buyer's use of the Equipment. Buyer shall not disclose any such material to third parties without Seller's prior written consent.
5. **Changes.** Seller shall not implement any changes in the scope of work described in Seller's Documentation unless Buyer and Seller agree in writing to the details of the change and any resulting price, schedule or other contractual modifications. This includes any changes necessitated by a change in applicable law occurring after the effective date of any contract including these terms.
6. **Warranty.** Subject to the following sentence, Seller warrants to Buyer that the Equipment shall materially conform to the description in Seller's Documentation and shall be free from defects in material and workmanship. The foregoing warranty shall not apply to any Equipment that is specified or otherwise demanded by Buyer and is not manufactured or selected by Seller, as to which (i) Seller hereby assigns to Buyer, to the extent assignable, any warranties made to Seller and (ii) Seller shall have no other liability to Buyer under warranty, tort or any other legal theory. If Buyer gives Seller prompt written notice of breach of this warranty within twelve (12) months from shipment (the "Warranty Period"), Seller shall, at its sole option and as Buyer's sole remedy, repair or replace the subject parts. If Seller determines that any claimed breach is not, in fact, covered by this warranty, Buyer shall pay Seller its then customary charges for any repair or replacement made by Seller. Seller's warranty is conditioned on Buyer's (a) operating and maintaining the Equipment in accordance with Seller's instructions, (b) not making any unauthorized repairs or alterations, and (c) not being in default of any payment obligation to Seller. Seller's warranty does not cover wear and tear of the components once put into operation, damage caused by chemical action or abrasive material, misuse or improper installation (unless installed by Seller). THE WARRANTIES SET FORTH IN THIS SECTION ARE SELLER'S SOLE AND EXCLUSIVE WARRANTIES AND ARE SUBJECT TO SECTION 11 BELOW. SELLER MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE.
7. **Indemnity.** Seller shall indemnify, defend and hold Buyer harmless from any claim, cause of action or liability incurred by Buyer as a result of third party claims for personal injury, death or damage to tangible property, to the extent caused by Seller's negligence. Seller shall have the sole authority to direct the defense of and settle any indemnified claim. Seller's indemnification is conditioned on Buyer (a) promptly, within the Warranty Period, notifying Seller of any claim, and (b) providing reasonable cooperation in the defense of any claim.
8. **Force Majeure.** Neither Seller nor Buyer shall have any liability for any breach (except for breach of payment obligations) caused by extreme weather or other act of God, strike or other labor shortage or disturbance, fire, accident, war or civil disturbance, pandemic, delay of carriers, failure of normal sources of supply, act of government or any other cause beyond such party's reasonable control.
9. **Cancellation.** If Buyer cancels or suspends its order for any reason other than Seller's breach, Buyer shall promptly pay Seller for work performed prior to cancellation or suspension and any other direct costs incurred by Seller as a result of such cancellation or suspension. In the event Buyer wishes to return material for credit - A return material authorization (R. M. A.) must be issued from the Seller before any return. Equipment to be returned must be in new condition, suitable for restocking and resale. Non stock items are not returnable. Items invoiced over 12 months prior are not returnable. Restocking fee of 25% of item value applies. Return freight and associated costs are for the account of the Buyer.
10. **Assignment.** Seller may assign, transfer or subcontract any Order or any right or any obligation hereunder without Buyer's prior written consent. Seller may assign its rights and obligations under these terms to its affiliates or in connection with the sale or transfer of the Seller's business and Seller may grant a security interest in the agreement and/or assign proceeds of the agreement without Buyer's consent.
11. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY, SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR OTHER INDIRECT DAMAGES, AND SELLER'S TOTAL LIABILITY ARISING AT ANY TIME FROM THE SALE OR USE OF THE EQUIPMENT SHALL NOT EXCEED THE PURCHASE PRICE PAID FOR THE EQUIPMENT. THESE LIMITATIONS APPLY WHETHER THE LIABILITY IS BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY.



440 Stump Road
Montgomeryville, PA 18936
Phone: 267-638-3000
Fax: 267-638-3081
Toll Free Phone: 1-866-353-7084
Web: www.wsgandsolutions.com

QUOTATION #: A18889-REV3

REV #: 3

QUOTATION DATE : October 9, 2024

12. Miscellaneous. If these terms are issued in connection with a government contract, they shall be deemed to include those federal acquisition regulations that are required by law to be included. These terms, together with any quotation, purchase order or acknowledgement issued or signed by the Seller, comprise the complete and exclusive statement of the agreement between the parties (the "Agreement") and supersede any terms contained in Buyer's documents, unless separately signed by Seller. No part of the Agreement may be changed or cancelled except by a written document signed by Seller and Buyer. No course of dealing or performance, usage of trade or failure to enforce any term shall be used to modify the Agreement. If any of these terms is unenforceable, such term shall be limited only to the extent necessary to make it enforceable, and all other terms shall remain in full force and effect. Buyer may not assign or permit any other transfer of the Agreement without Seller's prior written consent. The Agreement shall be governed by the laws of the Commonwealth of Pennsylvania without regard to its conflict of laws provisions.
13. RESERVATION CLAUSE (International ONLY-including Canada and Mexico). Buyer acknowledges that Seller is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the (Work/Equipment/Services) provided under the contract, including any export license requirements. Buyer agrees that such (Work/Equipment/Services) shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with such applicable export laws and regulations. It shall be a condition of the continuing performance by Seller of its obligations hereunder that compliance with such export laws and regulations be maintained at all time.
- BUYER AGREES TO INDEMNIFY AND HOLD SELLER HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.
14. Escalation Clause. Seller has no control over the metals markets and the fluctuations of base metals cost and surcharges imposed on shipments of steel. The prices in the proposal are therefore subject to adjustment reflecting changes in the CRU Steel Price Index Forecast published by CRU International at www.cruspifutures.com for the base material costs, and the Allegheny Ludlum surcharge calculator/surcharge history data published monthly and is available at www.alleghenyludlum.com/ludlum/pages/SurchargeCalculator/SurchargeHistory.asp. Changes made by the Buyer to the quoted schedule will be subject to escalation as provided herein. If the index and surcharge data published at the date of actual material procurement exceeds the index and surcharge data values at the proposal validity date, Seller has the right to change the price for the material portion of the contract and it may be increased in accordance with the changes in the index and surcharge data values. Price changes will be the difference between the actual material purchase costs as indicated by the CRU steel price index and surcharge calculator data at the date of purchase and the material costs in effect as indicated by the CRU steel price index and surcharge calculator data as of the date of the proposal. It is understood and agreed that it shall be Seller's option as to whether or not to invoke escalation. All invoices for escalation will include supporting documentation as required.

WSG & Solutions, Inc. appreciates the opportunity to provide this quotation for your consideration and looks forward to doing business with you!

Quotation Submitted by WSG & Solutions, Inc.:

(Signature) Aftermarket Sales

Michael Ricketson, Senior Sales Associate

(Name)

267-638-3000

(Phone)

267-638-3082

(Fax)

Signature below indicates acceptance of this quotation, including the Standard Terms of Sale attached hereto.

Accepted by Buyer:

Acknowledged by Seller:

(Company Name)

WSG & Solutions, Inc.

Company Name

By:

By:

Date:

Date:

City of Hillsdale

Agenda Item Summary

Meeting Date: November 18, 2024

Agenda Item: Consent Agenda

SUBJECT: Mowing contract 1 year extension

BACKGROUND PROVIDED BY: Electric Superintendent Hammel

The mowing contract was bid as a three year contract, with an optional fourth year extension at the third year price. The quality and the price meet staff expectations.

RECOMMENDATION:

Hillsdale BPU Board recommends accepting the optional fourth year of mowing at the same price as year three of the contract with Baxter Lawn & Snow. The mowing encompasses eight locations, weekly, from April 21- October 17, 2025 at a total cost of \$12,870.

CITY OF HILLSDALE
LAWN MAINTENANCE - BID FORM
 Cumulative Total Cost per Season (26 weeks, FOD 27 weeks)

	2022	2023	2024	Total Contract Cost
Type "A" Maintenance (Totals from page 12 x 26 weeks)	\$88,500.00 \$5850.00	\$12,500.00 \$6630.00	\$385.00 \$17410.00	\$19,890.00
Type "B" Maintenance (Totals from page 13 x 26 weeks)	\$10,400.00	\$12,220.00	\$14,040.00	\$36,660.00
Type "C" Maintenance (Totals from page 14 X 26 weeks)	\$1,000.00 \$157,040.00	\$178,100.00	\$197,600.00	\$532,740.00
Type "F" Maintenance (Totals from page 16 x 27 weeks)(Possible 2 time a week) See Specifications	\$10,800.00	\$11,475.00	\$11,880.00	\$34,155.00
Type "G" Maintenance (Totals from page 17 x 26 weeks)	\$222,560.00	\$225,420.00	\$233,480.00	\$681,460.00
Type "H" Maintenance (Totals from page 19 x 26 weeks)	\$10,790.00	\$11,830.00	\$12,870.00	\$35,490.00

Cumulative Total Cost per Season (6 months)

Type "D" Maintenance (Totals from page 15 x 6 months)	\$10,500.00 \$12,300.00	\$14,100.00	\$36,900.00
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Total Type A, B, C, D, F, G
 Lawn Maintenance

\$417,150.00	\$446,145.00	\$478,510.00	\$1,341,805.00
2022	2023	2024	

Cost per acre/location for additional mowing \$60.00

***Note: Partial bids allowed would be the following types only**

1. Types: A, B, C, & F only
2. Types: G only
3. Types: H only

CITY OF HILLSDALE

LAWN MAINTENANCE - BID FORM

Type "H" Lawn Maintenance (Board of Public Utilities)
Unit cost per mowing

Location	Cost per mowing		
	2022	2023	2024
60 Greenwood Ave (Just north of Barnard St) Total approximate acres - .347735	<u>35⁰⁰</u>	<u>\$40⁰⁰</u>	<u>\$45⁰⁰</u>
15 N. Wolcott St (North of E Bacon St) Total approximate acres - .331671	<u>\$20⁰⁰</u>	<u>\$25⁰⁰</u>	<u>\$30⁰⁰</u>
3070 N Hillsdale Rd (F.O.D.) 5 locations behind park Total approximate acres - .984628	<u>\$25⁰⁰</u>	<u>\$30⁰⁰</u>	<u>\$35⁰⁰</u>
201 Waterworks Ave Power Plant Total approximate acres - 3.4979	<u>\$80⁰⁰</u>	<u>\$85⁰⁰</u>	<u>\$90⁰⁰</u>
60 Griswold St (Corner of E South St) Total approximate acres - .739329	<u>\$35⁰⁰</u>	<u>\$40⁰⁰</u>	<u>\$45⁰⁰</u>
531 Uran St (Corner of Hine Dr., Industrial Park) Total approximate acres - 2.004779	<u>\$60⁰⁰</u>	<u>\$65⁰⁰</u>	<u>\$70⁰⁰</u>

CITY OF HILLSDALE

LAWN MAINTENANCE - BID FORM

Type "H" Lawn Maintenance (Board of Public Utilities) (continued)
Unit cost per mowing

Location	2022	2023	2024
401 N Hillsdale Rd			
Water Treatment Plant			
Total approximate acres -- 2.797469	<u>\$80.00</u>	<u>\$85.00</u>	<u>\$90.00</u>

Location	2022	2023	2024
101 W Galloway Dr.			
Waste Water Treatment Plant			
Total approximate acres -- 3.689401	<u>\$80.00</u>	<u>\$85.00</u>	<u>\$90.00</u>

	<u>\$415.00</u>		
	<u>\$1150.00</u>	<u>\$455.00</u>	<u>\$495.00</u>
Total Type "H" Mowing	<u>2022</u>	<u>2023</u>	<u>2024</u>

THE CITY OF HILLSDALE
2022 - 2024
GENERAL LAWN MAINTENANCE CONTRACT

Preamble

The City of Hillsdale, Michigan, a Michigan municipal corporation, (Hillsdale) has, as a part of its services to the general public, provided for the care and maintenance of its parks, cemeteries, city buildings, traffic islands, parking lots, roadsides, Field of Dreams and other public areas. Hillsdale's efforts in this regard include, but are not limited to, the mowing of grass growing in and around those and other areas. In an effort to reduce its operational costs and to improve its services to the general public, Hillsdale has solicited and received sealed, competitive bids from contractors who provide lawn mowing and related services on a commercial basis. As a result of said solicitation, Bill's Lawn Care, of 6660 Hudson Rd Osseo, MI 49266 (the Contractor) has submitted a bid to mow and maintain those portions of Hillsdale's public areas that are identified in the attached Exhibit A in accordance with the terms and provisions set forth in the attached Exhibit A, the bid specifications and this agreement and Hillsdale, having determined that Contractor is the lowest competent bidder has awarded the bid to it, subject to the following contract provisions.

Hillsdale and Contractor agree as follows:

A. General Terms

(1) In consideration of the payments to be made to Contractor pursuant to this contract, Contractor agrees to and shall provide lawn mowing and maintenance services to Hillsdale, as hereinafter identified and provided, during the following time periods:

Year 1 - April 25, 2022 - October 22, 2022

Year 2 - April 24, 2023 - October 21, 2023

Year 3 - April 22, 2024 - October 18, 2024

(2) It is further specifically agreed and understood between the parties that this contract may be renewed and/or extended for one (1) additional year upon the same terms and conditions as exist during Year 3.

(3) The lawn mowing and maintenance services to be provided by Contractor to Hillsdale shall, in addition to actual lawn mowing and maintenance services, include all labor, materials, supplies and services as are necessary to provide and complete the services contemplated by this agreement, all of which shall be provided and maintained at the Contractor's sole expense.

(4) All work performed by Contractor under this contract shall be performed in a timely and workmanlike manner with minimal disturbance to persons or property.

(5) Contractor shall be solely responsible for the repair and restoration of any damage caused by it and/or its employees, servants or agents to private or public property, whether real or personal, at its sole expense.

CITY OF HILLSDALE
LAWN MAINTENANCE - BID FORM
Cumulative Total Cost per Season (26 weeks, FOD 27 weeks)

Submitted by: Robert Baxter JR

Company Name: Baxter Lawn & Snow

Address: PO Box 925
HillSDale, ME. 49242

Telephone number: 517 932 8508

Tax ID / Social Security Number: ~~88~~ 87-2952712

Certificate of Insurance: GRANGE INS.

The bidder hereby affirms that he or she has the authority to submit this bid on behalf of the above referenced company and that unless specifically noted; the bid conforms to all respects to the attached specifications.

Bidder's name: ROBERT BAXTER JR.

Bidder's title: OWNER

Bidder's signature: [Signature]

Date: 3-28-22

City of Hillsdale

Agenda Item Summary

MEETING DATE: November 18, 2024

AGENDA ITEM #: Consent Agenda

SUBJECT: Hallett and South Lift Station Standby Generators

BACKGROUND PROVIDED BY STAFF: Jeff Gier, Director of Water and Wastewater

Project Background:

Clark Electric has installed standby generators on our Barber and Carleton lift stations. They were the low bid on those and this pricing is similar. Staff recommends going with this local contractor. This will complete backup power for all lift stations except Oak St which does not see much flow. Funds are in the CIP under "Standby lift station generators" with \$70,000 budgeted.

RECOMMENDATION:

Hillsdale BPU Board supports award by City Council of both proposals from Clark Electric, Inc. at a cost of \$43,850.00.



Clark Electric, Inc.

187 Uran Street
Hillsdale, MI 49242

Phone 517-439-2449

Fax 517-439-2450

10/24/24

Hillsdale BPU
101 West Galloway Drive
Hillsdale MI 49242

Dear, Jeff

We propose to supply material and labor to install a new 38Kw 480volt Kohler Generator at the Hallett Road Lift Station. This would include the following.

- New 100amp Three Phase Automatic Transfer Switch mounted on the existing Service Pole.
- New 38Kw 480-volt Three Phase NG gas Kohler Generator located West of the existing Service.
- Supply and install a new concrete pad to accommodate the new Generator.
- All wiring to connect the ATS and Genset to the existing Service.
- Battery, Oil, Block Heater and Factory Authorized Start-up.
- Pull all necessary Permits and schedule inspections.

The total cost for the above would be \$22,900.00.
(Twenty-Two Thousand Nine Hundred Dollars)

If you have any questions please call.

Respectfully Submitted,

Dewey Rogers

Dewey Rogers
Clark Electric Inc.



Clark Electric, Inc.

187 Uran Street
Hillsdale, MI 49242

Phone 517-439-2449

Fax 517-439-2450

10/24/24

Hillsdale BPU
101 West Galloway Drive
Hillsdale MI 49242

Dear, Jeff

We propose to supply material and labor to install a new 30Kw 240volt Kohler Generator at the South Street Lift Station. This would include the following.

- New 100amp Three Phase Automatic Transfer Switch mounted on the existing Service Pole.
- New 30Kw 240-volt Three Phase NG gas Kohler Generator located North of the existing Service.
- Supply and install a new concrete pad to accommodate the new Generator.
- All wiring to connect the ATS and Genset to the existing Service.
- Battery, Oil, Block Heater and Factory Authorized Start-up.
- Pull all necessary Permits and schedule inspections.

The total cost for the above would be \$20,950.00.
(Twenty Thousand Nine Hundred Fifty Dollars)

If you have any questions please call.

Respectfully Submitted,

Dewey Rogers

Dewey Rogers
Clark Electric Inc.

November 4, 2024

City Council and Management
City of Hillsdale, 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 Hillsdale (the City) as of and 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 Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated June 3, 2024. Professional standards also require that we communicate to you the following information related to our audit.

We discussed these matters with various personnel in the City during the audit including management. We would also be pleased to meet with you to discuss these matters at your convenience.

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 are described in the footnotes of the financial statements. The City has adopted the following Governmental Accounting Standards Board Statements effective July 1, 2023:

- Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections.

We noted no transactions entered into by the City during the year for which there is 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 City's financial statements were:

- The useful lives of its capital assets. Useful lives are estimated based on the expected length of time during which the asset is able to deliver a given level of service.
- Leases receivable and the related deferred inflows of resources. The estimate is based on management's assessment of the likelihood of exercising renewal options and utilizing interest and discount rates.
- Net pension liability, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.

- Allowance for doubtful accounts. Management's estimate is based on the judgement of collectability and aging of the accounts receivable balances.

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

Disclosures in the financial statements are neutral, consistent and clear.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Management override of controls
- Improper revenue recognition

Accounting Standards and Regulatory Updates

The Governmental Accounting Standards Board has released additional Statements. Details regarding these Statements are described in the footnotes of the financial statements.

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.

The following material misstatements were detected and corrected by management:

- The City restated their beginning infrastructure and related accumulated depreciation balances for general capital assets. As a result, the Governmental Activities beginning net position was restated by \$1,162,457, causing an increase in beginning net position from \$33,840,839 to \$35,003,296.

There were no known uncorrected misstatements that were more than trivial.

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 auditors' 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 as of the date of the audit report.

Management's Consultations with Other 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's financial statements or a determination of the type of auditors' 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's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Emphasis of Matters in Independent Auditors' Report

Our report will include the following emphasis of matter paragraph:

Emphasis of Matter Regarding Correction of Error

As described in Note 21 to the financial statements, during the year, management has determined a prior period adjustment was necessary to adjust the beginning net position of the Governmental Activities. The result of this restatement increased beginning net position by \$1,162,457. Our opinion is not modified with respect to this matter.

Other Reports

Other information that is required to be reported to you is included in the: Independent Auditors' 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*; Independent Auditors' Report on Compliance For Each Major Federal Program; Independent Auditors' Report on Internal Control Over Compliance; Independent Auditors' Report on Schedule of Expenditures of Federal Awards Required by the Uniform Grant Guidance; and the Schedule of Findings and Questioned Costs. Please read all information included in those reports to ensure you are aware of relevant information.

Report on Required Supplementary Information

We applied certain limited procedures to management's discussion and analysis and the remaining required supplementary information (RSI) as described in the table of contents of the financial statements 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.

Report on Other Supplementary Information

We were engaged to report on other supplementary information as described in the table of contents of the financial statements, which accompany the financial statements but are 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.

Restriction on Use

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

Yeo & Yeo, P.C.

Ann Arbor, Michigan

City of Hillsdale

Single Audit

June 30, 2024



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

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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

Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of Hillsdale
Hillsdale, MI

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 Hillsdale, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Hillsdale's basic financial statements, and have issued our report thereon dated November 4, 2024. Our report includes a reference to other auditors who audited the financial statements of Michigan South Central Power Agency, as described in our report on the City of Hillsdale's financial statements. The financial statements of Michigan South Central Power Agency were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Hillsdale's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Hillsdale's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Hillsdale'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Hillsdale'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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Hillsdale's Response to Findings and Corrective Action Plan

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

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Yeo & Yeo, P.C.

Ann Arbor, MI
November 4, 2024

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of Hillsdale
Hillsdale, MI

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Hillsdale'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 of Hillsdale's major federal programs for the year ended June 30, 2024. The City of Hillsdale's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Hillsdale complied, in all material respects, with the 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 (GAAS); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Hillsdale 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 Hillsdale'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 agreements applicable to the City of Hillsdale's federal programs.

Auditors' 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 Hillsdale'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 GAAS, *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 Hillsdale's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Hillsdale'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 Hillsdale'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 Hillsdale'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.

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 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 Auditors' 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 Hillsdale, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Hillsdale's basic financial statements. We issued our report thereon dated November 4, 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 is presented for purposes of additional analysis as required by the Uniform Guidance 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.

Yeo & Yeo, P.C.

Ann Arbor, MI
November 4, 2024

City of Hillsdale
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

	Assistance Listing Number	Federal or Pass-Through Grant Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Passed-through Michigan Strategic Fund Community Development Block Grant	14.228	B-20-DC-26-0001	\$ 1,236,865
U.S. Department of Justice			
Direct award Bulletproof Vest Partnership Program	16.607	N/A	1,819
U.S. Department of Transportation			
Passed-through Michigan Department of Transportation			
Airport Improvement Program-Terminal Design	20.106	B-26-0044-3422	10,211
Airport Improvement Program-Terminal Construction	20.106	3-26-0159-2023	67,160
			77,371
Formula Grants for Rural Areas-Operating Assistance 5311-2023	20.509	2022-0066-P2	23,981
Formula Grants for Rural Areas-Operating Assistance 5311-2024	20.509	2022-0066-P4	48,109
			72,090
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	2017-0063 P14	76,418
Total U.S. Department of Transportation			225,879
U.S. Department of Treasury			
Passed-through Michigan Department of Treasury Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	90,696
Total Federal Expenditures of Federal Awards			\$ 1,555,259

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

City of Hillsdale
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Hillsdale under programs of the federal government for the year ended June 30, 2024. 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). Because the Schedule presents only a selected portion of the operations of the City of Hillsdale, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Hillsdale.

