



City Council Agenda

December 2, 2019
7:00 p.m.

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

- 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 Claims of November 14, 2019: \$181,282.32
 - 2. BPU Claims of November 14, 2019: \$300,967.74
 - 3. Payroll & Longevity of November 27, 2019: \$184,300.48, \$45,123.55
 - B. City Council Minutes of November 18, 2019 Regular Meeting
 - C. TIFA Minutes of September 17, 2019
 - D. Planning Commission Minutes of October 15, 2019
 - E. EDC Business Review Committee Minutes of November 7, 2019
 - F. AAC Minutes of September 14, 2019
 - G. Finance Minutes of November 18, 2019
 - H. Meeder Quarterly Investment Report November 19, 2019
- VI. Communications/Petitions**
 - A. Comcast Letter
 - B. The Great Give Event (Giving Day, 12/3/2019)
 - C. Planning Commission Annual Report Presentation– Samuel Nutter
- VII. Introduction and Adoption of Ordinances/Public Hearing**
 - A. Public Hearing- Reinstatement/Transfer of IFT certificate 2013-460 (Hartzell Veneer Products LLC) to Paragon Metals Inc.
- VIII. Old Business**
 - A. Street Projects – ICE Grant, Verbal Update
- IX. New Business**
 - A. City Annual Audit Presentation
 - B. MDOT Contract No. 2019-0696
 - C. Housing Initiatives Division’s Neighborhood Enhancement Program (NEP) Grant Chief Administrative Officer Resolution
- X. Miscellaneous Reports**
 - A. Proclamations- None
 - B. Appointment- Planning Commission – Elias McConnell
Planning Commission - Jacob Parker