Note 2 - Summary of Significant Accounting Policies

Expenditures

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

The City of Hillsdale has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Subrecipients

No amounts were provided to subrecipients.

City of Hillsdale
Schedule of Findings and Questioned Costs
June 30, 2024

Section I – Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with Generally Accepted Accounting Principles: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major federal programs:

<i>Assistance Listing Number(s)</i>	<i>Name of Federal Program or Cluster</i>
14.228	Community Development Block Grants

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

City of Hillsdale
Schedule of Findings and Questioned Costs
June 30, 2024

Section II – Government Auditing Standards Findings

2024-001 – Material Weakness – Audit Entries / Prior Period Adjustments

Specific Requirement:	Management is responsible for reporting reliable financial data in accordance with Generally Accepted Accounting Principles.
Condition:	The City has restated its Governmental Activities beginning of year net position by \$1,162,457 in order to appropriately account for capital asset and accumulated depreciation beginning balances.
Cause:	The City implemented new capital asset software during the current year to maintain asset and depreciation records. During implementation the City identified a formula error in the manual spreadsheet previously used to track capital assets.
Effect:	Had this not been corrected, the financial statements would have been materially misstated.
Recommendation:	The City has fully corrected this error and we have no further recommendations.
Views of responsible officials:	Management is in agreement with the finding.
Corrective action plan:	See attached.

Section III – Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2024.

**City of Hillsdale
Summary Schedule of Prior Audit Findings
June 30, 2024**

Section IV – Prior Audit Findings

Government Auditing Standards Findings

2023-001 - Material Weakness – Audit Entries / Prior Period Adjustments

Criteria: Management is responsible for reporting reliable financial data in accordance with Generally Accepted Accounting Principles.

Status: Corrected.

Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2023.

November 4, 2024

Yeo & Yeo, CPAs
1450 Eisenhower Place
Ann Arbor, Michigan 48108

RE: Audit June 30, 2024

Please note the following corrective action plan relating to the material weakness in the City's audit as of June 30, 2024

2024-001 – Material Weakness – Audit Entries / Prior Period Adjustments
Corrective Action Plan: Management agrees to the finding and has already corrected the recording approach for capital assets.

Thank you for your attention to this matter.

Very Truly Yours,



David Mackie, City Manager
City of Hillsdale

City of Hillsdale

Financial Statements

June 30, 2024



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**BUSINESS SUCCESS
PARTNERS**

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Independent Auditors' Report

City Council and Management
City of Hillsdale
Hillsdale, 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 Hillsdale (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 of Hillsdale's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, 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 of Hillsdale 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.

We did not audit the financial statements of Michigan South Central Power Agency, which represent 15 percent, 18 percent, and 0 percent, respectively, of the assets and deferred outflows, net position, and revenues of the Electric Fund as of June 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for Michigan South Central Power Agency, is based solely on the report of the other auditors.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Hillsdale, 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 of Hillsdale'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.

Auditors' 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 auditors' 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 of Hillsdale'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 of Hillsdale'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.

Emphasis of Matter Regarding Correction of Error

As described in Note 21 to the financial statements, during the year, management has determined a prior period adjustment was necessary to adjust the beginning net position of the Governmental Activities. The result of this restatement increased beginning net position by \$1,162,457. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and the pension schedules, 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 and other auditors 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 of Hillsdale's basic financial statements. The other supplementary information, as identified 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2024 on our consideration of the City of Hillsdale'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 of Hillsdale's internal control over financial reporting or on compliance. That report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hillsdale's internal control over financial reporting and compliance.



Ann Arbor, Michigan
November 4, 2024

City of Hillsdale

Management's Discussion and Analysis

June 30, 2024

As management of the City of Hillsdale, 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 financial statements.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$84,251,605 (*net position*). Of this amount, \$18,499,744 represents *unrestricted net position*.
- The City's revenues were \$32,671,459 and expenses were \$27,605,742 for an increase in net position of \$6,228,174.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$13,325,743, an increase of \$1,307,228 in comparison with the prior year. Approximately 11.2% of this amount, or \$1,494,535, is available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,494,535, or approximately 17.8% of total general fund expenditures and transfers out.

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support 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 a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Over time, increases or 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 City'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 the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., changes in the City's net pension liability and capital asset activity).

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 services, streets and highways, airport, community and economic development, and recreation and culture. The business-type activities of the City include electric, water, and sewer services as well as Dial-A-Ride transportation services.

The government-wide financial statements include not only the City of Hillsdale itself (known as the primary government), but also a legally separate Economic Development Corporation and Tax Increment Finance

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Authority for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

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 *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 assessing 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 balances 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 general and capital improvement funds, which are considered to be major funds. Data from the other remaining funds are presented as a separate column as they are considered nonmajor funds.

The City adopts an annual appropriated budget for the general fund and each special revenue fund. A budgetary comparison schedule for the general fund and each major special revenue fund has been provided to demonstrate compliance with these budgets.

Proprietary Funds. The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprises funds to account for its electric, water, sewer, and Dial-A-Ride operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions.

The City uses several internal service funds to account for various costs by allocating the cost to the funds that are using the resources. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the 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 the water, sewer, and electric operations, of which are considered to be major funds of the City. Dial-A-Ride is considered to be a nonmajor proprietary fund and is noted in a separate column of the financial statements. The internal service funds data is presented in the proprietary fund financial statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported 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

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funds is much like that used for proprietary funds. The City reports two types of fiduciary funds, which are custodial funds and private purpose trust funds.

Custodial funds report resources held by the City in a custodial capacity for individuals, private organizations, and other governments.

Private purpose trust funds report resources earmarked for other services. In the City's case, the resources are earmarked for hospital care.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire 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 *required supplementary information* concerning the City's budgetary comparison schedules and the City's pension schedules.

This report also presents other supplementary information which includes the combining and individual fund statements and the Dial-A-Ride transit schedules. The combining statements and transit schedules are presented immediately following the required supplementary information on pensions.

City of Hillsdale

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Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$84,251,605 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Assets						
Cash and investments	\$ 14,101,356	\$ 12,181,318	\$ 10,900,384	\$ 15,275,377	\$ 25,001,740	\$ 27,456,695
Receivables (net)	1,107,061	750,772	2,526,994	2,240,701	3,634,055	2,991,473
Due from other units of government	376,082	374,443	628,905	53,995	1,004,987	428,438
Inventories	141,278	146,741	633,478	522,850	774,756	669,591
Prepaid items	209,303	181,489	1,162,651	247,648	1,371,954	429,137
Restricted assets						
Cash and cash equivalents	-	-	4,053,459	1,202,488	4,053,459	1,202,488
Advances to other funds	-	-	150,000	-	150,000	-
Investment in joint venture	-	-	5,046,920	4,803,781	5,046,920	4,803,781
Advances to component unit	-	-	80,000	120,000	80,000	120,000
Right to use assets, net of amortization	-	20,607	-	114,236	-	134,843
Capital assets, net of accumulated depreciation	28,742,371	27,245,780	38,102,289	34,680,161	66,844,660	61,925,941
Total assets	44,677,451	40,901,150	63,285,080	59,261,237	107,962,531	100,162,387
Deferred Outflows of Resources						
Deferred amount relating to net pension liability	858,966	1,464,962	757,345	1,247,928	1,616,311	2,712,890
Liabilities						
Accounts payable	873,842	317,114	1,234,006	1,054,214	2,107,848	1,371,328
Contracts payable - retainage	101,272	172,357	221,456	284,884	322,728	457,241
Due to other units of government	195	-	53,222	27,690	53,417	27,690
Payroll and other liabilities	136,282	-	892,959	-	1,029,241	-
Unearned revenue	-	90,696	-	-	-	90,696
Interest payable	25,328	-	-	-	25,328	-
Noncurrent liabilities						
Debt due within one year	270,221	244,162	559,192	515,582	829,413	759,744
Debt due in more than one year	2,270,509	2,531,782	9,974,588	10,497,814	12,245,097	13,029,596
Advances from other funds	-	-	150,000	-	150,000	-
Net pension liability	4,390,809	4,849,281	3,917,180	3,935,863	8,307,989	8,785,144
Total liabilities	8,068,458	8,205,392	17,002,603	16,316,047	25,071,061	24,521,439
Deferred inflows of resources						
Deferred amount relating to leases receivable	256,176	307,525	-	-	256,176	307,525
Deferred amount relating to net pension liability	-	12,356	-	10,526	-	22,882
Total deferred inflows of resources	256,176	319,881	-	10,526	256,176	330,407
Net position						
Net investment in capital assets	25,722,799	24,799,739	27,507,053	24,060,230	53,229,852	48,859,969
Restricted	8,468,550	7,681,565	4,053,459	1,202,488	12,522,009	8,884,053
Unrestricted	3,020,434	1,359,535	15,479,310	18,919,874	18,499,744	20,279,409
Total net position	\$ 37,211,783	\$ 33,840,839	\$ 47,039,822	\$ 44,182,592	\$ 84,251,605	\$ 78,023,431

The largest portion of the City's net position of \$53,229,852 (63.2%) reflects its investment in capital assets (e.g., construction in progress, land, buildings and improvements, furniture and fixtures, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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Governmental Activities

Cash and investments increased by \$1,920,038 during the year to \$14,101,356 as of year-end. The primary reason for this was the cash received from a bond sale but not yet spent as well as expenditures coming in under budget for fiscal year. Receivables increased by \$356,289 due to timing of revenues received compared to prior year. Pension-related deferred outflows of resources decreased by \$605,996 as the return on investments was less than expected while pension-related deferred inflows of resources also decreased by \$12,356 for the same reason. With that, net pension liability decreased by \$458,472.

Business-type Activities

Cash and investments, including restricted cash, decreased by \$4,374,993 during the current year to \$10,900,384 as of year-end. The primary reason for this was the use of money received from the sale of bonds for capital projects. The City's investment in M.S.C.P.A. increased by \$243,139 as the City's share increased slightly to 22.46%. Pension-related deferred outflows of resources decreased by \$490,583 as the return on investments was less than expected while pension-related deferred inflows of resources also decreased by \$10,526 as the for the same reason. With that, net pension liability decreased by \$18,683.

The City's overall net position increased \$6,228,174 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for services	\$ 1,400,707	\$ 767,007	\$ 19,308,041	\$ 18,527,880	\$ 20,708,748	\$ 19,294,887
Operating grants and contributions	3,255,245	3,026,766	1,626,420	605,645	4,881,665	3,632,411
Capital grants and contributions	77,371	336,970	-	140,071	77,371	477,041
Total Program Revenues	<u>4,733,323</u>	<u>4,130,743</u>	<u>20,934,461</u>	<u>19,273,596</u>	<u>25,667,784</u>	<u>23,404,339</u>
General Revenues						
Taxes	3,452,432	3,257,984	-	-	3,452,432	3,257,984
Unrestricted state sources	1,256,994	1,249,792	-	-	1,256,994	1,249,792
Unrestricted investment earnings	635,911	275,874	919,305	300,534	1,555,216	576,408
Gain on sale of capital assets	16,576	435,884	27,330	-	43,906	435,884
Miscellaneous	255,289	273,997	439,838	298,048	695,127	572,045
Transfers (net)	(31,603)	39,582	31,603	(39,582)	-	-
Total revenues	<u>10,318,922</u>	<u>9,663,856</u>	<u>22,352,537</u>	<u>19,832,596</u>	<u>32,671,459</u>	<u>29,496,452</u>
Expenses						
General government	1,158,664	1,573,473	-	-	1,158,664	1,573,473
Public safety	2,687,946	3,258,044	-	-	2,687,946	3,258,044
Public works	3,171,019	3,153,514	-	-	3,171,019	3,153,514
Community and economic development	251,553	267,302	-	-	251,553	267,302
Recreation and culture	744,257	658,554	-	-	744,257	658,554
Interest on payables	96,996	28,507	-	-	96,996	28,507
Electric	-	-	14,829,941	13,975,125	14,829,941	13,975,125
Sewer	-	-	2,248,746	2,060,985	2,248,746	2,060,985
Water	-	-	2,053,285	2,047,477	2,053,285	2,047,477
Transportation	-	-	363,335	349,546	363,335	349,546
Total expenses	<u>8,110,435</u>	<u>8,939,394</u>	<u>19,495,307</u>	<u>18,433,133</u>	<u>27,605,742</u>	<u>27,372,527</u>
Changes in Net Position	2,208,487	724,462	2,857,230	1,399,463	5,065,717	2,123,925
Net position - beginning (restated)	<u>35,003,296</u>	<u>33,116,377</u>	<u>44,182,592</u>	<u>42,783,129</u>	<u>79,185,888</u>	<u>75,899,506</u>
Net position - end of year	<u>\$ 37,211,783</u>	<u>\$ 33,840,839</u>	<u>\$ 47,039,822</u>	<u>\$ 44,182,592</u>	<u>\$ 84,251,605</u>	<u>\$ 78,023,431</u>

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Governmental Activities

Governmental activities increased the City's net position by \$2,208,487. The total increase was the result of total revenues of \$10,318,922 less total expenses of \$8,110,435. Capital grants and contributions decreased from \$336,970 in the prior year to \$77,371 during the current year in large part due to decreased grant revenue for various grants. An increase in taxable value increased overall tax revenues by \$194,448. Governmental Activities expense decreased by \$828,959 as there was a decrease in pension expense. A decrease in pension expense was the primary contributor to the decrease of \$570,098 in public safety expenses. Decreased depreciation as assets mature contributed to the \$17,505 decrease in public works expenses.

Business-type Activities

Charges for services increased by \$780,161, primarily a result of overall increase in utility rates in the past year. Overall expenses increased by \$1,062,174 as there were increases in production, distribution, collection system, treatment, administrative and general, and depreciation costs.

Financial Analysis of Governmental 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 for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

At June 30, 2024, the City's governmental funds reported combined fund balances of \$13,325,743, an increase of \$1,307,228 in comparison with the prior year. Approximately 11.1% of this amount, or \$1,494,535, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Approximately 27.7% or \$3,964,662 constitutes *assigned fund balance*, which is assigned for various capital projects. The remainder of the fund balance is either *nonspendable* or *restricted* to indicate that it is: 1) not in spendable form, \$171,909, or 1.3%, for prepaid items, as well as \$747,756 for the corpus of a trust and 2) restricted for particular purposes, \$6,946,881, or 52.1% for major and local streets, debt service, capital improvement projects, and various permanent sources.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,494,535 while total fund balance increased to \$1,653,625. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures and transfers out. Unassigned fund balance represents approximately 17.8% of total general fund expenditures and transfers out while total fund balance represents approximately 19.7% of that same amount.

The fund balance of the City's general fund decreased by \$2,973,200 during the current fiscal year. This compares to an increase of \$1,593,064 in the prior year. The primary reason for the current year decrease in general fund balance relates to increased transfers out during the year to set aside funds for future capital improvements.

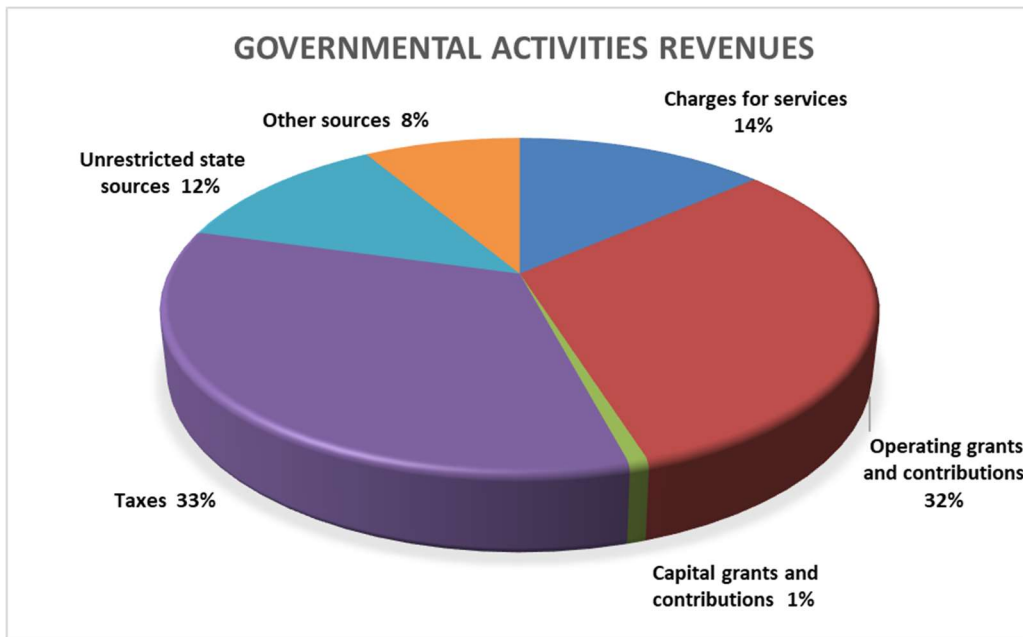
Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

City of Hillsdale
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Unrestricted net position of the electric fund was \$12,566,000. The increase in net position was \$53,819. Unrestricted net position of the sewer fund was \$1,532,032. The sewer fund had \$2,737,074 as restricted net position for debt service and bond reserves. The increase in net position was \$1,557,274. Unrestricted net position of the water fund was \$1,275,337. The water fund had \$1,316,385 as restricted net position for bond reserves. The increase in net position was \$1,139,353. Unrestricted net position of the Dial-A-Ride, a nonmajor enterprise fund, was \$105,941. The increase in net position was \$106,784. Detailed information regarding the change in net position for these funds can be found in an earlier section of this report.

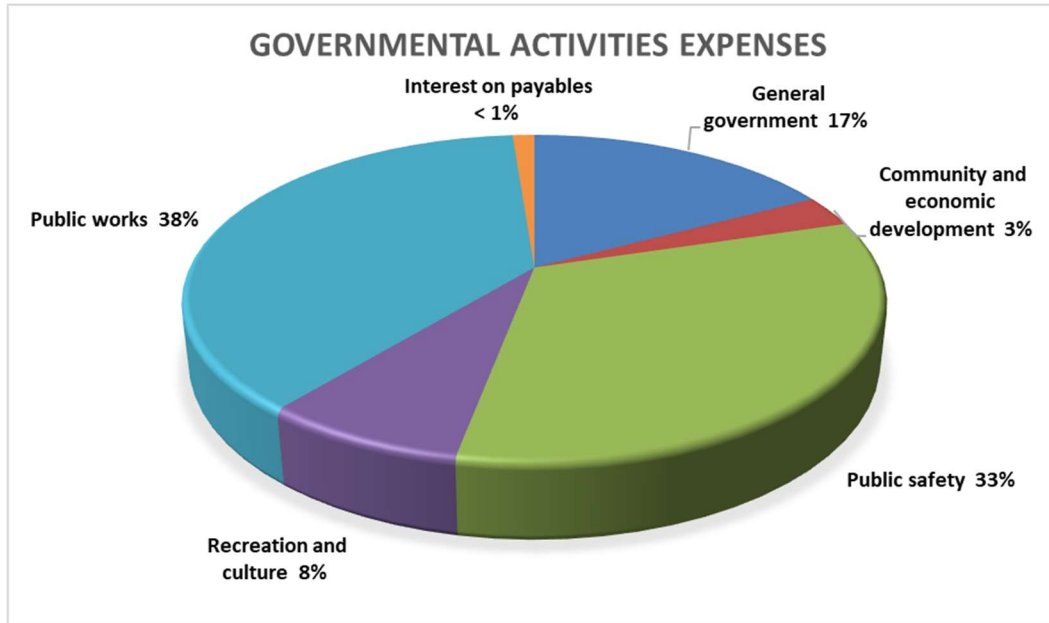
Governmental Activities

The following chart summarizes the revenue sources for the governmental activities of the City for the most recent fiscal year-end.



City of Hillsdale
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The following chart summarizes the expenses for the governmental activities of the City for the most recent fiscal year-end.



General Fund Budgetary Highlights

Original budget compared to final budget. There were no significant increases or decreases to the original budgeted appropriations or estimated revenues during the year. Minor adjustments were made in various functions to better allocate costs.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$66,888,248 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, furniture, equipment, vehicles, and utility, street, and airport infrastructure.

The following construction projects were worked on during the year:

- Various street and utility improvements on Westwood streets and water, sewer, and stormwater improvements and Willow and Oak drainage project.

As of June 30, 2024, the following major projects remain open at year-end:

- Various street, sewer and water improvements as well as airport improvements for terminal building.

More detailed information about the City's capital assets can be found in Note 5.

City of Hillsdale
Management's Discussion and Analysis
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Long-term Debt

As described in Note 8 to the financial statements, the City had \$13,334,510, a \$674,830 decrease from the prior year, in long-term debt outstanding at the end of the fiscal year. The City is well under its legal debt limit as of year-end.

Economic Condition and Outlook

Management estimates that approximately \$5.5 million of revenues will be available for appropriation in the general fund in the upcoming budget. Expenditures are expected to change by small amounts compared to 2024. The City continues to review all budget line items for opportunities to reduce expenditures when possible. The budget will be monitored during the year to identify any necessary amendments. In 2025, the City plans again to use current revenues to provide essential services, to maintain the City's financial reserves in accordance with the City's fund balance policy, and to complete several construction projects as indicated above. The ongoing costs of providing essential services for the citizens of the City will again need to be monitored in order to maintain the financial condition of the City.

Contacting the City

This financial report is designed to provide a general overview of the City's finances to its citizens, customers, investors, and creditors and to demonstrate the City's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

Finance Department
City of Hillsdale
97 North Broad Street
Hillsdale, MI 49242

or by contacting the finance department, 517.437.6446 or finance@cityofhillsdale.org or City Manager, David Mackie, 517.437.6444 or dmackie@cityofhillsdale.org.

City of Hillsdale
Statement of Net Position
June 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 14,101,356	\$ 10,900,384	\$ 25,001,740	\$ 365,006
Receivables				
Accounts	78,487	2,525,014	2,603,501	625
Special assessments	761,094	-	761,094	-
Interest	-	1,980	1,980	-
Leases receivable	267,480	-	267,480	93,858
Due from other units of government	376,082	628,905	1,004,987	-
Inventories	141,278	633,478	774,756	-
Prepaid items	209,303	1,162,651	1,371,954	1,695
Restricted assets				
Cash and cash equivalents	-	4,053,459	4,053,459	-
Advances to other funds	-	150,000	150,000	-
Investment in joint venture	-	5,046,920	5,046,920	-
Advances to component unit	-	80,000	80,000	-
Capital assets not being depreciated	9,920,638	4,256,244	14,176,882	144,967
Capital assets, net of accumulated depreciation	18,821,733	33,846,045	52,667,778	2,375,506
Total assets	44,677,451	63,285,080	107,962,531	2,981,657
Deferred outflows of resources				
Pension related	858,966	757,345	1,616,311	-
Liabilities				
Accounts payable	873,842	1,234,006	2,107,848	7,724
Contracts payable - retainage	101,272	221,456	322,728	-
Due to other units of government	195	53,222	53,417	80,000
Payroll and other liabilities	136,282	892,959	1,029,241	2,057
Interest payable	25,328	-	25,328	-
Noncurrent liabilities				
Debt due within one year	270,221	559,192	829,413	40,000
Debt due in more than one year	2,270,509	9,974,588	12,245,097	220,000
Advances from other funds	-	150,000	150,000	-
Net pension liability	4,390,809	3,917,180	8,307,989	-
Total liabilities	8,068,458	17,002,603	25,071,061	349,781
Deferred inflows of resources				
Lease related	256,176	-	256,176	79,009
Net position				
Net investment in capital assets	25,722,799	27,507,053	53,229,852	2,260,473
Restricted for				
Debt service	-	1,267,182	1,267,182	-
Permanent funds				
Non-expendable	747,756	-	747,756	-
Expendable	113,619	-	113,619	-
Capital projects	138,982	2,786,277	2,925,259	-
Streets	5,704,708	-	5,704,708	-
Public safety	8,696	-	8,696	-
Recreation and culture	944,438	-	944,438	-
Community and economic development	810,351	-	810,351	-
Unrestricted	3,020,434	15,479,310	18,499,744	292,394
Total net position	\$ 37,211,783	\$ 47,039,822	\$ 84,251,605	\$ 2,552,867

See Accompanying Notes to the Financial Statements

City of Hillsdale
Statement of Activities
For the Year Ended June 30, 2024

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Functions/programs								
Primary government								
Governmental activities								
General government	\$ 1,158,663	\$ 630,899	\$ 1,423,137	\$ -	\$ 895,373	\$ -	\$ 895,373	\$ -
Public safety	2,687,946	60,593	5,423	-	(2,621,930)	-	(2,621,930)	-
Public works	3,171,019	514,741	1,289,647	77,371	(1,289,260)	-	(1,289,260)	-
Community and economic development	251,553	-	-	-	(251,553)	-	(251,553)	-
Recreation and culture	744,257	194,474	537,038	-	(12,745)	-	(12,745)	-
Interest	96,996	-	-	-	(96,996)	-	(96,996)	-
Total governmental activities	<u>8,110,435</u>	<u>1,400,707</u>	<u>3,255,245</u>	<u>77,371</u>	<u>(3,377,112)</u>	<u>-</u>	<u>(3,377,112)</u>	<u>-</u>
Business-type activities								
Electric	14,829,941	14,182,199	5,000	-	-	(642,742)	(642,742)	-
Dial-A-Ride	363,335	45,817	384,555	-	-	67,037	67,037	-
Sewer	2,248,746	2,815,280	569,275	-	-	1,135,809	1,135,809	-
Water	2,053,285	2,264,745	667,590	-	-	879,050	879,050	-
Total business-type activities	<u>19,495,307</u>	<u>19,308,041</u>	<u>1,626,420</u>	<u>-</u>	<u>-</u>	<u>1,439,154</u>	<u>1,439,154</u>	<u>-</u>
Total primary government	<u>\$ 27,605,742</u>	<u>\$ 20,708,748</u>	<u>\$ 4,881,665</u>	<u>\$ 77,371</u>	<u>(3,377,112)</u>	<u>1,439,154</u>	<u>(1,937,958)</u>	<u>-</u>
Component units								
Economic Development Authority	6,406	-	-	-	-	-	-	(6,406)
Tax Increment Finance Authority	79,822	11,558	-	-	-	-	-	(68,264)
Total component units	<u>\$ 86,228</u>	<u>\$ 11,558</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(74,670)</u>
General revenues								
Property taxes					3,452,432	-	3,452,432	154,994
Unrestricted state-shared revenue					1,256,994	-	1,256,994	-
Unrestricted investment earnings					635,911	919,305	1,555,216	15,755
Gain on sale of capital assets					16,576	27,330	43,906	14,552
Miscellaneous					255,289	439,838	695,127	-
Transfers					(31,603)	31,603	-	-
Total general revenues and transfers					<u>5,585,599</u>	<u>1,418,076</u>	<u>7,003,675</u>	<u>185,301</u>
Change in net position					<u>2,208,487</u>	<u>2,857,230</u>	<u>5,065,717</u>	<u>110,631</u>
Net position - beginning of year, as previously presented					33,840,839	44,182,592	78,023,431	2,442,236
Error correction					<u>1,162,457</u>	<u>-</u>	<u>1,162,457</u>	<u>-</u>
Net position - beginning of year, as restated					<u>35,003,296</u>	<u>44,182,592</u>	<u>79,185,888</u>	<u>2,442,236</u>
Net position - end of year					<u>\$ 37,211,783</u>	<u>\$ 47,039,822</u>	<u>\$ 84,251,605</u>	<u>\$ 2,552,867</u>

See Accompanying Notes to the Financial Statements

City of Hillsdale
Governmental Funds
Balance Sheet
June 30, 2024

		Special Revenue Funds		Nonmajor	Total
	General	Local Street Fund	Municipal Street	Governmental Funds	Governmental Funds
Assets					
Cash and cash equivalents	\$ 1,615,372	\$ 1,100,960	\$ 3,329,204	\$ 7,749,347	\$ 13,794,883
Receivables					
Accounts	36,747	-	-	41,740	78,487
Special assessments	-	-	761,094	-	761,094
Leases receivable	267,480	-	-	-	267,480
Due from other units of government	183,093	46,032	-	146,957	376,082
Due from other funds	442	22	-	148,055	148,519
Prepaid items	159,090	983	-	11,836	171,909
Total assets	<u>\$ 2,262,224</u>	<u>\$ 1,147,997</u>	<u>\$ 4,090,298</u>	<u>\$ 8,097,935</u>	<u>\$ 15,598,454</u>
Liabilities					
Accounts payable	\$ 99,283	\$ 631,781	\$ -	\$ 140,163	\$ 871,227
Contracts payable - retainage	-	101,272	-	-	101,272
Due to other funds	147,390	-	-	-	147,390
Due to other units of government	195	-	-	-	195
Payroll and other liabilities	105,555	9,127	-	20,675	135,357
Total liabilities	<u>352,423</u>	<u>742,180</u>	<u>-</u>	<u>160,838</u>	<u>1,255,441</u>
Deferred inflows of resources					
Unavailable revenue - taxes	-	-	761,094	-	761,094
Lease related	256,176	-	-	-	256,176
Total deferred inflows of resources	<u>256,176</u>	<u>-</u>	<u>761,094</u>	<u>-</u>	<u>1,017,270</u>
Fund balances					
Non-spendable					
Prepaid items	159,090	983	-	11,836	171,909
Corpus	-	-	-	747,756	747,756
Restricted for					
Streets	-	404,834	3,329,204	-	3,734,038
Other special revenue funds	-	-	-	2,960,242	2,960,242
Capital projects	-	-	-	138,982	138,982
Permanent fund	-	-	-	113,619	113,619
Assigned	-	-	-	3,964,662	3,964,662
Unassigned	1,494,535	-	-	-	1,494,535
Total fund balances	<u>1,653,625</u>	<u>405,817</u>	<u>3,329,204</u>	<u>7,937,097</u>	<u>13,325,743</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,262,224</u>	<u>\$ 1,147,997</u>	<u>\$ 4,090,298</u>	<u>\$ 8,097,935</u>	<u>\$ 15,598,454</u>

See Accompanying Notes to the Financial Statements

City of Hillsdale
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2024

Total fund balances for governmental funds	\$ 13,325,743
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	9,920,638
Capital assets, net of accumulated depreciation	18,205,147
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	
	761,094
Deferred outflows (inflows) of resources.	
Deferred outflows of resources resulting from net pension liability	858,966
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Accrued interest	(25,328)
Compensated absences	(333,532)
Bonds, notes, premiums and discounts	(2,191,227)
Lease liabilities	(15,971)
Net pension liability	(4,390,809)
Internal service funds are included as part of governmental activities.	<u>1,097,062</u>
Net position of governmental activities	<u>\$ 37,211,783</u>

City of Hillsdale
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	Special Revenue Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Major Street	Local Street Fund	Municipal Street		
Revenues						
Taxes	\$ 3,245,788		\$ -	\$ 1,119,328	\$ 304,871	\$ 4,669,987
Licenses and permits	122,510		-	-	-	122,510
Federal grants	1,819		-	-	168,067	169,886
State grants	1,366,176		305,830	137,423	1,016,570	2,825,999
Local contributions	-		-	-	509,823	509,823
Charges for services	20,696		-	-	98,683	119,379
Fines and forfeitures	1,830		-	-	37,785	39,615
Rental income	19,909		-	-	112,027	131,936
Investment income	216,818		8,858	197,749	203,033	626,458
Other revenue	242,218		15,012	15,084	369,690	642,004
Total revenues	5,237,764		329,700	1,469,584	2,820,549	9,857,597
Expenditures						
Current						
General government	1,204,610		-	-	25,317	1,229,927
Public safety	2,430,484		-	-	37	2,430,521
Public works	935,372		381,126	73,647	721,858	2,112,003
Community and economic development	247,977		-	-	-	247,977
Recreation and culture	199,571		-	-	416,380	615,951
Capital outlay	-		1,052,864	-	470,126	1,522,990
Debt service						
Principal retirement	3,016		-	240,000	1,146	244,162
Interest and fiscal charges	109		-	115,000	126	115,235
Total expenditures	5,021,139		1,433,990	428,647	1,634,990	8,518,766
Excess (deficiency) of revenues over expenditures	216,625		(1,104,290)	1,040,937	1,185,559	1,338,831
Other financing sources (uses)						
Transfers in	188,253		1,176,592	-	3,323,355	4,688,200
Transfers out	(3,378,078)		(48,825)	(951,592)	(341,308)	(4,719,803)
Total other financing sources (uses)	(3,189,825)		1,127,767	(951,592)	2,982,047	(31,603)
Net change in fund balances	(2,973,200)		23,477	89,345	4,167,606	1,307,228
Fund balances - beginning of year, as previously presented	4,626,825	1,054,693	-	3,239,859	3,097,138	12,018,515
Change within financial reporting entity	-	(1,054,693)	382,340	-	672,353	-
Fund balances - beginning of year, as adjusted	4,626,825		382,340	3,239,859	3,769,491	12,018,515
Fund balances - end of year	\$ 1,653,625		\$ 405,817	\$ 3,329,204	\$ 7,937,097	\$ 13,325,743

See Accompanying Notes to the Financial Statements

City of Hillsdale
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds	\$ 1,307,228
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.	
Depreciation and amortization expense	(1,393,662)
Capital outlay	1,585,365
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
	466,899
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	2,951
Compensated absences	(52,954)
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in the net pension liability	458,472
Net change in the deferred outflow of resources related to the net pension liability	(605,996)
Net change in the deferred inflow of resources related to the net pension liability	12,356
Long-term liabilities and related transactions applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Repayments of long-term debt	244,162
Amortization of premiums, discounts and similar items	15,288
Internal service funds are also included as governmental activities	<u>168,378</u>
Change in net position of governmental activities	<u>\$ 2,208,487</u>

**City of Hillsdale
Proprietary Funds
Statement of Net Position
June 30, 2024**

	Enterprise Funds					Internal Service
	Electric	Dial-A-Ride (Nonmajor)	Sewer	Water	Total	Funds
Assets						
Current assets						
Cash and cash equivalents	\$ 8,269,419	\$ 129,236	\$ 1,337,476	\$ 1,164,253	\$ 10,900,384	\$ 306,473
Receivables						
Accounts	1,900,847	6,977	352,029	284,550	2,544,403	-
Interest	1,980	-	-	-	1,980	-
Less allowance for uncollectible accounts	(14,731)	-	(2,749)	(1,909)	(19,389)	-
Due from other units of government	-	42,662	469,689	116,554	628,905	-
Inventories	507,209	-	2,768	123,501	633,478	141,278
Prepaid items	1,084,644	7,307	36,094	34,606	1,162,651	37,394
Total current assets	11,749,368	186,182	2,195,307	1,721,555	15,852,412	485,145
Noncurrent assets						
Restricted assets						
Cash and cash equivalents	-	-	2,737,074	1,316,385	4,053,459	-
Investment in joint venture	5,046,920	-	-	-	5,046,920	-
Advances to other funds	150,000	-	-	-	150,000	-
Advances to component unit	80,000	-	-	-	80,000	-
Capital assets not being depreciated	538,135	7,419	1,620,822	2,089,868	4,256,244	-
Capital assets, net of accumulated depreciation	13,652,152	698,743	13,512,476	5,982,674	33,846,045	616,586
Total noncurrent assets	19,467,207	706,162	17,870,372	9,388,927	47,432,668	616,586
Total assets	31,216,575	892,344	20,065,679	11,110,482	63,285,080	1,101,731
Deferred outflows of resources						
Pension related	596,207	-	80,569	80,569	757,345	-
Liabilities						
Current liabilities						
Accounts payable	1,030,103	3,829	157,557	42,517	1,234,006	2,615
Contracts payable - retainage	-	-	139,315	82,141	221,456	-
Due to other funds	-	-	-	-	-	1,129
Due to other units of government	-	53,222	-	-	53,222	-
Payroll and other liabilities	751,984	7,802	85,088	48,085	892,959	925
Current portion of long-term liabilities	7,916	-	465,161	86,115	559,192	-
Total current liabilities	1,790,003	64,853	847,121	258,858	2,960,835	4,669
Noncurrent liabilities						
Compensated absences	199,206	15,388	41,972	43,340	299,906	-
Long-term liabilities	13,139	-	7,424,578	2,236,965	9,674,682	-
Advances from other funds	-	-	150,000	-	150,000	-
Net pension liability	3,075,202	-	420,989	420,989	3,917,180	-
Total noncurrent liabilities	3,287,547	15,388	8,037,539	2,701,294	14,041,768	-
Total liabilities	5,077,550	80,241	8,884,660	2,960,152	17,002,603	4,669
Net position						
Net investment in capital assets	14,169,232	706,162	6,992,482	5,639,177	27,507,053	616,586
Restricted for						
Debt	-	-	1,267,182	-	1,267,182	-
Capital projects	-	-	1,469,892	1,316,385	2,786,277	-
Unrestricted	12,566,000	105,941	1,532,032	1,275,337	15,479,310	480,476
Total net position	\$ 26,735,232	\$ 812,103	\$ 11,261,588	\$ 8,230,899	\$ 47,039,822	\$ 1,097,062

See Accompanying Notes to the Financial Statements

City of Hillsdale
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2024

	Enterprise Funds					
	Electric	Dial-A-Ride (Nonmajor)	Sewer	Water	Total	Internal Service Funds
Operating revenue						
Customer fees	\$ 13,960,864	\$ 45,817	\$ 2,808,581	\$ 2,252,831	\$ 19,068,093	\$ -
Billings to other funds	221,335	-	6,699	11,914	239,948	416,773
Other revenue	179,870	5,431	178,458	76,079	439,838	72,010
Total operating revenue	14,362,069	51,248	2,993,738	2,340,824	19,747,879	488,783
Operating expenses						
Personnel services	2,151,306	232,906	718,632	683,993	3,786,837	56,925
Supplies	9,370,954	34,774	111,305	130,057	9,647,090	63,517
Contractual services	1,177,312	22,428	430,860	128,583	1,759,183	86,518
Utilities	25,754	5,696	24,886	8,106	64,442	7,167
Repairs and maintenance	284,337	11	133,253	410,103	827,704	-
Other expenses	682,990	1,211	365,107	361,413	1,410,721	736
Depreciation	786,435	66,309	437,027	331,030	1,620,801	131,571
Total operating expenses	14,479,088	363,335	2,221,070	2,053,285	19,116,778	346,434
Operating income (loss)	(117,019)	(312,087)	772,668	287,539	631,101	142,349
Nonoperating revenue (expenses)						
Federal grants	-	148,508	569,275	667,590	1,385,373	-
State grants	5,000	236,047	-	-	241,047	-
Investment income	516,691	2,713	243,007	156,894	919,305	9,453
Gain on sale of capital assets	-	-	-	27,330	27,330	16,576
Loss on disposal of capital assets	(350,853)	-	(27,676)	-	(378,529)	-
Total nonoperating revenues (expenses)	170,838	387,268	784,606	851,814	2,194,526	26,029
Income (loss) before transfers out	53,819	75,181	1,557,274	1,139,353	2,825,627	168,378
Transfers in	-	74,837	-	-	74,837	-
Transfers out	-	(43,234)	-	-	(43,234)	-
Change in net position	53,819	106,784	1,557,274	1,139,353	2,857,230	168,378
Net position - beginning of year	26,681,413	705,319	9,704,314	7,091,546	44,182,592	928,684
Net position - end of year	\$ 26,735,232	\$ 812,103	\$ 11,261,588	\$ 8,230,899	\$ 47,039,822	\$ 1,097,062

See Accompanying Notes to the Financial Statements

City of Hillsdale
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2024

	Enterprise Funds					
	Electric	Dial-A-Ride (Nonmajor)	Sewer	Water	Total	Internal Service Funds
Cash flows from operating activities						
Receipts from customers	\$ 13,847,168	\$ 61,117	\$ 2,511,667	\$ 2,226,776	\$ 18,646,728	\$ -
Receipts from interfund users	-	-	-	-	-	489,046
Receipts from other funds	221,335	-	6,699	11,914	239,948	-
Payments to suppliers	(11,706,123)	(40,078)	(740,588)	(994,892)	(13,481,681)	(175,193)
Payments to employees	(2,137,955)	(233,568)	(712,382)	(682,255)	(3,766,160)	(85,284)
Net cash provided (used) by operating activities	224,425	(212,529)	1,065,396	561,543	1,638,835	228,569
Cash flows from noncapital financing activities						
Transfer from other funds	-	74,837	-	-	74,837	-
Transfers to other funds	-	(43,234)	-	-	(43,234)	-
Federal grant	-	148,508	569,275	667,590	1,385,373	-
State grant	5,000	236,047	-	-	241,047	-
Net cash provided (used) by noncapital financing activities	5,000	416,158	569,275	667,590	1,658,023	-
Cash flows from capital and related financing activities						
Advances (to) from other funds	65,000	-	(25,000)	-	40,000	-
Purchases/construction of capital assets	(728,019)	(175,095)	(2,203,638)	(2,172,118)	(5,278,870)	(253,395)
Principal and interest paid on long-term debt	(8,177)	-	(445,650)	(80,890)	(534,717)	-
Proceeds from sale of capital assets	498	-	4,313	28,613	33,424	16,576
Net cash provided (used) by capital and related financing activities	(670,698)	(175,095)	(2,669,975)	(2,224,395)	(5,740,163)	(236,819)
Cash flows from investing activities						
Interest received	516,691	2,713	243,007	156,894	919,305	9,453
Net change in cash and cash equivalents	75,418	31,247	(792,297)	(838,368)	(1,524,000)	1,203
Cash and cash equivalents - beginning of year	8,194,001	97,989	4,866,847	3,319,006	16,477,843	305,270
Cash and cash equivalents - end of year	\$ 8,269,419	\$ 129,236	\$ 4,074,550	\$ 2,480,638	\$ 14,953,843	\$ 306,473
Reconciliation to statement of net position						
Cash and cash equivalents	\$ 8,269,419	\$ 129,236	\$ 1,337,476	\$ 1,164,253	\$ 10,900,384	\$ 306,473
Restricted cash and cash equivalents	-	-	2,737,074	1,316,385	4,053,459	-
Cash and cash equivalents - end of year	\$ 8,269,419	\$ 129,236	\$ 4,074,550	\$ 2,480,638	\$ 14,953,843	\$ 306,473
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (117,019)	\$ (312,087)	\$ 772,668	\$ 287,539	\$ 631,101	\$ 142,349
Adjustments to reconcile operating income to net cash from operating activities						
Depreciation and amortization expense	786,435	66,309	437,027	331,030	1,620,801	131,571
Changes in assets and liabilities						
Receivables (net)	(293,566)	(1,464)	(5,683)	14,420	(286,293)	-
Due from other units of government	-	11,333	(469,689)	(116,554)	(574,910)	-
Due from other funds	-	-	-	-	-	158
Inventories	(103,332)	-	668	(7,964)	(110,628)	-
Prepaid items	(915,092)	(2,395)	300	2,184	(915,003)	105
Assets held for sale	-	-	-	-	-	5,472
Net pension asset	-	-	-	-	-	(12,335)
Pension related deferred outflows of resources	380,433	-	55,075	55,075	490,583	-
Energy optimization program	(243,139)	-	-	-	(243,139)	-
Accounts payable	163,042	(577)	112,940	(95,613)	179,792	-
Accrued and other liabilities	613,047	1,482	140,577	74,425	829,531	-
Due to other funds	-	-	-	-	-	(11,118)
Due to other units of government	-	25,532	-	-	25,532	(44)
Unearned revenue	-	-	-	-	-	1,129
Compensated absences	13,351	(662)	6,250	1,738	20,677	(28,718)
Net pension liability	(51,497)	-	16,407	16,407	(18,683)	-
Pension related deferred inflows of resources	(8,238)	-	(1,144)	(1,144)	(10,526)	-
Net cash provided (used) by operating activities	\$ 224,425	\$ (212,529)	\$ 1,065,396	\$ 561,543	\$ 1,638,835	\$ 228,569

See Accompanying Notes to the Financial Statements

City of Hillsdale
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2024

	Custodial Funds
Assets	
Cash and cash equivalents	\$ 503
Liabilities	
Due to other units of government	503
Net position	
Total net position	\$ -

City of Hillsdale
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024

	Custodial Funds
Additions	
Property tax collections for other governments	\$ 4,658,189
Deductions	
Payments of property tax to other governments	4,658,189
Change in net position	-
Net position - beginning of year	-
Net position - end of year	\$ -

City of Hillsdale
Component Units
Combining Statement of Net Position
June 30, 2024

	Economic Development Corporation	Tax Increment Finance Authority	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 240,049	\$ 124,957	\$ 365,006
Receivables			
Accounts	-	265,625	265,625
Less allowance for uncollectible accounts	-	(265,000)	(265,000)
Prepaid items	-	1,695	1,695
	<u>240,049</u>	<u>127,277</u>	<u>367,326</u>
Total current assets	<u>240,049</u>	<u>127,277</u>	<u>367,326</u>
Noncurrent assets			
Leases receivable	-	93,858	93,858
Capital assets not being depreciated	79,967	65,000	144,967
Capital assets, net of accumulated depreciation	<u>26,303</u>	<u>2,349,203</u>	<u>2,375,506</u>
	<u>106,270</u>	<u>2,508,061</u>	<u>2,614,331</u>
Total noncurrent assets	<u>106,270</u>	<u>2,508,061</u>	<u>2,614,331</u>
Total assets	<u>346,319</u>	<u>2,635,338</u>	<u>2,981,657</u>
Liabilities			
Current liabilities			
Accounts payable	-	7,724	7,724
Due to other units of government	-	80,000	80,000
Payroll and other liabilities	-	2,057	2,057
Current portion of long-term liabilities	<u>-</u>	<u>40,000</u>	<u>40,000</u>
	<u>-</u>	<u>129,781</u>	<u>129,781</u>
Total current liabilities	<u>-</u>	<u>129,781</u>	<u>129,781</u>
Noncurrent liabilities			
Long-term liabilities	<u>-</u>	<u>220,000</u>	<u>220,000</u>
	<u>-</u>	<u>349,781</u>	<u>349,781</u>
Total liabilities	<u>-</u>	<u>349,781</u>	<u>349,781</u>
Deferred inflows of resources			
Lease related	<u>-</u>	<u>79,009</u>	<u>79,009</u>
Net position			
Net investment in capital assets	106,270	2,154,203	2,260,473
Unrestricted	<u>240,049</u>	<u>52,345</u>	<u>292,394</u>
	<u>\$ 346,319</u>	<u>\$ 2,206,548</u>	<u>\$ 2,552,867</u>
Total net position	<u>\$ 346,319</u>	<u>\$ 2,206,548</u>	<u>\$ 2,552,867</u>

See Accompanying Notes to the Financial Statements

City of Hillsdale
Component Units
Combining Statement of Activities
For the Year Ended June 30, 2024

	Economic Development Corporation	Tax Increment Finance Authority	Total
Expenses			
Community and economic development	\$ 6,406	\$ 79,822	\$ 86,228
Program revenues			
Charges for services	-	11,558	11,558
Net program expense	6,406	68,264	74,670
General revenues			
Property taxes	-	154,994	154,994
Unrestricted investment earnings	8,593	7,162	15,755
Gain on sale of capital assets	14,552	-	14,552
Total general revenues	23,145	162,156	185,301
Change in net position	16,739	93,892	110,631
Net position - beginning of year	329,580	2,112,656	2,442,236
Net position - end of year	\$ 346,319	\$ 2,206,548	\$ 2,552,867

See Accompanying Notes to the Financial Statements

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The City of Hillsdale was organized in 1847 and covers an area of approximately 5.5 square miles in Hillsdale County. In 1957, the City adopted the Home Rule Charter. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter to its more than 8,036 residents (2020 census): public safety (police and fire), highways and streets, sanitation, health, housing, recreation, public improvements, planning and zoning, and general administrative services.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the government's operations. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description).