Board of Review – Kerry Laycock
Airport Advisory Committee- Brendan Deasy

C. Other- None

XI. General Public Comment

XII. City Manager’s Report

XIII. Council Comment

XIV. Adjournment

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	check #
Invoice Age: Less Than 30 Days							
Check 351							
481-000.000-265.000	11/12/19	STATE OF MICHIGAN	AIR -TAX	11-12-2019	11/12/19	651.16	351
						<u>651.16</u>	
Total For Check 351							
Check 352							
101-265.000-920.000	11/14/19	MICH GAS UTILITIES	NATURAL GAS UTILITY	2820092515	11/14/19	302.42	352
101-265.000-920.000	11/14/19	MICH GAS UTILITIES	NATURAL GAS UTILITY - MITCHELL	2819932877	11/14/19	157.14	352
101-336.000-920.000	11/14/19	MICH GAS UTILITIES	NATURAL GAS UTILITY	2821413232	11/14/19	136.85	352
101-441.000-920.000	11/14/19	MICH GAS UTILITIES	NATURAL GAS UTILITY	2821228795	11/14/19	161.37	352
						<u>757.78</u>	
Total For Check 352							
Check 353							
101-441.000-801.000	11/14/19	SPOK, INC	DPS PAGER RENTAL	C7385433W	11/14/19	18.81	353
						<u>18.81</u>	
Total For Check 353							
Check 354							
101-295.000-801.000	11/14/19	AVFUEL CORP	DEICER	012831601	11/14/19	523.38	354
						<u>523.38</u>	
Total For Check 354							
Check 82124							
101-265.000-801.000	11/14/19	UNIFIRST CORP	CONTRACTUAL MAT & UNIFORM SERVICE	144 0074464	11/14/19	15.51	82124
101-265.000-801.000	11/14/19	UNIFIRST CORP	CONTRACTUAL MAT & UNIFORM SERVICE	154 0075097	11/14/19	15.51	82124
101-441.000-742.000	11/14/19	UNIFIRST CORP	RUGS/UNIFORMS - DPS	154 0074463	11/14/19	22.86	82124
101-441.000-742.000	11/14/19	UNIFIRST CORP	RUGS/UNIFORMS - DPS	154 0075096	11/14/19	22.86	82124
101-441.000-801.000	11/14/19	UNIFIRST CORP	RUGS/UNIFORMS - DPS	154 0074463	11/14/19	36.04	82124
101-441.000-801.000	11/14/19	UNIFIRST CORP	RUGS/UNIFORMS - DPS	154 0075096	11/14/19	36.04	82124
640-444.000-742.000	11/14/19	UNIFIRST CORP	RUGS/UNIFORMS - DPS	154 0074463	11/14/19	11.16	82124
640-444.000-742.000	11/14/19	UNIFIRST CORP	RUGS/UNIFORMS - DPS	154 0075096	11/14/19	11.16	82124
640-444.000-801.000	11/14/19	UNIFIRST CORP	RUGS/UNIFORMS - DPS	154 0074463	11/14/19	19.82	82124
640-444.000-801.000	11/14/19	UNIFIRST CORP	RUGS/UNIFORMS - DPS	154 0075096	11/14/19	19.82	82124
						<u>210.78</u>	
Total For Check 82124							
Check 82125							
101-441.000-801.000	11/14/19	CINTAS CORPORATION	CLEANER & DISP. @ DPS	4033840390	11/14/19	37.43	82125
						<u>37.43</u>	
Total For Check 82125							
Check 82126							
101-265.000-930.000	11/14/19	GELZER & SON INC	METAL HEX, STEEL WOOL, CAULK GUN,TU:	C348759	11/14/19	13.98	82126
101-295.000-726.000	11/14/19	GELZER & SON INC	FASTENERS & ANCHORS	A213311	11/14/19	26.99	82126
101-336.000-726.000	11/14/19	GELZER & SON INC	SCREWS, FASTENERS & ANCHORS, TOOLS	A212762	11/14/19	7.99	82126
101-336.000-726.000	11/14/19	GELZER & SON INC	SCREWS, FASTENERS & ANCHORS, TOOLS	A212762	11/14/19	3.30	82126
101-336.000-726.000	11/14/19	GELZER & SON INC	SCREWS, FASTENERS & ANCHORS, TOOLS	A212762	11/14/19	3.69	82126
101-336.000-726.000	11/14/19	GELZER & SON INC	SCREWS, FASTENERS & ANCHORS, TOOLS	A212762	11/14/19	3.89	82126
101-441.000-726.000	11/14/19	GELZER & SON INC	METAL HEX, STEEL WOOL, CAULK GUN,TU:	A212938	11/14/19	9.08	82126
640-444.000-726.000	11/14/19	GELZER & SON INC	METAL HEX, STEEL WOOL, CAULK GUN,TU:	A212335	11/14/19	12.94	82126
						<u>81.86</u>	
Total For Check 82126							
Check 82127							
101-400.000-905.000	11/14/19	HILLSDALE MEDIA GROUP	2019 PC MEMBERSHIP AD	1910-00000705	11/14/19	77.75	82127
						<u>77.75</u>	
Total For Check 82127							
Check 82128							
101-209.000-726.000	11/14/19	CURRENT OFFICE SOLUTIONS	OFFICE SUPPLIES	634761-00	11/14/19	26.62	82128
101-209.000-726.000	11/14/19	CURRENT OFFICE SOLUTIONS	OFFICE SUPPLIES	635021-00	11/14/19	18.06	82128
101-301.000-726.000	11/14/19	CURRENT OFFICE SOLUTIONS	WASTE TONER BOTTLE, CORRECTION TAPE	315044	11/14/19	33.00	82128