Discretely Presented Component Units

The Tax Increment Finance Authority (the "Authority") is reported in a separate column to emphasize that it is legally separate from the City. The Authority is responsible for directing improvements to a district in the City using funds derived from the capturing of real and personal property taxes within the district. The members of the governing board of the Authority are appointed by the City Council. The budgets and expenditures of the Authority must be approved by the City Council. The City also has the ability to significantly influence operations of the Authority. Complete financial statements for this component unit are not prepared.

The Economic Development Corporation (the "EDC") is reported in a separate column to emphasize that it is legally separate from the City. The EDC is responsible for granting loans to businesses operating within the City. The members of the governing board of the EDC are appointed by the City Council. The budgets and expenditures of the EDC must be approved by the City Council. The City also has the ability to significantly influence operations of the EDC. Complete financial statements for this component unit are not prepared.

Related Organization

The Hillsdale Housing Commission (the "Commission") was established by the City to provide qualifying senior and low-income family housing. Commission includes a 60-unit low-income housing program and receives subsidies and annual contributions from the U.S. Department of Housing and Urban Development. The members of the governing board of the Commission are appointed by the City Manager. Members of the governing board may be removed by the City only for cause. The Commission determines its own budget (subject to federal approval), sets rental rates, and may issue debt in its own name. The City is not responsible for deficits or liabilities of the Commission; however, the Commission makes annual payments "in lieu of taxes" to the City. Accordingly, the City has elected to exclude the Commission and all related note disclosures in these financial statements. The Commission is audited separately from the City and complete financial statements may be obtained from the Commission's executive director at 45 North West Street, Hillsdale, Michigan 49242.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

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

The Local Street Fund accounts for the maintenance and improvement activities for streets designated as "local" within the City. Funding is primarily through state-shared gas and weight taxes.

The Municipal Street Fund accounts for maintenance and improvement activities for streets in addition to "local" and "major" within the City. Funding is primarily through a millage.

The government reports the following major proprietary funds:

The Electric Fund accounts for the activities of the electric generation and distribution systems.

The Sewer Fund accounts for the activities of the sewage collection and treatment systems.

The Water Fund accounts for the activities of the water production, purification, and distribution systems.

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

Additionally, the government reports the following:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those being financed by proprietary or nonexpendable trust funds).

Nonmajor enterprise fund to account for Dial-A-Ride activity. This fund accounts for the expenses and related revenues to provide public transportation.

Internal service funds account for shared services and equipment usage provided to the City departments and funds on a cost reimbursement basis. The City's internal service funds account for leave and benefits, inventory purchasing, equipment rental, and unemployment insurance.

The custodial fund is custodial in nature and does not present results of operations or have a measurement focus. The custodial fund is accounted for using the accrual basis of accounting. This fund is used to account for assets that the government holds for others in a custodial capacity (such as taxes collected for other governments).

Permanent funds account for monies held in trust to be used for specific activities as specified in related trust agreements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water, sewer, and electric function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 the enterprise funds and the internal service funds are charges to customers for sales and services. The government also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise and the internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Liabilities, and Net Position or Fund Balance

Deposits and investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value based on quoted market price. Certificate of deposits are stated at cost which approximates fair value.

Receivables and payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of a lending/borrowing arrangement outstanding at the end of the fiscal year is referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. The balance of the allowance for doubtful accounts at year-end within the Electric Fund, Sewer Fund, and Water Fund were \$14,731, \$2,749, and \$1,909, respectively. Property taxes are levied on each July 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on September 15th, at which time penalties and interest are assessed by the City. As of March 1 of the succeeding year, unpaid real property taxes are sold to and collected by Hillsdale County.

The 2023 taxable valuation of the government totaled \$159,120,253, on which ad valorem taxes consisted of 12.1479 mills for operating purposes, 2.4296 mills for street maintenance, 0.9718 mills for the library, 0.9770 mills for public safety equipment, and 3.9388 mills for street and leaf collections. This resulted in \$1,834,794 for operating expenses, \$366,952 for street maintenance, \$151,080 for the library, \$147,553 for public safety and fire equipment, and \$594,888 for additional street and leaf maintenance exclusive of any Michigan Tax Tribunal or Board of Review adjustments.

Property taxes for the Tax Increment Finance Authority (TIFA) are derived from a tax increment financing agreement between the TIFA and other related taxing districts. Under this arrangement, the TIFA receives those property taxes levied on the increment of current taxable valuations (determined as of the preceding December 31, the lien date) over base year assessed valuations on certain property located in the City of Hillsdale, which are within downtown Hillsdale.

Prepaid Items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Inventories – Inventories are stated at cost (purchase price), whereas inventories held for resale are stated at lower of cost or market. Inventories of the Hillsdale Board of Public Utilities (reported as business type activities, major proprietary funds) are valued at cost, which approximates market, using the average cost method. Cost is determined by the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when purchased.

Restricted assets – Certain revenue bonds of the Enterprise Funds require amounts to be set aside for a bond reserve. These amounts have been classified as restricted cash and cash equivalents.

Capital assets – Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the government values these capital assets at the estimated acquisition value of the item at the date of its donation.

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

	<u>Years</u>
Vehicles and equipment	5 - 20
Books	7
Land improvements	20
Infrastructure	15 - 50
Buildings and improvements	50
Plant and systems	10 - 65

Deferred outflows of resources – A deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period. The City reports deferred outflows of resources as a result of pension earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension expense. Changes in assumptions and experience differences relating to the net pension liability are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan. The City also reported deferred outflows of resources for pension contributions made after the measurement date. This amount will reduce net pension liability in the following year.

Compensated absences – It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary 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 – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. 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.

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.

Pensions – For 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 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 to 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.

Deferred inflows of resources – A deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Deferred inflow for leases is related to leases receivable and is being amortized to recognize lease revenue in a systematic and rational manner over the term of the lease. The City reports deferred inflows of

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

resources as a result of pension earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension expense.

Changes in assumptions and experience differences relating to the net pension liability are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan.

Fund Balances – In the fund financial statements, governmental funds report fund balances in the following categories:

Non-spendable – assets that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts constrained on use imposed by the government's highest level of decision-making, its City Council. A fund balance commitment may be established, modified, or rescinded by a resolution of the City Council.

Assigned – amounts intended to be used for specific purposes, as determined by the Council. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the government's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the government's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

The government has adopted a minimum fund balance policy for several funds, as follows:

General Fund – Fund balance to meet 15% of operating expenditures.

Major and Local Street Fund – Fund balance to meet 15% of operating expenditures, to account for the State-Shared gasoline and weight tax collections to provide for certain maintenance, repair costs and capital improvements of the City's Roads.

Municipal Street Fund – Fund balance to meet 15% of operating expenditures to account for the dedicated millage collections, and special assessments related to the construction and improvement of streets, and leaf collection.

Electric, Water, and Sewer Fund - Fund balance reserves are determined by the Board of Public Utilities and the decision to increase or decrease target unrestricted net position will be supported by the report

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

of cost-of-service study or review provided by the City's consultant and approval of the Board of Public Utilities.

Internal Service Funds – Fund balance to meet 15% of operating expenditures plus 1.2 debt service ratio if applicable.

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 reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Adoption of New Accounting Standards

Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections.

Upcoming Accounting and Reporting Changes

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending June 30, 2025.

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints. This statement is effective for the year ending June 30, 2025.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This statement includes changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending June 30, 2026.

The City is evaluating the impact that the above GASB statements will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

The government is subject to the budgetary control requirements of the Uniform Budgeting Act (P.A. 2 of 1968, as amended). Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end.

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

Prior to July 1, the City Manager submits to the Council a proposed operating budget for the fiscal year commencing the following July 1. Public hearings are held to obtain taxpayer comments and the budget is legally enacted through passage of an ordinance prior to July 1.

The budget document presents information by fund, activity, department, and line items. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The adopted budgets of the City for these budgetary funds were adopted on a functional basis for the General Fund and a fund basis for the special revenue funds. Budgets for the General and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent when goods are received or services rendered.

Note 3 - Deposits and Investments

At year end the City's deposits and investments were reported in the financial statements in the following categories:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Governmental activities	\$ 14,101,356	\$ -	\$ 14,101,356
Business-type activities	10,900,384	4,053,459	14,953,843
Total	25,001,740	4,053,459	29,055,199
Fiduciary funds	503	-	503
Component unit	365,006	-	365,006
Total	<u>\$ 25,367,249</u>	<u>\$ 4,053,459</u>	<u>\$ 29,420,708</u>

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

The breakdown between deposits and investments is as follows:

	Primary Government	Fiduciary Funds	Component Unit	Total
Bank deposits (checking and savings accounts, money markets and certificates of deposit)	\$ 7,411,578	\$ 103	\$ 191,696	\$ 7,603,377
Investments in securities, mutual funds and similar vehicles	21,642,271	-	173,310	21,815,581
Petty cash and cash on hand	1,350	400	-	1,750
	<u>\$ 29,055,199</u>	<u>\$ 503</u>	<u>\$ 365,006</u>	<u>\$ 29,420,708</u>

Interest rate risk – Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. State law limits the allowable investments and the maturities of some of the allowable investments. The government does not have a formal investment policy to manage its exposure to fair value losses from changes in interest rates. Maturity dates for investments held at year-end are summarized as follows:

Investment	Carrying Value
No maturity	\$ 646,296
Less than 1 year	13,411,727
1-5 years	<u>7,757,558</u>
	<u>\$ 21,815,581</u>

Credit risk – State statutes and the government's investment policy authorize the government to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States. United States government or federal agency obligations; repurchase agreements; bankers acceptance of United States Banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

Credit risk ratings, where applicable, are summarized as follows:

Rating Organization and Rating	Carrying Value
Standards & Poor's AAAm	\$ 11,586,774
Standards & Poor's AA+	9,403,403
Standards & Poor's AA	378,569
Not Rated	446,835
	<u>\$ 21,815,581</u>

Concentration of credit risk – The government has no policy that would limit the amount that may be issued in any one issuer.

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The government does not have a policy for custodial credit risk. As of year end, \$7,644,697 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The following investment securities were uninsured and unregistered and held in the following manner:

Investment Type	Carrying Value
Cash & Cash Equivalents	\$ 876,389
Fixed rate bonds - Municipal Bonds	378,808
U.S. Government agency securities	3,848,625
U.S. Government Treasuries	5,900,262
Michigan Class	10,811,497
	<u>\$ 21,815,581</u>

Note 4 - Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

The City has the following recurring fair value measurements as of year end:

Investment Type	Level 1	Level 2	Level 3	Total
Cash & Cash Equivalents	\$ 876,388	\$ -	\$ -	\$ 876,388
Fixed rate bonds - Municipal Bonds	-	378,808	-	378,808
U.S. Government agency securities	-	3,848,625	-	3,848,625
U.S. Government Treasuries	-	5,900,263	-	5,900,263
	<u>\$ 876,388</u>	<u>\$ 10,127,696</u>	<u>\$ -</u>	<u>11,004,084</u>

Investments carried at net asset value

Michigan CLASS government investment pool	<u>10,811,497</u>
Total investments	<u>\$ 21,815,581</u>

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares or interests in investment companies whereby 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.

At year end, the net asset value of the City's investment in Michigan CLASS was \$10,811,497. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and 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. It has a rating of AAA from Standard and Poor's with a weighted average maturity of 54 days.

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

Note 5 - Capital Assets

Capital assets activity of the primary government for the current year is as follows:

	Restated Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 8,399,967	\$ -	\$ -	\$ 8,399,967
Construction-in-progress	559,148	1,204,355	242,832	1,520,671
Total capital assets not being depreciated	<u>8,959,115</u>	<u>1,204,355</u>	<u>242,832</u>	<u>9,920,638</u>
Capital assets being depreciated				
Land improvements	773,631	-	-	773,631
Infrastructure	33,948,544	356,012	6,133,602	28,170,954
Buildings, additions and improvements	5,285,302	148,186	-	5,433,488
Books	274,518	19,634	24,167	269,985
Vehicles	5,176,619	353,405	89,468	5,440,556
Right to use asset - equipment	22,004	-	-	22,004
Total capital assets being depreciated	<u>45,480,618</u>	<u>877,237</u>	<u>6,247,237</u>	<u>40,110,618</u>
Less accumulated depreciation for				
Land improvements	487,051	22,205	-	509,256
Infrastructure	19,927,961	1,005,388	6,133,602	14,799,747
Buildings, additions and improvements	2,620,901	116,463	-	2,737,364
Books	77,136	17,132	24,167	70,101
Vehicles	2,896,443	360,901	89,468	3,167,876
Right to use asset - equipment	1,397	3,144	-	4,541
Total accumulated depreciation	<u>26,010,889</u>	<u>1,525,233</u>	<u>6,247,237</u>	<u>21,288,885</u>
Net capital assets being depreciated	<u>19,469,729</u>	<u>(647,996)</u>	<u>-</u>	<u>18,821,733</u>
Governmental activities net capital assets	<u>\$ 28,428,844</u>	<u>\$ 556,359</u>	<u>\$ 242,832</u>	<u>\$ 28,742,371</u>

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 361,042	\$ -	\$ -	\$ 361,042
Construction-in-progress	506,973	3,735,282	347,053	3,895,202
Total capital assets not being depreciated	868,015	3,735,282	347,053	4,256,244
Capital assets being depreciated				
Infrastructure	79,653,936	1,716,092	6,458,160	74,911,868
Vehicles	1,107,520	175,095	-	1,282,615
Right to use asset - machinery and equipment	135,140	-	-	135,140
Right to use asset - subscription arrangements	-	33,900	-	33,900
Total capital assets being depreciated	80,896,596	1,925,087	6,458,160	76,363,523
Less accumulated depreciation for				
Infrastructure	46,431,747	1,530,689	6,073,537	41,888,899
Vehicles	517,563	66,309	-	583,872
Right to use asset - machinery and equipment	20,904	13,032	-	33,936
Right to use asset - subscription arrangements	-	10,771	-	10,771
Total accumulated depreciation	46,970,214	1,620,801	6,073,537	42,517,478
Net capital assets being depreciated	33,926,382	304,286	384,623	33,846,045
Business-type capital assets, net	<u>\$ 34,794,397</u>	<u>\$ 4,039,568</u>	<u>\$ 731,676</u>	<u>\$ 38,102,289</u>

Capital assets activity of the component units for the current year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Units				
Capital assets not being depreciated				
Land	\$ 158,727	\$ -	\$ 13,760	\$ 144,967
Capital assets being depreciated				
Infrastructure - EDC	-	29,226	-	29,226
Infrastructure - TIFA	381,672	-	-	381,672
Buildings, additions and improvements	2,468,124	-	-	2,468,124
Total capital assets being depreciated	2,849,796	29,226	-	2,879,022
Less accumulated depreciation for				
Infrastructure - EDC	-	2,923	-	2,923
Infrastructure - TIFA	381,672	-	-	381,672
Buildings, additions and improvements	68,933	49,988	-	118,921
Total accumulated depreciation	450,605	52,911	-	503,516
Net capital assets being depreciated	2,399,191	(23,685)	-	2,375,506
Component units capital assets, net	<u>\$ 2,557,918</u>	<u>\$ (23,685)</u>	<u>\$ 13,760</u>	<u>\$ 2,520,473</u>

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

Depreciation and amortization of right to use assets expenses were charged to programs of the primary government as follows:

Governmental activities

General government	\$ 59,420
Public safety	153,718
Public works	1,055,857
Recreation and culture	124,667
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>131,571</u>
Total governmental activities	<u>1,525,233</u>

Business-type activities

Electrical Utility Fund	786,435
Dial-A-Ride	66,309
Sewer Fund	437,027
Water Fund	<u>331,030</u>
Total business-type activities	<u>1,620,801</u>

Total primary government	<u>\$ 3,146,034</u>
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Construction Commitments

At June 30, 2024, the City had several uncompleted construction contracts. The remaining commitment on these construction contracts was approximately \$4,858,139.

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund		
	General Fund	Internal Service Funds	Total
General fund	\$ -	\$ 442	\$ 442
Local street fund	-	22	22
Nonmajor governmental funds	147,390	665	148,055
	<u>\$ 147,390</u>	<u>\$ 1,129</u>	<u>\$ 148,519</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

The details for interfund transfers are as follows:

Transfers In	Transfers Out					Total
	General Fund	Local Street Fund	Municipal Street Fund	Nonmajor governmental funds	Nonmajor enterprise funds	
General Fund	\$ -	\$ 28,711	\$ -	\$ 116,308	\$ 43,234	\$ 188,253
Local Street Fund	-	-	951,592	225,000	-	1,176,592
Nonmajor governmental funds	3,303,241	20,114	-	-	-	3,323,355
Nonmajor enterprise funds	74,837	-	-	-	-	74,837
	<u>\$ 3,378,078</u>	<u>\$ 48,825</u>	<u>\$ 951,592</u>	<u>\$ 341,308</u>	<u>\$ 43,234</u>	<u>\$ 4,763,037</u>

Transfers are used to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

Advances at year end are as follows:

On June 17, 2019 Council approved a loan from the Electric Fund to the Sewer Fund up to \$900,000 for capital expenditures occurring in the Sewer Fund. The loan commenced on June 20, 2019 with an initial draw of \$90,000. The Sewer Fund paid back the \$90,000 of the loan and drew an additional \$250,000 during the June 30, 2020 fiscal year. Annual principal payments of \$25,000 are due annually along with interest at 2.5%. The final payment is scheduled to be paid by June 1, 2030. During the current year, the Sewer Fund paid back \$25,000. The balance as of June 30, 2024 was \$150,000.

During the June 30, 2021 fiscal year, the Electric Fund loaned the Tax Increment Finance Authority, a discretely presented component unit of the City, \$200,000. The total amount was approved in an amount not to exceed \$400,000 and will be repaid through November 1, 2030. \$40,000 was paid off during the 2024 fiscal year leaving a balance of \$80,000 at June 30, 2024.

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

Note 7 - Leases

Lease Receivable

The City is engaged as lessor in three separate lease agreements. The lease agreements are described as follows:

Description	Agreement Date	Payment Terms	Maturity	Description
Airport Farmland	1/1/2022	3 years	1/1/2025	Leasing land at the airport for farmland.
Cell Tower	5/31/2018	25 years	4/30/2043	Cell tower lease with AT&T.
Dawn Theater (Keefer House Hotel)	3/2/2022	10 years	3/2/2032	Leasing the renovated Dawn Theater.

		Lease Receivable		
Lease	Fund	Lease Receivable	Principal Paid	Lease Interest Revenue
Airport Farmland	Airport fund	\$ -	\$ 31,426	\$ 786
Cell Tower	General fund	267,480	8,605	8,165
Dawn Theater (Keefer House Hotel)	TIFA fund	93,858	5,085	2,415
		<u>\$ 361,338</u>	<u>\$ 45,116</u>	<u>\$ 11,366</u>

Note 8 - Long-Term Debt

The City issues bonds to provide for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the City. Installment purchase agreements are also general obligations of the City. Other long-term obligations include compensated absences. Compensated absences are typically liquidated with funds from the General Fund, Electric Fund, Sewer Fund, Water Fund, DART Fund, and internal service funds.

Long-term obligation activity is summarized as follows:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities									
Bonds and notes payable									
General obligation bonds									
2022 General Obligation Capital Improvement Bonds - Street	\$ 2,300,000	4/1/2031	5.00%	\$250,000 - \$340,000	\$ 2,300,000	\$ -	\$ 240,000	\$ 2,060,000	\$ 250,000
Premiums and discounts									
For issuance premiums					146,515	-	15,288	131,227	15,926
Total bonds and notes payable					2,446,515	-	255,288	2,191,227	265,926
Leases					20,133	-	4,162	15,971	4,295
Compensated absences					309,296	274,366	250,130	333,532	-
Total governmental activities					\$ 2,775,944	\$ 274,366	\$ 509,580	\$ 2,540,730	\$ 270,221

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities									
Bonds and notes payable									
General obligation bonds									
2015 Sewage Disposal System Revenue Bonds	\$ 6,435,000	4/1/2037	2.500%	\$300,000 - \$405,000	\$ 4,825,000	\$ -	\$ 290,000	\$ 4,535,000	\$ 300,000
2016 Sewage Disposal System Revenue Bonds	\$ 1,900,000	4/1/2037	2.500%	\$90,000 - \$1,340,000	1,425,000	-	85,000	1,340,000	90,000
2022 General Obligation Capital Improvement Bonds - Water	\$ 2,250,000	4/1/2042	5.000%	\$77,679 - \$176,786	2,250,000	-	72,321	2,177,679	77,679
2022 General Obligation Capital Improvement Bonds - Sewer	\$ 1,950,000	4/1/2042	5.000%	\$67,321 - \$1,887,321	1,950,000	-	62,679	1,887,321	67,321
Total general obligation bonds					<u>10,450,000</u>	<u>-</u>	<u>510,000</u>	<u>9,940,000</u>	<u>535,000</u>
Less premiums and discounts									
For issuance premiums					<u>260,127</u>	<u>-</u>	<u>8,362</u>	<u>251,765</u>	<u>8,361</u>
Total bonds and notes payable					10,710,127	-	518,362	10,191,765	543,361
Leases					24,040	-	5,583	18,457	5,582
Subscriptions					-	34,423	10,771	23,652	10,249
Compensated absences					<u>279,229</u>	<u>21,339</u>	<u>662</u>	<u>299,906</u>	<u>-</u>
Total business-type activities					<u>\$ 11,013,396</u>	<u>\$ 55,762</u>	<u>\$ 535,378</u>	<u>\$ 10,533,780</u>	<u>\$ 559,192</u>
Component units									
General obligation bonds									
TIFA - 2021 Installment note	\$ 400,000	11/1/2030	0.9%	\$20,000 - \$40,000	\$ 300,000	\$ -	\$ 40,000	\$ 260,000	\$ 40,000

Annual debt service requirements to maturity for the above obligations are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Bonds		Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 250,000	\$ 103,000	\$ 535,000	\$ 340,376
2026	265,000	90,500	545,000	323,250
2027	280,000	77,250	570,000	305,500
2028	295,000	63,250	580,000	287,125
2029	310,000	48,500	600,000	268,250
2030-2034	660,000	50,000	3,330,000	1,052,375
2035-2039	-	-	2,835,000	491,564
2040-2042	-	-	945,000	96,000
	<u>\$ 2,060,000</u>	<u>\$ 432,500</u>	<u>\$ 9,940,000</u>	<u>\$ 3,164,440</u>

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

Year Ending June 30,	Component Units	
	Bonds	
	Principal	Interest
2025	\$ 40,000	\$ 2,250
2026	40,000	1,890
2027	40,000	1,530
2028	40,000	1,170
2029	40,000	810
2030-2031	60,000	540
	<u>\$ 260,000</u>	<u>\$ 8,190</u>

Note 9 - Restricted Assets

The balances of the restricted assets accounts in the enterprise funds are as follows:

Restricted Cash

Sewer Fund - The ordinance authorizing issuance of the 2015 Sewage Disposal System Revenue Bond, and 2016 Sewage Disposal System Revenue Bond – Sewer required that specific accounts be established, and monies deposited as follows:

Bond and Interest Redemption Fund - At least one-half of the amount of interest due on the next ensuing interest payment plus not less than one quarter of the principal maturing on the next principal payment. At June 30, 2024, the City was required to have \$132,813 in this account.

Bond Reserve Account - The lesser of 10% of the principal balance of the bonds, an amount equal to the maximum annual principal and interest requirements on the bonds, or 125% of the average annual principal and interest requirements. At June 30, 2024, the City was required to have \$539,375 in this account.

The total restricted cash for the City's sewer fund was \$1,267,182.

Note 10 - Dial-A-Ride

The following disclosures are required by the Michigan Department of Transportation (MDOT) relative to the City's Dial-A-Ride program which is funded by and through MDOT:

Cost Allocation Plans - The Hillsdale Dial-A-Ride Enterprise Fund has three cost allocation plans where the methodology has been approved by the Office of Passenger Transportation (OPT). Currently, only the administrative cost allocation plan is needed and used. The cost allocation plan was adhered to in the preparation of the financial statements.

Nonfinancial Data - The methodology used for compiling mileage on OAR Schedule 4N (Nonurban) is an adequate and reliable method for recording vehicle mileage.

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

Depreciation - The depreciation charges do not include any eligible depreciation. Therefore, all depreciation charges are ineligible for reimbursement and have been excluded from the computation of eligible costs to be reimbursed with State Formula Funds.

Capital Money - No capital money was used to pay for operating expenses, and none are included in total expenses to be reimbursed with State Formula Funds.

Ineligible Expenses - Ineligible expenses are classified appropriately according to the definition in the Local Public Transit Revenue and Expense manual. Audit costs are the only cost in which eligibility differs from the State R&E Manual and the federal Uniform Guidance. The Hillsdale Dial-A-Ride Enterprise Fund does not have any local revenues with associated expenses that would be required to be subtracted out as ineligible.

Fringe Benefits - During the fiscal year July 1, 2023 through June 30, 2024, Dial-A-Ride paid \$65,067 in 50200 fringe benefits for health insurance, retirement, and other insurance benefits. The entire amount of \$67,569 was expensed on the books and is included in Dial-A-Ride's total eligible expenses for the fiscal year ending September 30, 2023.

Note 11 - Investment in Joint Venture

Michigan South Central Power Agency

The City is a member of the Michigan South Central Power Agency (MSCPA), which provided electric services to the residents of its member communities. The participating communities provide annual funding for its operations. During the current year, the City paid \$9,143,996 for purchased power. The City is unaware of any other circumstances that would cause any additional benefit or burden to participating governments in the near future. Complete financial statements for the Michigan South Central Power Agency can be obtained from the administrative offices at 168 Division St., Coldwater, Michigan 49036. The City owns an approximate 22.33% interest in the Michigan South Central Power Agency (MSCPA). The City records the investment using the equity method and calculates 22.33% of the MSCPA's equity at year end. The MSCPA also holds assets of the City, which have been included in the MSCPA's equity over the years. The calculation of the investment includes 100% of the City's assets held at the MSCPA plus 22.33% of the equity net of the City's assets. At June 30, 2024, the City's investment in MSCPA was \$5,046,920, consisting of a \$4,447,376 equity share and \$599,544 of assets held at the MSCPA.

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

Note 12 - Net Investment in Capital Assets

The composition of net investment in capital assets as of year end, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets			
Capital assets not being depreciated	\$ 9,920,638	\$ 4,256,244	\$ 144,967
Capital assets, net of accumulated depreciation	<u>18,821,733</u>	<u>33,846,045</u>	<u>2,375,506</u>
Total capital assets	<u>28,742,371</u>	<u>38,102,289</u>	<u>2,520,473</u>
Related debt			
General obligation bonds	(2,060,000)	(9,940,000)	(260,000)
Leases	(15,971)	(18,457)	-
Subscriptions	-	(23,652)	-
Capital outlay payable	(711,102)	(139,906)	-
Contracts payable - retainage	(101,272)	(221,456)	-
Unamortized bond premiums	<u>(131,227)</u>	<u>(251,765)</u>	<u>-</u>
Total related debt	<u>(3,019,572)</u>	<u>(10,595,236)</u>	<u>(260,000)</u>
Net investment in capital assets	<u>\$ 25,722,799</u>	<u>\$ 27,507,053</u>	<u>\$ 2,260,473</u>

Note 13 - Risk Management

The government is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The government has purchased commercial insurance for all claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 14 - Employee Retirement and Benefit Systems

Defined Benefit Pension Plan

Plan description – The government participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer, statewide public employee defined benefit pension plan that covers all employees of the government. The plan was established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917 or on the web at <http://www.mersofmich.com>.

Benefits provided – Benefits provided include plans with multipliers ranging from 2.00% to 2.50%. Vesting period is 10 years of service. Normal retirement age is 60 with early retirement at 55 with 20 years of service for police and fire unions and 25 years of service for BPU union. Final average compensation is calculated based on 3 years. Member contributions range from 5.00% to 9.16%.

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

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

Inactive employees or beneficiaries currently receiving benefits	86
Inactive employees entitled to, but not yet receiving benefits	43
Active employees	<u>40</u>
	<u>169</u>

Contributions – The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees 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.

For the year ended June 30, 2024, the City had the following contribution rates:

Division	Employee Contributions	Employer Contributions
DPS EEs - Closed	5.00%	\$0 / month
Police - Open	5.00%	\$26,944 / month
Fire - Open	5.00%	\$7,098 / month
BPU Union - Closed	9.16%	\$16,773 / month
General Nonunion - Closed	5.00%	\$11,023 / month
BPU Nonunion - Closed	5.00%	\$12,960 / month
City Manager - Open	5.00%	23.34%
City Treasurer - Open	5.00%	\$203 / month

Net pension liability – The employer's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

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 include: 1) Inflation 2.50%; 2) Salary increases 3.00% in the long-term; 3) Investment rate of return of 6.93%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 2.5%.

Mortality rates used were based on the Pub-2010 Mortality Tables. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study.

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

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 or arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Target Allocation Gross Rate Of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-term Expected Real Rate of Return
Global equity	60.00%	7.00%	4.20%	2.50%	2.70%
Global fixed income	20.00%	4.50%	0.90%	2.50%	0.40%
Private investments	20.00%	9.50%	1.90%	2.50%	1.40%
	<u>100.00%</u>		<u>7.00%</u>		<u>4.50%</u>

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. Based on these assumptions, the pension plans 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.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2022	<u>\$ 28,796,164</u>	<u>\$ 20,011,020</u>	<u>\$ 8,785,144</u>
Changes for the year			
Service cost	365,745	-	365,745
Interest on total pension liability	2,033,429	-	2,033,429
Experience differences	104,964	-	104,964
Changes in assumptions	210,582	-	210,582
Employer contributions	-	839,863	(839,863)
Employee contributions	-	170,419	(170,419)
Net investment income (loss)	-	2,227,989	(2,227,989)
Benefit payments and refunds	(1,863,467)	(1,863,467)	-
Administrative expense	-	(46,396)	46,396
Net changes	<u>851,253</u>	<u>1,328,408</u>	<u>(477,155)</u>
Balances as of December 31, 2023	<u>\$ 29,647,417</u>	<u>\$ 21,339,428</u>	<u>\$ 8,307,989</u>

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the employer, calculated using the discount rate of 7.18%, as well as what the employer's net pension liability would be using a discount rate that is 1% point lower (6.18%) or 1% higher (8.18%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	\$ 11,612,685	\$ 8,307,989	\$ 5,530,765

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended June 30, 2024 the employer recognized pension expense of \$1,420,214. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Total to Amortize
Differences in experience	\$ 52,482	\$ 52,482
Differences in assumptions	105,291	105,291
Net difference between projected and actual earning on plan investments	1,051,556	1,051,556
Contributions subsequent to the measurement date*	406,982	-
Total	\$ 1,616,311	\$ 1,209,329

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in subsequent years.

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

Year ended June 30,	
2025	\$ 340,736
2026	377,517
2027	651,799
2028	(160,723)
	<u>\$ 1,209,329</u>

Note 15 - Promissory Note

On May 15, 2018, the City's Tax Increment Finance Authority ("TIFA") entered into an agreement to sell property known as the Keefer House Hotel for \$275,000. The agreement called for a \$10,000 deposit and the remaining \$265,000 in a promissory note from Keefer House Hotel, LLC. The note calls for the entire principal of \$265,000 including interest at 0% to be paid on or before May 25, 2021. The City entered an addendum to the agreement in which extended the due date to on or before August 31, 2024.

Pursuant to the terms set forth in the Purchase Agreement, and subsequent addendums, if borrower completes construction and renovation of the Keefer House Hotel property on or before August 31, 2024, the borrower will be entitled to forgiveness of any remaining principal, and the note shall be considered paid in full. In the event that the borrower fails to complete construction and renovation on or before August 31, 2024, all outstanding principal shall be due and payable.

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

As of June 30, 2024, construction on the Keefer House Hotel is underway and is still in progress. The City has elected to include the full \$265,000 as a loan receivable on its financial statements, with an allowance of \$265,000.

Note 16 - Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

Note 17 - Prepaid Operating Costs

In 2014, the City entered a 20-year agreement with KEPS Technologies, Inc. d/b/a ACD.net, for 48 strands of dark fiber to support its business operations. The agreement for total upfront costs of \$240,304 will be amortized over the 20-year life of the agreement. As of June 30, 2024, the balance of the long-term prepaid is \$31,072.

Note 18 - Prepaid Stranded Costs

American Municipal Power – Generating Station Project

The City is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's share was 12,000 kilowatts of a total 771,281 kilowatts, giving the City a 1.56 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed impaired and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 31, 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The City's estimated share at March 31, 2014 of the impaired costs is \$2,076,796. The City received a credit of \$775,876 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$542,698 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost estimate of \$758,222. Because payment is now probable and reasonably estimable, the City is reporting a payable to AMP in its business-type activities and in its electric enterprise fund for these impaired costs. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the City's liability. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share.

Since March 31, 2014, the City has made payments of \$817,344 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the City's allocation of additional costs incurred by the project is \$26,014 and interest expense incurred on AMP's line-of-credit of \$(2,977), resulting in a net credit balance for impaired cost estimate at June 30, 2024 of \$36,086. The City does have a potential PHFU (plant held for future use costs) liability of \$665,704 resulting in a net total potential liability of \$629,618, assuming the credit balance earns zero interest

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

and the assets making up the PHFU (principally the land comprising the Meigs County site) have no value. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

Prepaid stranded costs have been recorded as \$36,013 for the year-ended June 30, 2024.

Note 19 - Purchased Power Contracts

AFEC

AFEC AMP Fremont Energy Center (87 Members). On July 28, 2011, AMP acquired from FirstEnergy Generation Corporation ("FirstEnergy") the Fremont Energy Center ("AFEC"), a combined cycle, natural gas fueled electric generating plant, then nearing completion of construction and located in Fremont, Sandusky County, Ohio. Following completion of the commissioning and testing, AMP declared AFEC to be in commercial operation as of January 20, 2012. AFEC has a capacity of 512 MW (unfired)/675 MW (fired) and consists of two combustion turbines, two heat recovery steam generators and one steam turbine and condenser.

AMP subsequently sold a 5.16% undivided ownership interest in AFEC to Michigan Public Power Agency and entered into a power sales contract with the Central Virginia Electric Cooperative for the output associated with a 4.15% undivided ownership interest in AFEC. The output of AFEC associated with the remaining 90.69% undivided ownership interest (the "90.69% Interest") is sold to AMP Members pursuant to a take-or-pay power sales contract with 87 of its Members (the "AFEC Power Sales Contract").

In 2012, to provide permanent financing for the 90.69% Interest, AMP issued, in two series, \$546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the "2012 AFEC Bonds"), consisting of taxable and tax-exempt obligations. The AFEC Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under the AFEC Power Sales Contract. In 2017 and 2021, AMP issued bonds (the "AFEC Refunding Bonds" and, together with the 2012 AFEC Bonds, the "AFEC Bonds") to refund all of the callable a portion of the 2012 AFEC Bonds. As of January 1, 2024, \$378,790,000 aggregate principal amount of AFEC Bonds was outstanding.

The City has executed a take-or-pay power sales contract with AMP as a participant of the AFEC of 7,220 kW or 1.55% of capacity and associated energy from the AFEC.

In each of April 2021 and December 2022, AMP executed a Gas Supply Contract (each, a "Gas Supply Contract") with Tennergy Corporation ("Tennergy") under the terms of which Tennergy will provide a portion of the natural gas made available to Tennergy under the terms of a Prepaid Natural Gas Sales Agreement (each, a "Prepaid Natural Gas Sales Agreement") between Tennergy and a subsidiary of Morgan Stanley. In December 2021, AMP executed a Gas Supply Contract with The Black Belt Energy District ("Black Belt") under the terms of which Black Belt will provide a portion of the natural gas made available to Black Belt under the terms of a Prepaid Natural Gas Sales Agreement between Black Belt and a subsidiary of J. Aron & Company LLC. Under each Gas Supply Contract, AMP receives the benefit of a discount from market index gas price.

Combined Hydroelectric Projects

Combined Hydroelectric Projects Combined Hydroelectric Projects (79 Members). AMP owns and operates three hydroelectric projects, the Cannelton, the Smithland and the Willow Island hydroelectric generating facilities (the "Combined Hydroelectric Projects"), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Combined Hydroelectric Projects is in commercial operation and consists of run-of-the-river hydroelectric generating facilities on existing Army Corps dams and includes associated transmission facilities. AMP holds the licenses from FERC for the Combined Hydroelectric Projects.

City of Hillsdale
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To provide financing for, or refinance certain obligations incurred in respect of, the Combined Hydroelectric Projects, AMP has issued ten series of its Combined Hydroelectric Projects Revenue Bonds (the "Combined Hydroelectric Bonds"), in an original aggregate principal amount of \$2,483,845,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of January 1, 2024, \$2,059,888,824 aggregate principal amount of the Combined Hydroelectric Bonds were outstanding under the indenture securing the Combined Hydroelectric Bonds.

The City has executed a take-or-pay power sales contract with AMP as a participant of the Combine Hydroelectric Projects of 3,398 kW or 1.63% of capacity and associated energy from the Combined Hydroelectric Projects.

In August 2017, AMP filed a lawsuit against Voith Hydro, Inc. ("Voith"), the supplier of major powerhouse equipment, including the turbines and generators for the Combined Hydroelectric Projects and the Meldahl Project (as hereinafter defined). On February 1, 2023, AMP and Voith executed a Settlement Agreement and Mutual Release resolving all claims between the parties, and the Court dismissed the case with prejudice. Pursuant to the terms of the Settlement Agreement and Mutual Release: Voith will provide to AMP, at Voith's cost, certain equipment, parts, and services; AMP will make payments to Voith totaling \$25 million; and the future purchase and sale of goods and services for the Combined Hydroelectric Projects will be governed by agreed-upon terms and conditions. Resolution of the claims pursuant to the Settlement Agreement and Mutual Release will not have a material impact on the financial condition of AMP, the Combined Hydroelectric Projects, the Meldahl Project, or the Participants in either project.

Meldahl Hydroelectric Project

Meldahl Hydroelectric Project Meldahl Hydroelectric Project (48 Members). AMP owns and, together with the City of Hamilton, Ohio, an AMP Member, developed and constructed a 108.8 MW, three-unit hydroelectric generation facility on the Captain Anthony Meldahl Locks and Dam, an existing Army Corps dam on the Ohio River, and related equipment and associated transmission facilities (the "Meldahl Project"). The Meldahl Project is operated by the City of Hamilton.

In order to finance the construction of the Meldahl Project and related costs, AMP issued seven series of its Meldahl Hydroelectric Project Revenue Bonds ("Meldahl Bonds") in an original aggregate principal amount of \$820,185,000 consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Meldahl Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 48 of its Members. As of January 1, 2024, \$632,385,000 aggregate principal amount of the Meldahl Bonds.

The City has executed a take-or-pay power sales contract with AMP as a participant of the Meldahl Project of 731 kW or .70% of capacity and associated energy from the Meldahl Hydroelectric Projects.

Greenup Hydroelectric Project

Greenup Hydroelectric Project Greenup Hydroelectric Project (47 Members). In connection with the development of the Meldahl Project, Hamilton agreed to sell and AMP agreed to purchase a 48.6% undivided ownership interest (the "AMP Interest") in the Greenup Hydroelectric Facility. On May 11, 2016, AMP issued \$125,630,000 aggregate principal amount of its Greenup Hydroelectric Project Revenue Bonds, Series 2016A (the "2016 Greenup Bonds") and, with a portion of the proceeds thereof, acquired the AMP Interest. The 2016 Greenup Bonds are secured by a separate power sales contract that has been executed by the same Members (with the exception of Hamilton, which retained title to a 51.4% ownership interest in the Greenup Hydroelectric Facility) that executed the Meldahl Power Sales Contract. As of January 1, 2024, \$116,830,000 aggregate principal amount of the 2016 Greenup Bonds.

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

The City has executed a take-or-pay power sales contract with AMP as a participant of the Greenup Hydroelectric Facility of 479 kW or 1.40% of capacity and associated energy from the Greenup Hydroelectric Facility.

Note 20 - Tax Abatements

The City enters into property tax abatement agreements with local businesses under several programs as authorized under Public Act 328 of 1998 (PA 328) and Public Act 198 of 1974, as amended (PA 198).

Industrial property tax abatements are granted in the State of Michigan under Public Act 198, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the City (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project and must be accompanied by a written agreement between the taxpayer and the City. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. For the year ended June 30, 2024, the City's property taxes were reduced by \$29,279 under this program.

Neighborhood enterprise zone tax abatements are granted in the State of Michigan under Public Act 147, as amended, to encourage investment in the construction or rehabilitation of multiple types of housing for both homeownership and rental. The project must be located in a Neighborhood Enterprise Zone (NEZ) as established by the City Council. A qualifying project involves the construction of new housing for either homeownership or rental. A rehabilitation project involves the rehabilitation of existing housing, and requires a minimum investment in the rehabilitation. A new construction project must include rental apartments, contain retail space on the first floor, and be located in a Downtown Revitalization District. For new facilities, the rate of taxation of a new facility is equal to 50% of the average rate of taxation levied on commercial, industrial, and utility property in the State in the immediately preceding calendar year. The amount of the abatement is equal to the taxable value of the qualifying property applied to the millage rate that is the difference between the NEZ millage rate and the ad valorem millage rate. For rehabilitation facilities, the taxable value is set ("frozen") at that value established in the year immediately preceding the effective date of the NEZ exemption for a property. The amount of the abatement is the difference between the taxes that would be levied on the current taxable value and the NEZ taxes levied on the value of the qualifying property in the year immediately preceding the effective date of the exemption certificate. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. For the year ended June 30, 2024, the City's property taxes were reduced by \$28,087 under this program.

Obsolete property rehabilitation abatements are granted in the State of Michigan under Public Act 146 of 2000, as amended, to encourage investment in the significant renovation and/or rehabilitation of obsolete buildings for commercial use. The obsolete property rehabilitation (OPR) exemption must be approved by both the City (after a public hearing is held) and the State of Michigan. OPR exemptions can cover real property. Property must be functionally obsolete as determined by the City Assessor as defined in the legislation. Project must be for a project that will have a commercial or commercial housing use. The taxable value of the qualifying property is set ("frozen") at the taxable value assigned in the year immediately preceding the effective date of the exemption certificate. New taxable value in excess of the frozen taxable value is exempted from certain millages levied on real property for a period of 1-12 years. By State law, the exemption must be applied for no later than six months after commencement of the project, and must be accompanied by a written agreement between the taxpayer and the City. The amount of the abatement is equal to the exempted mills applied to the amount of the taxable value created by investment in the project. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. For the year ended June 30, 2024, the City's property taxes were reduced by \$25,381 under this program.

City of Hillsdale
Notes to the Financial Statements
June 30, 2024

The Commercial Rehabilitation Act, PA 210 of 2005, as amended, affords a tax incentive for the rehabilitation of commercial property for the primary purpose and use of a commercial business or multi-family residential facility. The property must be located within an established Commercial Rehabilitation District. Exemptions are approved for a term of 1-10 years, as determined by the local unit of government. The property taxes are based upon the previous year's (prior to rehabilitation) taxable value. The taxable value is frozen for the duration of the certificate. Applications are filed, reviewed and approved by the local unit of government, but are also subject to review at the State level by the Property Services Division. The State Tax Commission (STC) is responsible for final approval and issuance of certificates. Exemptions are not effective until approved by the STC. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. For the year ended June 30, 2024, the City's property taxes were reduced by \$28,833 under this program.

Note 21 - Correction of Error and Change in Major Funds

The City has restated its Governmental Activities beginning net position by \$1,162,457, increasing the beginning net position from \$33,840,839 to \$35,003,296 in order to appropriately account for beginning balances in infrastructure capital assets and accumulated depreciation.

During the year, the City implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*. The implementation had the following effect on net position as reported June 30, 2024:

	Major Street Fund	Local Street Fund	Nonmajor Governmental	Governmental Activities
Net position / fund balance at June 30, 2023	\$ 1,054,693	\$ -	\$ 3,097,138	\$ 33,840,839
Adjustments				
Change from major to nonmajor fund	(1,054,693)	-	1,054,693	-
Change from nonmajor to major fund	-	382,340	(382,340)	-
Correction of error	-	-	-	1,162,457
Adjusted or restated net position / fund balance at June 30, 2023	<u>\$ -</u>	<u>\$ 382,340</u>	<u>\$ 3,769,491</u>	<u>\$ 35,003,296</u>

City of Hillsdale
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Taxes				
Property taxes	\$ 1,964,720	\$ 1,964,720	\$ 1,980,293	\$ 15,573
Administration fee	1,216,228	1,216,228	1,265,495	49,267
Special assessments	5,000	5,000	-	(5,000)
Licenses and permits	98,000	98,000	122,510	24,510
Federal grants	-	-	1,819	1,819
State-shared revenue	1,149,572	1,149,572	1,119,571	(30,001)
State grants	200,000	200,000	246,605	46,605
Charges for services	24,900	24,900	20,696	(4,204)
Fines and forfeitures	700	700	1,830	1,130
Rental income	38,600	38,600	19,909	(18,691)
Investment income	108,000	182,492	216,818	34,326
Other revenue	288,608	296,108	242,218	(53,890)
Total revenues	5,094,328	5,176,320	5,237,764	61,444
Expenditures				
General government				
Council	23,600	25,941	26,431	490
City manager	106,126	121,733	123,354	1,621
Accounting	98,478	117,912	112,297	(5,615)
Clerk	110,811	113,904	108,831	(5,073)
Treasurer	176,856	176,856	179,918	3,062
Assessor	224,501	239,196	209,365	(29,831)
Elections	13,650	14,108	13,767	(341)
Building and grounds	198,027	198,027	152,156	(45,871)
Human resources	48,114	51,945	52,326	381
Administrative services	260,539	260,539	226,165	(34,374)
Total general government	1,260,702	1,320,161	1,204,610	(115,551)
Public safety				
Police	1,832,754	1,881,211	1,817,868	(63,343)
Fire department	591,477	641,712	612,616	(29,096)
Total public safety	2,424,231	2,522,923	2,430,484	(92,439)
Public works				
Department of public works	475,960	589,208	503,985	(85,223)
Engineering services	37,041	50,249	37,612	(12,637)
Street lighting	53,750	55,727	55,084	(643)
Cemeteries	133,181	133,181	121,526	(11,655)
Parking lots	61,248	61,248	46,201	(15,047)
Airports	131,238	168,409	170,964	2,555
Total public works	892,418	1,058,022	935,372	(122,650)

See Accompanying Notes to Required Supplementary Information

City of Hillsdale
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Community and economic development				
Planning	\$ 217,958	\$ 217,958	\$ 174,819	\$ (43,139)
Economic development	<u>71,463</u>	<u>80,592</u>	<u>73,158</u>	<u>(7,434)</u>
Total community and economic development	<u>289,421</u>	<u>298,550</u>	<u>247,977</u>	<u>(50,573)</u>
Recreation and culture				
Parks and recreation	<u>203,748</u>	<u>203,748</u>	<u>199,571</u>	<u>(4,177)</u>
Debt service				
Principal retirement	-	-	3,016	3,016
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>109</u>	<u>109</u>
Total debt service	<u>-</u>	<u>-</u>	<u>3,125</u>	<u>3,125</u>
Total expenditures	<u>5,070,520</u>	<u>5,403,404</u>	<u>5,021,139</u>	<u>(382,265)</u>
Excess (deficiency) of revenues over expenditures	<u>23,808</u>	<u>(227,084)</u>	<u>216,625</u>	<u>443,709</u>
Other financing sources (uses)				
Transfers in	203,000	203,000	188,253	(14,747)
Transfers out	<u>(197,923)</u>	<u>(3,451,207)</u>	<u>(3,378,078)</u>	<u>73,129</u>
Total other financing sources (uses)	<u>5,077</u>	<u>(3,248,207)</u>	<u>(3,189,825)</u>	<u>58,382</u>
Net change in fund balance	28,885	(3,475,291)	(2,973,200)	502,091
Fund balance - beginning of year	<u>4,626,825</u>	<u>4,626,825</u>	<u>4,626,825</u>	<u>-</u>
Fund balance - end of year	<u>\$ 4,655,710</u>	<u>\$ 1,151,534</u>	<u>\$ 1,653,625</u>	<u>\$ 502,091</u>

See Accompanying Notes to Required Supplementary Information

City of Hillsdale
Required Supplementary Information
Budgetary Comparison Schedule
Local Street Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
State grants	\$ 298,493	\$ 298,493	\$ 305,830	\$ 7,337
Investment income	3,000	3,000	8,858	5,858
Other revenue	2,500	2,500	15,012	12,512
Total revenues	303,993	303,993	329,700	25,707
Expenditures				
Current				
Public works	461,135	461,135	381,126	(80,009)
Capital outlay	3,000,000	3,000,000	1,052,864	(1,947,136)
Total expenditures	3,461,135	3,461,135	1,433,990	(2,027,145)
Excess of revenues (deficiency) over expenditures	(3,157,142)	(3,157,142)	(1,104,290)	2,052,852
Other financing sources (uses)				
Transfers in	3,125,000	3,125,000	1,176,592	(1,948,408)
Transfers out	(26,000)	(46,114)	(48,825)	(2,711)
Total other financing sources (uses)	3,099,000	3,078,886	1,127,767	(1,951,119)
Net change in fund balance	(58,142)	(78,256)	23,477	101,733
Fund balance - beginning of year	382,340	382,340	382,340	-
Fund balance - end of year	\$ 324,198	\$ 304,084	\$ 405,817	\$ 101,733

See Accompanying Notes to Required Supplementary Information

City of Hillsdale
Required Supplementary Information
Budgetary Comparison Schedule
Municipal Street Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Taxes	\$ 1,082,994	\$ 1,082,994	\$ 1,119,328	\$ 36,334
State grants	48,000	48,000	137,423	89,423
Investment income	-	-	197,749	197,749
Other revenue	-	-	15,084	15,084
Total revenues	<u>1,130,994</u>	<u>1,130,994</u>	<u>1,469,584</u>	<u>338,590</u>
Expenditures				
Current				
Public works	96,770	96,770	73,647	(23,123)
Debt service				
Principal retirement	240,000	240,000	240,000	-
Interest and fiscal charges	<u>115,000</u>	<u>115,000</u>	<u>115,000</u>	<u>-</u>
Total expenditures	<u>451,770</u>	<u>451,770</u>	<u>428,647</u>	<u>(23,123)</u>
Excess of revenues (deficiency) over expenditures	<u>679,224</u>	<u>679,224</u>	<u>1,040,937</u>	<u>361,713</u>
Other financing sources (uses)				
Transfers out	<u>(2,900,000)</u>	<u>(2,900,000)</u>	<u>(951,592)</u>	<u>1,948,408</u>
Net change in fund balance	(2,220,776)	(2,220,776)	89,345	2,310,121
Fund balance - beginning of year	<u>3,239,859</u>	<u>3,239,859</u>	<u>3,239,859</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,019,083</u>	<u>\$ 1,019,083</u>	<u>\$ 3,329,204</u>	<u>\$ 2,310,121</u>

See Accompanying Notes to Required Supplementary Information

City of Hillsdale
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios

Fiscal year ended June 30,	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 365,745	\$ 370,256	\$ 358,007	\$ 369,758	\$ 382,857
Interest	2,033,429	1,997,631	1,949,863	1,869,001	1,887,904
Changes of benefit terms	-	-	-	(4,615)	-
Experience differences	104,964	(45,764)	373,646	(188,126)	(317,723)
Changes in assumptions	210,582	-	977,817	738,016	671,798
Benefit payments and refunds	(1,863,467)	(1,788,727)	(1,747,339)	(1,681,028)	(1,568,899)
Net change in total pension liability	851,253	533,396	1,911,994	1,103,006	1,055,937
Total pension liability - beginning	28,796,164	28,262,768	26,350,774	25,247,768	24,191,831
Total pension liability - ending (a)	<u>\$ 29,647,417</u>	<u>\$ 28,796,164</u>	<u>\$ 28,262,768</u>	<u>\$ 26,350,774</u>	<u>\$ 25,247,768</u>
Plan fiduciary net position					
Employer contributions	\$ 839,863	\$ 781,697	\$ 688,204	\$ 569,786	\$ 525,911
Employee contributions	170,419	178,600	207,510	201,567	303,901
Net investment income (loss)	2,227,989	(2,405,838)	2,950,674	2,436,559	2,434,545
Benefit payments and refunds	(1,863,467)	(1,788,727)	(1,747,339)	(1,681,028)	(1,568,899)
Administrative expense	(46,396)	(42,392)	(33,864)	(39,152)	(41,924)
Net change in plan fiduciary net position	1,328,408	(3,276,660)	2,065,185	1,487,732	1,653,534
Plan fiduciary net position - beginning	20,011,020	23,287,680	21,222,495	19,734,763	18,081,229
Plan fiduciary net position - ending (b)	<u>\$ 21,339,428</u>	<u>\$ 20,011,020</u>	<u>\$ 23,287,680</u>	<u>\$ 21,222,495</u>	<u>\$ 19,734,763</u>
Net pension liability (a-b)	<u>\$ 8,307,989</u>	<u>\$ 8,785,144</u>	<u>\$ 4,975,088</u>	<u>\$ 5,128,279</u>	<u>\$ 5,513,005</u>
Plan fiduciary net position as a percentage of total pension liability	71.98%	69.49%	82.40%	80.54%	78.16%
Covered payroll	\$ 2,876,068	\$ 2,928,288	\$ 3,075,998	\$ 3,387,546	\$ 3,500,819
Net pension liability as a percentage of covered payroll	288.87%	300.01%	161.74%	151.39%	157.48%

See Accompanying Notes to Required Supplementary Information

City of Hillsdale
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios

Fiscal year ended June 30,	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 363,207	\$ 368,215	\$ 363,158	\$ 355,050	\$ 364,196
Interest	1,849,895	1,796,683	1,765,765	1,677,362	1,621,606
Changes of benefit terms	7,156	(7,990)	(9,325)	-	-
Experience differences	(194,427)	42,169	(249,508)	110,760	-
Changes in assumptions	-	-	-	1,013,079	-
Benefit payments and refunds	(1,552,182)	(1,510,668)	(1,461,617)	(1,378,158)	(1,232,671)
Net change in total pension liability	473,649	688,409	408,473	1,778,093	753,131
Total pension liability - beginning	23,718,182	23,029,773	22,621,300	20,843,207	20,090,076
Total pension liability - ending (a)	<u>\$ 24,191,831</u>	<u>\$ 23,718,182</u>	<u>\$ 23,029,773</u>	<u>\$ 22,621,300</u>	<u>\$ 20,843,207</u>
Plan fiduciary net position					
Employer contributions	\$ 510,189	\$ 421,866	\$ 336,160	\$ 346,141	\$ 332,464
Employee contributions	203,833	190,637	164,437	156,571	137,790
Net investment income (loss)	(751,004)	2,370,564	1,932,425	(270,721)	1,138,603
Benefit payments and refunds	(1,552,182)	(1,510,668)	(1,461,617)	(1,378,158)	(1,232,671)
Administrative expense	(37,665)	(37,600)	(38,185)	(39,960)	(41,683)
Net change in plan fiduciary net position	(1,626,829)	1,434,799	933,220	(1,186,127)	334,503
Plan fiduciary net position - beginning	19,708,058	18,273,259	17,340,039	18,526,166	18,191,663
Plan fiduciary net position - ending (b)	<u>\$ 18,081,229</u>	<u>\$ 19,708,058</u>	<u>\$ 18,273,259</u>	<u>\$ 17,340,039</u>	<u>\$ 18,526,166</u>
Net pension liability (a-b)	<u>\$ 6,110,602</u>	<u>\$ 4,010,124</u>	<u>\$ 4,756,514</u>	<u>\$ 5,281,261</u>	<u>\$ 2,317,041</u>
Plan fiduciary net position as a percentage of total pension liability	74.74%	83.09%	79.35%	76.65%	88.88%
Covered payroll	\$ 3,769,509	\$ 3,436,078	\$ 3,440,133	\$ 3,426,822	\$ 3,531,325
Net pension liability as a percentage of covered payroll	162.11%	116.71%	138.27%	154.12%	65.61%

See Accompanying Notes to Required Supplementary Information

City of Hillsdale
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Employer Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
6/30/2015	\$ 330,003	\$ 330,003	\$ -	\$ 3,531,325	9.35%
6/30/2016	348,500	348,500	-	3,955,056	8.81%
6/30/2017	353,776	353,776	-	3,714,246	9.52%
6/30/2018	490,020	490,020	-	3,899,437	12.57%
6/30/2019	523,811	523,811	-	3,713,486	14.11%
6/30/2020	529,357	529,357	-	3,631,756	14.58%
6/30/2021	622,163	622,163	-	3,460,882	17.98%
6/30/2022	739,819	739,819	-	3,075,998	24.05%
6/30/2023	842,934	842,934	-	1,804,614	46.71%
6/30/2024	818,844	818,844	-	2,902,750	28.21%

See Accompanying Notes to Required Supplementary Information

City of Hillsdale
Notes to the Required Supplementary Information
June 30, 2024

Pension Information

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios – Municipal Employees' Retirement System of Michigan

The June 30, 2024, changes in assumptions are due to the following:

- The discount rate was lowered from 7.25% to 7.18%.
- Assumed rate of investment return was lowered from 7.00% to 6.93%.

Notes to the Schedule of Employer Contributions – Municipal Employees' Retirement System of Michigan

- Valuation date: December 31, 2021
- Actuarially determined contribution rates are calculated as of December 31 that is 18 months prior to the beginning of the fiscal year for which the contributions are presented.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal
- Amortization method: Level dollar, closed
- Remaining amortization period: 15 years
- Asset valuation method: 5-year smoothed value of assets
- Inflation: 2.5 percent
- Salary increase: 3.0 percent
- Investment rate of return: 7.00 percent net of pension plan investment expense, including inflation
- Mortality rates: Pub-2010 and Fully Generational MP-2019

City of Hillsdale
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds					
	Major Street	Police	Recreation	Tree Restitution Fund	Contributions and Donations	R. L. Owen Memorial
Assets						
Cash and cash equivalents	\$ 1,182,329	\$ 2,814	\$ 10,939	\$ 2,403	\$ 174	\$ 42,077
Receivables						
Accounts	247	-	700	-	-	-
Due from other units of government	146,957	-	-	-	-	-
Due from other funds	665	-	-	-	-	-
Prepaid items	1,264	-	2,666	-	-	-
Total assets	<u>\$ 1,331,462</u>	<u>\$ 2,814</u>	<u>\$ 14,305</u>	<u>\$ 2,403</u>	<u>\$ 174</u>	<u>\$ 42,077</u>
Liabilities						
Accounts payable	114,467	\$ -	\$ 4,238	\$ -	\$ -	\$ -
Payroll and other liabilities	8,402	-	6,946	-	-	-
Total liabilities	<u>122,869</u>	<u>-</u>	<u>11,184</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances						
Non-spendable						
Prepaid items	1,264	-	2,666	-	-	-
Corpus	-	-	-	-	-	-
Restricted for						
Special Revenue	1,207,329	2,814	455	2,403	174	42,077
Capital projects	-	-	-	-	-	-
Perpetual care	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total fund balances	<u>1,208,593</u>	<u>2,814</u>	<u>3,121</u>	<u>2,403</u>	<u>174</u>	<u>42,077</u>
Total liabilities and fund balances	<u>\$ 1,331,462</u>	<u>\$ 2,814</u>	<u>\$ 14,305</u>	<u>\$ 2,403</u>	<u>\$ 174</u>	<u>\$ 42,077</u>

City of Hillsdale
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds					
	Drug Forfeitures	Library	ARPA Grant	Field of Dreams	Stock Park	Airport
Assets						
Cash and cash equivalents	\$ 5,882	\$ 827,111	\$ -	\$ 2,409	\$ 75,375	\$ 780,333
Receivables						
Accounts	-	40,665	-	-	-	-
Due from other units of government	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Prepaid items	-	4,882	-	-	800	2,224
Total assets	<u>\$ 5,882</u>	<u>\$ 872,658</u>	<u>\$ -</u>	<u>\$ 2,409</u>	<u>\$ 76,175</u>	<u>\$ 782,557</u>
Liabilities						
Accounts payable	\$ -	\$ 1,460	\$ -	\$ -	\$ 3,139	\$ 16,859
Payroll and other liabilities	-	5,326	-	-	-	1
Total liabilities	<u>-</u>	<u>6,786</u>	<u>-</u>	<u>-</u>	<u>3,139</u>	<u>16,860</u>
Fund balances						
Non-spendable						
Prepaid items	-	4,882	-	-	800	2,224
Corpus	-	-	-	-	-	-
Restricted for						
Special Revenue	5,882	860,990	-	2,409	72,236	763,473
Capital projects	-	-	-	-	-	-
Perpetual care	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total fund balances	<u>5,882</u>	<u>865,872</u>	<u>-</u>	<u>2,409</u>	<u>73,036</u>	<u>765,697</u>
Total liabilities and fund balances	<u>\$ 5,882</u>	<u>\$ 872,658</u>	<u>\$ -</u>	<u>\$ 2,409</u>	<u>\$ 76,175</u>	<u>\$ 782,557</u>

City of Hillsdale
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Capital Projects Funds		Permanent Funds		Total Nonmajor Governmental Funds
	Capital Improvement	Fire Equipment	Cemetery Perpetual Care	Stock Park Maintenance	
Assets					
Cash and cash equivalents	\$ 3,964,662	\$ 138,854	\$ 620,340	\$ 93,645	\$ 7,749,347
Receivables					
Accounts	-	128	-	-	41,740
Due from other units of government	-	-	-	-	146,957
Due from other funds	-	-	147,390	-	148,055
Prepaid items	-	-	-	-	11,836
Total assets	<u>\$ 3,964,662</u>	<u>\$ 138,982</u>	<u>\$ 767,730</u>	<u>\$ 93,645</u>	<u>\$ 8,097,935</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 140,163
Payroll and other liabilities	-	-	-	-	20,675
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,838</u>
Fund balances					
Non-spendable					
Prepaid items	-	-	-	-	11,836
Corpus	-	-	742,756	5,000	747,756
Restricted for					
Special Revenue	-	-	-	-	2,960,242
Capital projects	-	138,982	-	-	138,982
Perpetual care	-	-	24,974	88,645	113,619
Assigned	<u>3,964,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,964,662</u>
Total fund balances	<u>3,964,662</u>	<u>138,982</u>	<u>767,730</u>	<u>93,645</u>	<u>7,937,097</u>
Total liabilities and fund balances	<u>\$ 3,964,662</u>	<u>\$ 138,982</u>	<u>\$ 767,730</u>	<u>\$ 93,645</u>	<u>\$ 8,097,935</u>

City of Hillsdale
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds						
	Major Street	Local Street	Police	Recreation	Tree Restitution Fund	Contributions and Donations	R. L. Owen Memorial
Revenues							
Taxes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	-		-	-	-	-	-
State grants	981,808		-	-	-	-	-
Local contributions	-		-	3,586	-	25,316	-
Charges for services	-		-	72,521	-	-	-
Fines and forfeitures	-		-	-	-	-	-
Rental income	-		-	35,478	-	-	-
Investment income	39,817		53	146	60	175	5,399
Other revenue	41,223		1,100	8,270	2,343	-	-
Total revenues	1,062,848		1,153	120,001	2,403	25,491	5,399
Expenditures							
Current							
General government	-		-	-	-	25,317	-
Public safety	-		-	-	-	-	-
Public works	515,050		-	-	-	-	-
Recreation and culture	-		-	180,574	-	-	42
Capital outlay	92,704		-	-	-	-	-
Debt service							
Principal retirement	-		-	-	-	-	-
Interest and fiscal charges	-		-	-	-	-	-
Total expenditures	607,754		-	180,574	-	25,317	42
Excess (deficiency) of revenues over expenditures	455,094		1,153	(60,573)	2,403	174	5,357
Other financing sources (uses)							
Transfers in	20,114		-	61,241	-	-	-
Transfers out	(321,308)		-	-	-	-	-
Total other financing sources and uses	(301,194)		-	61,241	-	-	-
Net change in fund balances	153,900		1,153	668	2,403	174	5,357
Fund balances - beginning of year, as previously presented	-	382,340	1,661	2,453	-	-	36,720
Adjustments	1,054,693	(382,340)	-	-	-	-	-
Fund balances - beginning of year, as adjusted	1,054,693		-	-	-	-	-
Fund balances - end of year	\$ 1,208,593		\$ 2,814	\$ 3,121	\$ 2,403	\$ 174	\$ 42,077

City of Hillsdale
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

Special Revenue Funds

	Drug Forfeitures	Library	ARPA Grant	Field of Dreams	Stock Park	Airport
Revenues						
Taxes	\$ -	\$ 154,191	\$ -	\$ -	\$ -	\$ -
Federal grants	-	-	90,696	-	-	77,371
State grants	-	32,753	-	-	-	2,009
Local contributions	-	445,543	-	11,939	17,901	-
Charges for services	-	6,486	-	3,991	-	-
Fines and forfeitures	-	37,785	-	-	-	-
Rental income	-	5,898	-	-	-	70,651
Investment income	147	31,391	1,236	183	2,769	29,874
Other revenue	687	30,914	-	100	-	285,003
Total revenues	834	744,961	91,932	16,213	20,670	464,908
Expenditures						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	3,178	-	-	203,263
Recreation and culture	-	219,553	-	4,246	11,897	-
Capital outlay	-	-	93,074	15,162	-	106,815
Debt service						
Principal retirement	-	1,146	-	-	-	-
Interest and fiscal charges	-	126	-	-	-	-
Total expenditures	-	220,825	96,252	19,408	11,897	310,078
Excess (deficiency) of revenues over expenditures	834	524,136	(4,320)	(3,195)	8,773	154,830
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-
Net change in fund balances	834	524,136	(4,320)	(3,195)	8,773	154,830
Fund balances - beginning of year, as previously presented	5,048	341,736	4,320	5,604	64,263	610,867
Adjustments	-	-	-	-	-	-
Fund balances - beginning of year, as adjusted	-	-	-	-	-	-
Fund balances - end of year	\$ 5,882	\$ 865,872	\$ -	\$ 2,409	\$ 73,036	\$ 765,697

City of Hillsdale
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Capital Projects Funds		Permanent Funds Funds		Total Nonmajor Governmental Funds
	Capital Improvement	Fire Equipment	Cemetery Perpetual Care	Stock Park Maintenance	
Revenues					
Taxes	\$ -	\$ 150,680	\$ -	\$ -	\$ 304,871
Federal grants	-	-	-	-	168,067
State grants	-	-	-	-	1,016,570
Local contributions	-	3,604	-	1,934	509,823
Charges for services	-	-	15,685	-	98,683
Fines and forfeitures	-	-	-	-	37,785
Rental income	-	-	-	-	112,027
Investment income	53,743	4,430	29,656	3,954	203,033
Other revenue	50	-	-	-	369,690
Total revenues	<u>53,793</u>	<u>158,714</u>	<u>45,341</u>	<u>5,888</u>	<u>2,820,549</u>
Expenditures					
Current					
General government	-	-	-	-	25,317
Public safety	-	37	-	-	37
Public works	-	-	367	-	721,858
Recreation and culture	-	-	-	68	416,380
Capital outlay	50,109	112,262	-	-	470,126
Debt service					
Principal retirement	-	-	-	-	1,146
Interest and fiscal charges	-	-	-	-	126
Total expenditures	<u>50,109</u>	<u>112,299</u>	<u>367</u>	<u>68</u>	<u>1,634,990</u>
Excess (deficiency) of revenues over expenditures	<u>3,684</u>	<u>46,415</u>	<u>44,974</u>	<u>5,820</u>	<u>1,185,559</u>
Other financing sources (uses)					
Transfers in	3,242,000	-	-	-	3,323,355
Transfers out	-	-	(20,000)	-	(341,308)
Total other financing sources and uses	<u>3,242,000</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>	<u>2,982,047</u>
Net change in fund balances	<u>3,245,684</u>	<u>46,415</u>	<u>24,974</u>	<u>5,820</u>	<u>4,167,606</u>
Fund balances - beginning of year, as previously presented	718,978	92,567	742,756	87,825	3,097,138
Adjustments	-	-	-	-	672,353
Fund balances - beginning of year, as adjusted	-	-	-	-	3,769,491
Fund balances - end of year	<u>\$ 3,964,662</u>	<u>\$ 138,982</u>	<u>\$ 767,730</u>	<u>\$ 93,645</u>	<u>\$ 7,937,097</u>

City of Hillsdale
Other Supplementary Information
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Department of Public Service Leave and Benefits	Public Service Inventory	Revolving Mobile Equipment	Unemployment Insurance	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 53,839	\$ 23,728	\$ 188,593	\$ 40,313	\$ 306,473
Inventories	-	141,278	-	-	141,278
Prepaid items	15,593	-	21,801	-	37,394
Total current assets	69,432	165,006	210,394	40,313	485,145
Noncurrent assets					
Capital assets, net of accumulated depreciation	-	-	616,586	-	616,586
Total assets	69,432	165,006	826,980	40,313	1,101,731
Liabilities					
Current liabilities					
Accounts payable	-	-	2,615	-	2,615
Due to other funds	-	1,129	-	-	1,129
Payroll and other liabilities	-	-	925	-	925
Total current liabilities	-	1,129	3,540	-	4,669
Total liabilities	-	1,129	3,540	-	4,669
Net position					
Net investment in capital assets	-	-	616,586	-	616,586
Unrestricted	69,432	163,877	206,854	40,313	480,476
Total net position	\$ 69,432	\$ 163,877	\$ 823,440	\$ 40,313	\$ 1,097,062

City of Hillsdale
Other Supplementary Information
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Department of Public Service Leave and Benefits	Public Service Inventory	Revolving Mobile Equipment	Unemployment Insurance	Total
Operating revenue					
Billings to other funds	\$ -	\$ 10,903	\$ 405,870	\$ -	\$ 416,773
Other revenue	<u>59,766</u>	<u>-</u>	<u>12,244</u>	<u>-</u>	<u>72,010</u>
Total operating revenue	<u>59,766</u>	<u>10,903</u>	<u>418,114</u>	<u>-</u>	<u>488,783</u>
Operating expenses					
Personnel services	25,419	-	31,506	-	56,925
Supplies	-	9,048	54,469	-	63,517
Contractual services	-	82	62,858	23,578	86,518
Utilities	-	-	7,167	-	7,167
Other expenses	-	-	736	-	736
Depreciation	<u>-</u>	<u>-</u>	<u>131,571</u>	<u>-</u>	<u>131,571</u>
Total operating expenses	<u>25,419</u>	<u>9,130</u>	<u>288,307</u>	<u>23,578</u>	<u>346,434</u>
Operating income (loss)	<u>34,347</u>	<u>1,773</u>	<u>129,807</u>	<u>(23,578)</u>	<u>142,349</u>
Nonoperating revenue (expenses)					
Investment income	1,640	681	5,098	2,034	9,453
Gain on sale of capital assets	<u>-</u>	<u>-</u>	<u>16,576</u>	<u>-</u>	<u>16,576</u>
Total nonoperating revenues (expenses)	<u>1,640</u>	<u>681</u>	<u>21,674</u>	<u>2,034</u>	<u>26,029</u>
Change in net position	35,987	2,454	151,481	(21,544)	168,378
Net position - beginning of year	<u>33,445</u>	<u>161,423</u>	<u>671,959</u>	<u>61,857</u>	<u>928,684</u>
Net position - end of year	<u>\$ 69,432</u>	<u>\$ 163,877</u>	<u>\$ 823,440</u>	<u>\$ 40,313</u>	<u>\$ 1,097,062</u>

City of Hillsdale
Other Supplementary Information
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Department of Public Service Leave and Benefits	Public Service Inventory	Revolving Mobile Equipment	Unemployment Insurance	Total
Cash flows from operating activities					
Receipts from interfund users	\$ 59,766	\$ 11,166	\$ 418,114	\$ -	\$ 489,046
Payments to suppliers	-	(3,824)	(147,791)	(23,578)	(175,193)
Payments to employees	(53,778)	-	(31,506)	-	(85,284)
Net cash provided (used) by operating activities	5,988	7,342	238,817	(23,578)	228,569
Cash flows from capital and related financing activities					
Purchases/construction of capital assets	-	-	(253,395)	-	(253,395)
Proceeds from sale of capital assets	-	-	16,576	-	16,576
Net cash provided (used) by capital and related financing activities	-	-	(236,819)	-	(236,819)
Cash flows from investing activities					
Interest received	1,640	681	5,098	2,034	9,453
Net change in cash and cash equivalents	7,628	8,023	7,096	(21,544)	1,203
Cash and cash equivalents - beginning of year	46,211	15,705	181,497	61,857	305,270
Cash and cash equivalents - end of year	\$ 53,839	\$ 23,728	\$ 188,593	\$ 40,313	\$ 306,473
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 34,347	\$ 1,773	\$ 129,807	\$ (23,578)	\$ 142,349
Adjustments to reconcile operating income to net cash from operating activities					
Depreciation and amortization expense	-	-	131,571	-	131,571
Changes in assets and liabilities					
Receivables (net)	-	158	-	-	158
Due from other funds	-	105	-	-	105
Inventories	-	5,472	-	-	5,472
Prepaid items	359	-	(12,694)	-	(12,335)
Accounts payable	-	(1,286)	(9,832)	-	(11,118)
Accrued and other liabilities	-	(9)	(35)	-	(44)
Due to other funds	-	1,129	-	-	1,129
Compensated absences	(28,718)	-	-	-	(28,718)
Net cash provided (used) by operating activities	\$ 5,988	\$ 7,342	\$ 238,817	\$ (23,578)	\$ 228,569

City of Hillsdale
Dial-A-Ride Fund
Schedule 1 - Schedule of Local Revenues
For the Year Ended June 30, 2024

	Jul. 1, 2023 to Sep. 30, 2023	Oct. 1, 2023 to Jun. 30, 2024	Final
Local Revenues			
Demand Response (Farebox)			
Regular Service	\$ 12,080	\$ 33,737	\$ 45,817
Total Local Revenues	<u>\$ 12,080</u>	<u>\$ 33,737</u>	<u>\$ 45,817</u>

City of Hillsdale
Dial-A-Ride Fund
Schedule 1A - Schedule of Local Revenues
For the Year Ended September 30, 2023

	Oct. 1, 2022 to Jun. 30, 2023	Jul. 1, 2023 to Sep. 30, 2023	Final
Local Revenues			
Demand Response (Farebox)			
Regular Service	\$ 31,715	\$ 12,080	\$ 43,795
Total Local Revenues	<u>\$ 31,715</u>	<u>\$ 12,080</u>	<u>\$ 43,795</u>

City of Hillsdale
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2024

Federal Grantor / Pass Through Grantor Program Title	Federal Assistance	State Grantor Number	Program or Award Amount	Current Year Expenditures		
	Listing Number			Total	Federal	State
Michigan Department of Transportation (MDOT)						
Local Bus Operating Assistance (Act 51)-Prior Years			\$ 6,622	\$ 6,622	\$ -	\$ 6,622
Bus and Bus Facility Formula Program			98,677	98,677	-	98,677
2023 Local Bus Operating Assistance (Act 51)			23,038	23,038	-	23,038
2024 Local Bus Operating Assistance (Act 51)			107,709	107,709	-	107,709
Total State Assistance				236,046	-	236,046
U.S. Department of Transportation						
Passed Through MDOT						
Bus and Bus Facility Formula Program	20.526	MI-2018-009-02	76,418	76,418	76,418	
Operating Assistance (FY 23)	20.509	2022-0066-P1	23,981	23,981	23,981	-
Operating Assistance (FY 24)	20.509	2022-0066-P4	48,109	48,109	48,109	-
Total Federal Assistance				148,508	148,508	-
Total State and Federal Assistance				\$ 384,554	\$ 148,508	\$ 236,046

City of Hillsdale
Dial-A-Ride Fund
Schedule 2A - Schedule of Federal & State Awards
For the Year Ended June 30, 2024

	Jul. 1, 2023 to Sep. 30, 2023	Oct. 1, 2023 to Jun. 30, 2024	Total
Michigan Department of Transportation			
Local Bus Operating (Act 51)	\$ 23,038	\$ 107,709	\$ 130,747
Capital Grants	-	98,677	98,677
Prior Year Settlement	-	6,622	6,622
Federal Transit Administration			
Section 5311 - Operating	23,981	48,109	72,090
Capital Grants	-	76,418	76,418
Total	<u>\$ 47,019</u>	<u>\$ 337,535</u>	<u>\$ 384,554</u>

City of Hillsdale
Dial-A-Ride Fund
Schedule 2B - Schedule of Federal & State Awards
For the Year Ended September 30, 2023

	Oct. 1, 2022 to Jun. 30, 2023	Jul. 1, 2023 to Sep. 30, 2023	Total
Michigan Department of Transportation			
Local Bus Operating (Act 51)	\$ 96,004	\$ 23,038	\$ 119,042
Prior Year Settlement	10,083	-	10,083
Federal Transit Administration			
Section 5311 - Operating	99,633	23,981	123,614
Total	<u>\$ 205,720</u>	<u>\$ 47,019</u>	<u>\$ 252,739</u>

City of Hillsdale
Dial-A-Ride Fund
Schedule 3 - Operating & Contract Expenses
For the Year Ended June 30, 2024

	<u>Nonurban</u>
Expenses	
Labor	\$ 191,873
Fringe Benefits	65,057
Services	23,170
Materials and Supplies	34,774
Utilities	10,503
Insurance	13,675
Operating Lease and Rentals	658
Miscellaneous	550
Depreciation	66,309
Total Expenses	<u><u>\$ 406,569</u></u>

City of Hillsdale
Dial-A-Ride Fund
Schedule 3A - Operating Expenses By Program
For the Year Ended June 30, 2024

	Nonurban		Total
	July 1, 2023 to Sept. 30, 2023	Oct. 1, 2023 to June 30, 2024	
Expenses			
Labor	\$ 38,115	\$ 153,758	\$ 191,873
Fringe Benefits	16,276	48,781	65,057
Services	7,053	16,117	23,170
Materials and Supplies	8,209	26,565	34,774
Utilities	1,132	9,371	10,503
Insurance	2,048	11,627	13,675
Operating Lease and Rentals	155	503	658
Miscellaneous	-	550	550
Depreciation	-	66,309	66,309
Total Expenses	\$ 72,988	\$ 333,581	\$ 406,569

City of Hillsdale
Dial-A-Ride Fund
Schedule 3B - Operating Expenses by Program
For the Year Ended September 30, 2023

	Nonurban		Total
	Oct. 1, 2022 to June 30, 2023	July 1, 2023 to Sept. 30, 2023	
Expenses			
Labor	\$ 151,361	\$ 38,115	\$ 189,476
Fringe Benefits	51,293	16,276	67,569
Services	23,432	7,053	30,485
Materials and Supplies	24,475	8,209	32,684
Utilities	11,402	1,132	12,534
Insurance	14,574	2,048	16,622
Operating Lease and Rentals	304	155	459
Miscellaneous	749	-	749
Depreciation	41,296	-	41,296
Total Expenses	\$ 318,886	\$ 72,988	\$ 391,874

City of Hillsdale
Dial-A-Ride Fund
Schedule 4R - Nonurban Regular Service Revenue Report
For the Year Ended September 30, 2023

<u>Code</u>	<u>Description</u>	<u>Amount</u>
401	Farebox Revenue	
40100	Passenger Fares	\$ 43,795
409	Local Revenues	
40910	Local Operating Assistance	-
411	State Formula and Contracts	
41101	State Operating Assistance	119,042
413	Federal Contracts	
41301	Federal Section 5311 (operating funds only)	123,514
440	Other Revenue	
44000	Refunds and Credits	<u>6,374</u>
	Total Regular Service Revenues	<u>\$ 292,725</u>

City of Hillsdale
Dial-A-Ride Fund
Schedule 4E - Regular Service Operating and Contract Expenses
For the Year Ended September 30, 2023

	<u>Total System</u>
Operating Expenses	
501 Labor	
50101 Operators Salaries and Wages	\$ 119,948
50102 Other Salaries and Wages	23,454
50103 Dispatchers' Salaries and Wages	46,074
502 Fringe Benefits	
50200 Fringe Benefits	67,569
503 Services	
50305 Audit Costs	1,108
50399 Other Services	29,377
504 Materials and Supplies	
50401 Fuel and Lubricants	29,951
50499 Other Materials and Supplies	2,734
505 Utilities	
50500 Utilities	12,533
506 Insurance	
50603 Liability Insurance	16,622
509 Miscellaneous Expenses	
50999 Other Miscellaneous Expenses	748
512 Operating Leases and Rentals	
51200 Operating Leases and Rentals	459
513 Depreciation	
51300 Depreciation	<u>41,296</u>
Total Operating Expenses	<u>391,873</u>
 550 Ineligible Expense	
55007 Ineligible Depreciation	41,296
54000 Ineligible Refunds and Credits	<u>6,374</u>
Total Ineligible Expenses	<u>47,670</u>
 Total Eligible Expenses	 <u><u>\$ 344,203</u></u>

City of Hillsdale
Dial-A-Ride Fund
Schedule 5 - Operating Assistance Calculation
For the Year Ended September 30, 2023

	<u>Nonurban</u>
Total Expenses	\$ 391,873
Less Ineligible Expenses	
Depreciation	41,296
Ineligible Refunds and Credits	6,374
Total Ineligible Expenses per R&E Manual	<u>47,670</u>
Total State Eligible Expenses	<u>344,203</u>
Eligible Expenses for State Reimbursement	344,203
Reimbursement Rate	<u>34.5849%</u>
State Operating Assistance	\$ <u>119,042</u>
 Total Federal Eligible Expenses	
State Eligible Expense (per above)	\$ <u>344,203</u>
Less: Additional Federal Ineligible Expenses - Audit Costs	<u>1,108</u>
Eligible Expenses for Federal Reimbursement	343,095
Reimbursement Rate	<u>36.00%</u>
Federal Operating Assistance	\$ <u><u>123,514</u></u>

City of Hillsdale
Dial-A-Ride Fund
Schedule 4N of Nonfinancial Information (Unaudited)
For the Year Ended September 30, 2023

	<u>Weekday</u>	<u>Saturday</u>	<u>Sunday</u>	<u>Total</u>
Vehicle Hours	4,958	-	-	4,958
Vehicle Miles	53,621	-	-	53,621
Passengers, Regular	11,647	-	-	11,647
Passengers, Elderly	6,756	-	-	6,756
Passengers, Persons w/Disabilities	5,843	-	-	5,843
Passengers, Elderly Persons w/Disabilities	2,672	-	-	2,672
Total Demand Response	26,918	-	-	26,918
Days Operated	248	-	-	248
		<u>Quantity</u>		
Total Demand Response Vehicles		4		
Demand Response Vehicles with Lifts		4		
Diesel/Gasoline Gallons Consumed		10,672		
Total Transit (full-time equivalent) Employees		4		
Total Revenue Vehicles (full-time equivalent) Operators		3		

Purposed with Autism's

Annual Holiday Bazaar!

November 23, 2024

10am - 3pm

Hillsdale Free Methodist Church

150 Union St., Hillsdale, MI 49242

FREE Admission!

Unique Vendors, Crafters & Artisans

Lots of Wonderful Gifts

One of a kind Stocking Stuffers

Free AromaTouch Hand Massages

Baked Goods, Silent Auction and more.



Summary

Airport Hangar Lease Agreement

Tom Siimes is a current renter in Corporate Hangar #1. Tom currently leases the hangar for \$400/month. The hangar is 2,700 sq ft. It is an old hangar in need of new hangar doors and lighting. The hangar doors are in such bad shape that they are almost unusable. We have come up with a creative way to solve the hangar issue. Tom has agreed to put at least \$50,000.00 in repairs in lieu of hangar rent for the next 10 years. After the 10 years he would pay a market value rent. This is a "win/win" for both parties.

AIRPORT HANGAR LEASE AGREEMENT

THIS AGREEMENT, made and entered into on the date indicated below by and between **the City of Hillsdale**, a Michigan Municipality, hereinafter referred to as the "Lessor" and **Tom Siimes**, an individual, hereinafter referred to as the Lessee.

WHEREAS, the Lessor owns and operates an airport known as the Hillsdale Municipal Airport and Lessee is desirous of leasing from the Lessor a certain Hangar located upon the airport property, hereinafter more fully described.

1. **Term:** This agreement shall commence on 12/01/2024 and shall continue in the effect for a period of Ten (10) years unless terminated as set forth in this Agreement.
2. **Rent:** The Lessee has agreed to undertake and complete certain infrastructure improvements to the subject Hangar that are detailed in the attached Exhibit "A", which is incorporated herein by specific reference, and the cost of which, including labor and materials, shall exceed a total of \$48,00.00. Historically and ordinarily, the applicable rent for the hangar has been in the amount of \$400.00 per month. In consideration of the completion and payment for the improvements and the ongoing maintenance thereof, Lessor has agreed to allow Lessee the use and occupancy of the described Hangar and premises, rights, and easements herein described, free of further monthly rent for a period not to exceed Ten (10) years .
3. **Utilities:** The Lessee shall be solely responsible for electricity, heat, and all other utilities associated with the Hangar.
4. **Premises:** The premises leased is described as Corporate Hangar #1 and depicted on the attached Exhibit "B".
5. **Care of Premises:** Lessor shall maintain the structural components of the Hangar. Lessor will furnish and maintain a combination lock to be utilized on the Hangar door. Lessee shall be responsible and liable for all interior maintenance of the Hangar, repair of any damage to the hangar caused by Lessee's use, including, but not limited to, bent or broken interior walls, damage to unsealed floors due to fuel oil spillage or other chemicals, whether approved for storage or not, and doors damaged due to Lessee's improper or negligent operation.
6. **Liabilities:** Lessor hereby expressly release Lessor from any and all claims for damage to the aircraft or anything stored in the Hangar, except for such damage caused by movement of the aircraft by Lessor's employees, except that if Lessee participates in any way or gives instructions/directions to Lessor's employee(s), then Lessor shall not be liable in any way for damage to the aircraft.

Lessee shall be liable for any damage to the Lessor's property and/or other structures or stored aircraft arising from Lessee's negligence including, but not limited to, the carrying on of unauthorized activities in the Hangar or the storage of flammable or other hazardous materials except fuel in aircraft tanks. Lessee shall obtain and maintain insurance on all contents as the occupant of the leased premises. Lessor shall not be liable or otherwise responsible for the repair or remedy of any damage to any contents located within the hangar as a result of weather, Acts of God, natural acts, or any other occurrences.

7. **Use of Premises:** The Hangar hereby leased shall be used only for the storage and associated tools and equipment and maintenance of aircraft by Lessee. Lessee has determined the suitability of the premises for his purposes. All modifications to the Hangar shall first be approved by Lessor in writing. Lessee shall not use the Hangar for any purpose other than storage of aircraft and associated tools and equipment and maintenance of aircraft. If Lessee fails completed the improvements set forth in Exhibit "A", fails to place an aircraft in the Hangar, or uses the Hangar for any purpose other than storage of aircraft and associated tools and equipment and maintenance of aircraft, this lease will be immediately terminated, the premises shall be completely vacated by Lessee, and all improvements installed or otherwise undertaken by Lessee shall be the sole property of Lessor.
8. **Sublease or Assignment:** Lessee shall not sublet nor assign the premises without advance written consent from Lessor.
9. **Termination:** This agreement may be terminated by Lessor upon the expiration of its term by Lessor providing Lessee written notice of its intent to terminate the lease at the expiration of the term which notice shall be provided to Lessee in writing at least thirty (30) days prior to the date of lease expiration. Lessor may terminate this lease agreement during the course of the term upon the occurrence of any of the following which shall constitute a breach of this lease agreement by Lessee: Failure to complete and fully pay for the improvements as set forth in Exhibit "A"; Lessee's failure to comply with any other provision of this lease.
10. **Security:** Lessee agrees to cooperate with Lessor in the enforcement and implementation of airport security procedures. Security of the hangar shall be responsibility of Lessee. Lessor shall not be liable for theft, vandalism, or pilferage to any items stored in the hangar.
11. **Indemnification:** Lessee agrees to indemnify, defend and hold harmless Lessor from and against any and all injury, loss damage or liability, or any claims including attorneys' fees & court costs, arising from Lessee's use and occupancy of the Hangar or the airport, including strict liability and negligence whether sole or joint of the Lessor (such as, but not limited to, loss of use or diminution of value). It is expressly agreed and understood that under no circumstances shall either party be liable to the other for indirect incidental, consequential, special or exemplary damages, whether in contract or tort.

Tom Siimes, Lessee

Date

City of Hillsdale, Michigan, Lessor

Date

Exhibit A


Blatt Steel & Supply INC PowerLift Doors of Michigan

Office. 989.635.6017 email. Andrew.mi@powerliftdoors.com Andy Cell. 989.233.1391

Quoted to: KJYM

Quote Date: 9-Aug-24

Customer Name: Tom Siimes

City/State/ Zip: 3998 State Rd Hillsdale, MI 49242

Phone/Email/Fax: 517.425.6070 lecturebottle@hotmail.com

317-426-5879 contact@hobas.com							
Door/Frame depth	# Doors	Quoted Size	Actual Size	Building Type	Square Foot	Per Door Price	Total Price
10"	1	52x16		Wood Building	832	\$26,691	26,691.00
174	Loaded mileage one way		\$16.00	Delivery mileage			2,784.00
1	Linear Welding		\$12	164LF			2,016.00
1	DOT Fee		\$850				850.00
Quote includes these options							
1	Remote controls						910.00
1	Man Door		\$750	frame for Man Door			750.00
1	Primer Custom Color		\$4.00				3,328.00
1	Hydraulic Oil—Arctic Blue		\$150.00				150.00
1	Telehandler Rental		\$2,500	Telehandler and Scissor Lift Rental			2,500.00
1	Number of doors quoted			Subtotal			39,979.00
Use	Applicable Use or state and local tax rate			Applicable Tax			2,398.74
TOTAL QUOTE							42,377.74

DELIVERED and INSTALLEDDoors will arrive and be installed with

Metal framework, 1-coat primer
 Complete hydraulic system including cylinders, hoses and pump
 Ready for electrical connections
 Full crew with fasteners and installation equipment

Customer responsibilities:

Building structurally capable to handle imposing door loads
Equipment (Telehandler and scissor lift) to unload and install door - otherwise \$2500 we rent
 Rough opening preparation as specified at final measuring
 5 gallons Owner compatible hydraulic oil : \$150 if not provided
 Final 220v electrical pump motor connections (10 ga wire, 30 amp breaker)
 Door cladding and trim materials and installation

Minimum Post Requirements: 6-Ply 2x8 or 4-Ply 2x10**Minimum Header Requirements: 2-Ply Bottom Chord End Truss or 3" Total Thickness**

Quotes are honored for 30 days

Terms: 50% deposit with order Balance Due at time of delivery
 If balance is not paid within 90 days we will take legal action to receive payment

Make Checks Payable to: Blatt Steel & Supply Inc.**PO Box 162 Marlette, MI 48453**

If this legal action results in Attorney's fees those fees will be paid by the customer

Customer signature agreeing to the above mentioned conditions

DATE

Crouch Electric



691 E County Line Road
Tekonsha MI 49092

517-398-2278
crouchelectric@yahoo.com

October 31, 2024

GCT America
191 Simpson Dr.
Litchfield, Mi. 49252

Airplane Hanger:

Quoted as per request to provide labor and material to remove existing light fixtures and supply and install 6 new LED high bay light fixtures in airplane hanger at the Hillsdale County airport as per conversation with customer. Electrical permit and inspection fees included.

\$2837.00

Price is firm for 15 days

If you have any further questions, please feel free to contact me at 517-398-2278.

Thank you for the opportunity to quote this project.

Sincerely,

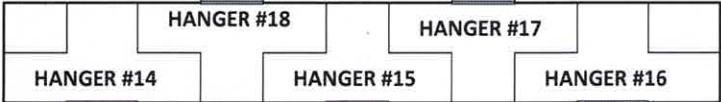
Approved By:

Chuck Crouch
Crouch Electric LLC

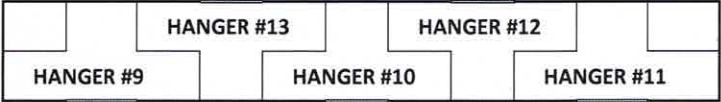
Purchase Order #

HILLSDALE MUNICIPAL AIRPORT HANGER TENANTS
Date: 8/23/2024

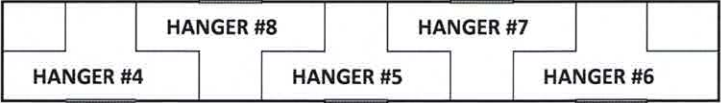
9' 8" Tail Height
16' 3" Tail Length
17' 5" Tail Width
14' 6" Wing Depth
40' Wing Span



9' 8" Tail Height
15' 4" Tail Length
15' 4" Tail Width
14' 6" Wing Depth
40' Wing Span



9' 8" Tail Height
14' 8" Tail Length
12' 10" Tail Width
14' Wing Depth
40' Wing Span



CORP. #2

Corp. #2
Width of Door 56'
Height of Door 15' 9"
Hanger Depth 50'

Hanger #1 and #3
Tail Height 11'
Tail Length 16'
Tail Width 14' 8"
Wing Depth 15'
Wing Span 40'

CORP. #1

Corp. #1
Width of Door 52' 7"
Height of Door 15' 8"
Hanger Depth 49' 6"

HANGER #2

HANGER #3

HANGER #1

ECONOMIC
FLOOR
MAINT.
CLOSET

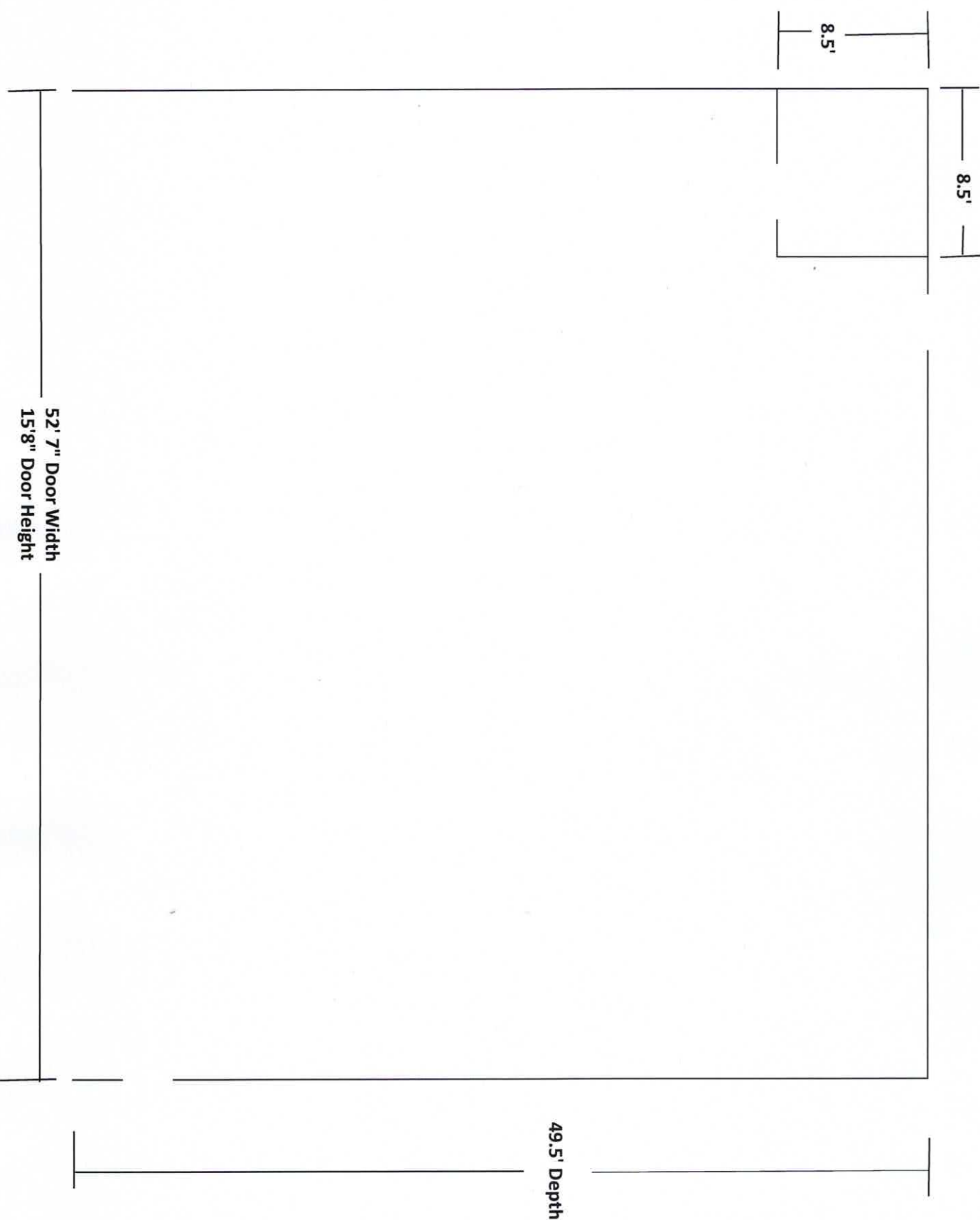
GENERAL/MAINT.
HANGER

OFFICE

Hanger #2
Tail Height 11'
Tail Length 15' 3"
Tail Width 28' 8"
Wing Depth 15' 7"
Wing Span 40'

Corporate #1 Hanger

Date: 11/08/23



Summary

Purchase of aircraft tug

The airport is in need of an aircraft tug that can pull an aircraft weighing up to 25,000 lbs. Typically, most aircraft on the ground cannot move in reverse without the help of an airplane tug providing ground support to the aircraft. And, assuming you're moving forward, it's not cost effective to start the airplane engine just because you want to reposition the aircraft somewhere else on the airport grounds. So, tugs do the job much more effectively both from a cost standpoint as well as one of safety.

Airplane tugs are used to put the aircraft into the hangar and to bring it out of the hangar when preparing for a flight. They can also be useful when multiple aircraft are on the apron and need to be repositioned.

Whether you are operating a light plane or heavy, having the proper ground support equipment is essential.

We have a quote for a Tiffin Aire Tug that can pull up to 25,000 lbs. This size tug would fit the needs of most airplanes coming into Hillsdale. The cost of the tug is approximately \$25,000. This was approved in our fiscal year budget.



1778 West U.S. Hwy. 224
Tiffin, OH 44883
Phone 419-447-4263 * 800-458-2487
Fax 419-447-4042 * 419-448-0064

Quotation

Date	Quote #
9/18/2024	9182024

Name / Address
Hillsdale Airport Attn: Steven sboyd@cityofhillsdale.org

Ship To

Description	Qty	Unit Price	Amount
Tiffin Aire Tug Pricing			
New X750 24 HP Diesel	1	25,250.00	25,250.00
New X730 25.5 HP Fuel Injected Gas	1	24,200.00	24,200.00
Demo X750 24 HP Diesel (135 hours)	1	24,400.00	24,400.00
Options:			
Wheel Weights	1	275.00	275.00
Wheel Chains	1	245.00	245.00
Pintle Hook Attachment	1	350.00	350.00
Engine Block Heater	1	200.00	200.00
Safety Harness	1	425.00	425.00
Low Profile Lifting Wheels (required single engine 5 bladed propeller)	1	350.00	350.00
Pilatus Hitch Plate	1	800.00	800.00
Delivery: TBD			

Stephen Boyd

From: Guillermo Gonzalez <guillermo@aeroservicios.com>
Sent: Monday, March 25, 2024 3:27 PM
To: Stephen Boyd
Cc: 'Gabriel Serrano'
Subject: RE: 1999 Lektro AP-8750C-AL-700 in Miami, FL (Inquiry #9867184)
Aeroservicios USA - Hillsdale municipal airport

Good afternoon Stephen,

Thank you for the opportunity to quote you some of Towbarless electric push backs.

Unit will be tested, inspected, serviced, repaired where needed, new accessories and new batteries if needed and it will be freshly painted in original color before shipping.

It will be totally reconditioned.

120 days warranty in parts.

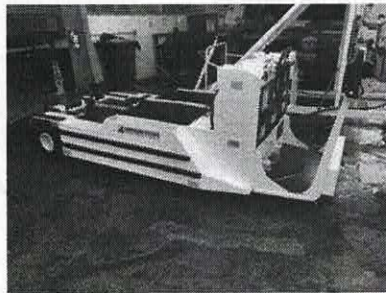
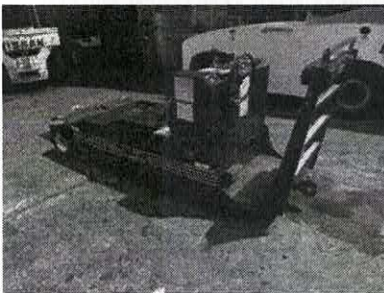
30% down and the balance prior to dispatching. If you need any additional information, or any other GSE Unit, please let us know.

We have in stock new, used (overhauled/reconditioned), and our own manufactured line of GSE equipment ranging from Tow Bars all the way up to Main Deck Loaders.

Looking forward to hearing from you!

Tow barless Electric Push Back Tractors

Stock	Make	Model	Year	Capacity	Engine	Condition	Lead Time	Price EXW Miami, FL
13424	Lektro	AP 8600	2000	Up to 28,000 lb	Electric 36V	Reconditioned	4-6 weeks	\$31,900
13427	Lektro	AP8750C-AL-700	1999	Up to 80,000 lb	Electric 72V	Reconditioning	4-6 weeks	\$43,900
13425	Lektro	AP8750C-AL-700	2010	Up to 80,000 lb	Electric 72V	Reconditioning	4-6 weeks	\$55,900



LEKTRO 8750 CAL700



\$39,500 USD

Aircraft Ground Equipment Corp

CALL (772) 467-2040

Sale Status:	For Sale
Subcategory:	Tow Tractors
Make/Model:	LEKTRO 8750
Warranty:	Not Listed
Location:	Ft Pierce, FL USA

2014 8000
Tow 89000/h

City of Hillsdale

Agenda Item Summary

Meeting Date: November 18, 2024

Agenda Item: New Business

SUBJECT: FOIA Appeal

BACKGROUND PROVIDED BY: David Mackie, City Manager

On November 6, 2024 we received the attached FOIA Appeal from Michael Ayele (W) asking that the City waive the FOIA fees associated with his request. Also attached is the invoice provided to W to process his original FOIA request.

RECOMMENDATION:

City Council deny W's FOIA appeal.

David Mackie

From: Michael Ayele <waac13@gmail.com>
Sent: Wednesday, November 6, 2024 2:17 PM
To: Laura Sergeant; Michelle Loren; Katy Price; David Mackie
Cc: Michael Ayele; Michael Ayele (W); Michael Ayele
Subject: Recall.: Freedom of Information Act (FOIA) Appeal.
Attachments: W (AACL) Oct 29th 2024 Rev Rec Req on Danielle Villareal and Grace Chen Complaint.docx; W (AACL) Highlighted Grace Chen and Danielle Villarreal Complaint.pdf; FERPA_History_-_DOED_Highlighted[1].pdf; res_3224_foia_policy.pdf

W (AACL) Date.: November 06th 2024
Michael A. Ayele
P.O.Box 20438
Addis Ababa, Ethiopia
E-mail: waac13@gmail.com ; waac1313@gmail.com ; waac142913@gmail.com

Freedom of Information Act (FOIA) Appeal

This is Michael A. Ayele sending this message though I now go by W and I prefer to be referred to as such. I am contacting you alongside the City Manager of Hillsdale, Michigan because according to the rules and regulations of the City of Hillsdale, Michigan, *"when a requestor believes that all or a portion of a public record has not been disclosed or has been improperly exempted from disclosure, he or she may appeal to the City Council by filing an appeal of the denial with the City's FOIA Coordinator (the office of the City Manager)."*

I have found your processing of my FOIA request to be inconsistent with the letter and spirit of Michigan's FOIA statute. Indeed, during the processing of my FOIA request, your local government has failed to acknowledge that I have made a request for a fee waiver and expedited processing. Furthermore, your local government has failed to make clear if members of the general public, representatives of the media and/or people in academia have in the past consented to make payments to the City of Hillsdale, Michigan after filing a FOIA request, wherein they requested a fee waiver and expedited processing. Additionally, your local government has failed to make clear the circumstances under which it has in the past waived fees and expedited processing of a FOIA request (if ever). Lastly, your local government has failed to make clear the legal avenues available to members of the general public, representatives of the media and people in academia who file a FOIA request with the City of Hillsdale, Michigan and are unsatisfied with the processing of their FOIA request.

If you wish to bolster public confidence in the activities, the engagements and the priorities of the City of Hillsdale, Michigan, I am willing to extend you the very unique opportunity to address the many deficiencies of your processing of my FOIA request. As previously noted, I'm very unhappy with your processing of my FOIA request and I hope you will choose to bolster public confidence in the activities, the engagements and the priorities of the City of Hillsdale, Michigan by disclosing the responsive records you have located for my FOIA request. I also hope that you were not looking/hoping to set a precedent for your local government by having me agree to make payments and afterwards make payments to your city government for my FOIA request because that's not a good way to establish a positive rapport with me.

As a representative of the media and a member of the general public, I would again like to reiterate

that if you are either unwilling or unable to waive fees you have arbitrarily decided to impose upon my FOIA request, then I request that you disclose records that are in your possession detailing [1] the names, the academic backgrounds, the professional responsibilities of people who have in the past consented to make payments to the City of Hillsdale, Michigan after they had had their request for a fee waiver and expedited processing denied (alongside receipt of payments they have made); [2] the names, the academic backgrounds and the professional responsibilities of people who have consented to make payments to the City of Hillsdale, Michigan after filing a FOIA request pertaining to violence committed against women at Hillsdale College (alongside receipt of payments they have made); [3] the names, the academic backgrounds and the professional responsibilities of people who have in the past had their request for a fee waiver granted by the City of Hillsdale, Michigan (alongside the FOIA request they have submitted).

I will encourage that you be well. Stay well. Take care. Keep yourselves at arms distance.

Michael A. Ayele (a.k.a) W
Anti-Racist Human Rights Activist
Audio-Visual Media Analyst
Anti-Propaganda Journalist

P.S: Please disregard the previous email I had sent in error.

On Wed, Nov 6, 2024 at 8:59 PM Laura Sergent <lsergent@cityofhillsdale.org> wrote:

Hi Micheal,

Unfortunately, the City charges for FOIA request. Attached you will find the fee for the requested information. Once payment is received the City will release records.

Thank you,

Laura Sergent

Human Resources Director
97 N. Broad St.
Hillsdale, MI 49242
517-437- 6443
lsergent@cityofhillsdale.org



City of Hillsdale

INVOICE

97 North Broad Street
Hillsdale, MI 49242
Phone 517.437.6441 Fax 517.437.6448

DATE:
November 5, 2024

Bill To:
Michael A. Ayele (a.k.a) W
Anti-Racist Human Rights Activist
Audio-Visual Media Analyst

For:
FOIA Request

DESCRIPTION	AMOUNT
Freedom of Information Act Request	
Labor for searching and examining records 1 hour @ \$19 per hour	\$ 19.00
Balance Due	\$ 19.00

Make all checks payable to City of Hillsdale
Terms: Due in 30 Days
Credit card payments can be made by phone to the Clerk's office at 517-437-6441

THANK YOU FOR YOUR BUSINESS!



CITY OF
HILLSDALE

RECEIVED

JUL 24 2024

CITY OF HILLSDALE
CITY CLERK'S OFFICE

97 NORTH BROAD STREET
HILLSDALE, MICHIGAN 49242-1695
(517) 437-6441 FAX: (517) 437-6448
cityofhillsdale.org

What Board/Commission would you like to serve? Library Board

Name: Christian Winter

Address: XXXXXXXXXXXXXXXXXXXX Hillsdale 49242
Street City Zip

Phone: Home XXXXXXXXXXXX Work _____

E-Mail XXXXXXXXXXXXXXXXXXXX

Residency is required for most Boards & Commissions.

Are you a resident of City of Hillsdale? Yes X No _____ If so, for how long? July 2024

Occupation: (if retired, former occupation) Teacher

Please check the expertise and skills you can contribute:

- | | | |
|---------------------------------------|--|--|
| <input type="radio"/> Accounting | <input checked="" type="radio"/> Planning | <input type="radio"/> Community Relations |
| <input type="radio"/> Fund Raising | <input type="radio"/> Computers | <input checked="" type="radio"/> Public Speaking |
| <input type="radio"/> Marketing | <input type="radio"/> Knowledge of the Cause | <input type="radio"/> Finance |
| <input type="radio"/> Advocacy | <input type="radio"/> Public Relations | <input type="radio"/> Management |
| <input type="radio"/> Human Resources | <input type="radio"/> Legal | <input type="radio"/> Other _____ |

Brief Educational Background:

Palmer High School 2011
Hillsdale College 2024

What charitable or community activities have you **actively** participated in? Please describe any leadership role(s) you have (had) in the organization(s):

Church Involvement, Christian Education Board
Hartland-Avon Relief Ministries (Jackson, TN)

On what other volunteer boards/committees have you served? _____

Christian Education Board at my church

Describe any previous activities related to government: _____

Please explain why you would be interested in serving on the council or committee: I worked
at a library while in school and want to give back to my community.
I love books and education and would love to be on the
board.

Please explain your understanding of the City of Hillsdale:

It's the people!
The mayor and 8 others on the council govern the city,
relying on the City Manager and various Departments and Committees
for day-to-day affairs.

Additional comments: I've lived in Jonesville for 6 years but love Hillsdale
County and would love to serve my neighbors on the library board.

Please send your completed application to City of Hillsdale, City Manager at 97 North Broad Street, Hillsdale, MI 49242.

Christon Winter
Applicant Signature

24 July 2024
Date