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	check #
Invoice Age: Less Than 30 Days							
Check 82128							
101-301.000-726.000	11/14/19	CURRENT OFFICE SOLUTIONS	WASTE TONER BOTTLE, CORRECTION TAPE	635062-00	11/14/19	13.24	82128
101-301.000-726.000	11/14/19	CURRENT OFFICE SOLUTIONS	WASTE TONER BOTTLE, CORRECTION TAPE	635062-00	11/14/19	9.42	82128
101-301.000-726.000	11/14/19	CURRENT OFFICE SOLUTIONS	WASTE TONER BOTTLE, CORRECTION TAPE	635062-00	11/14/19	23.54	82128
101-301.000-726.000	11/14/19	CURRENT OFFICE SOLUTIONS	WASTE TONER BOTTLE, CORRECTION TAPE	635062-00	11/14/19	8.41	82128
101-301.000-726.000	11/14/19	CURRENT OFFICE SOLUTIONS	WASTE TONER BOTTLE, CORRECTION TAPE	635062-00	11/14/19	2.88	82128
101-301.000-726.000	11/14/19	CURRENT OFFICE SOLUTIONS	WASTE TONER BOTTLE, CORRECTION TAPE	635062-00	11/14/19	76.95	82128
271-790.000-726.000	11/14/19	CURRENT OFFICE SOLUTIONS	NAME TAG	634371-00	11/14/19	9.50	82128
588-588.000-726.000	11/14/19	CURRENT OFFICE SOLUTIONS	HAND SANITIZER, DISNF WIPES & CORRE	635055-00	11/14/19	167.03	82128
Total For Check 82128						388.65	
Check 82130							
640-444.000-730.000	11/14/19	JACKSON TRUCK SERVICE INC	FILTERS, CORE RETURNED	PC001325753:01	11/14/19	201.41	82130
640-444.000-730.000	11/14/19	JACKSON TRUCK SERVICE INC	FILTERS, CORE RETURNED	PC001325421:01	11/14/19	(39.00)	82130
Total For Check 82130						162.41	
Check 82131							
101-295.000-920.000	11/14/19	SPRATT'S	PROPANE	50545	11/14/19	410.66	82131
Total For Check 82131						410.66	
Check 82132							
101-295.000-930.000	11/14/19	MAC'S COMFORT SPECIALIST	LEVEL 1 MISC REPAIR 7 INSPECTION FE	00867	11/14/19	138.00	82132
Total For Check 82132						138.00	
Check 82133							
101-295.000-726.000	11/14/19	MARKET HOUSE	ICE	116665	11/14/19	9.95	82133
640-444.000-801.000	11/14/19	MARKET HOUSE	SHIPPING CHARGE - VERMEER	116743	11/14/19	28.48	82133
Total For Check 82133						38.43	
Check 82134							
101-265.000-801.000	11/14/19	BILL'S LAWN CARE, LLC	MONTHLY MOWING	23943	11/14/19	160.00	82134
101-265.000-801.000	11/14/19	BILL'S LAWN CARE, LLC	MONTHLY MOWING	23905	11/14/19	150.00	82134
101-266.000-801.000	11/14/19	BILL'S LAWN CARE, LLC	MONTHLY MOWING	23943	11/14/19	300.00	82134
101-372.000-801.372	11/14/19	BILL'S LAWN CARE, LLC	MOW & TRIM 419 N WEST ST	2395092/	11/14/19	75.00	82134
101-372.000-801.372	11/14/19	BILL'S LAWN CARE, LLC	MOW AND TRIM 135 W SOUTH ST	2395030/	11/14/19	75.00	82134
101-441.000-801.000	11/14/19	BILL'S LAWN CARE, LLC	MONTHLY MOWING	23943	11/14/19	50.00	82134
101-756.000-801.000	11/14/19	BILL'S LAWN CARE, LLC	MONTHLY MOWING	23943	11/14/19	2,900.00	82134
202-460.000-801.000	11/14/19	BILL'S LAWN CARE, LLC	MONTHLY MOWING	23943	11/14/19	552.88	82134
202-460.500-801.000	11/14/19	BILL'S LAWN CARE, LLC	MONTHLY MOWING	23943	11/14/19	115.24	82134
203-460.000-801.000	11/14/19	BILL'S LAWN CARE, LLC	MONTHLY MOWING	23943	11/14/19	281.88	82134
244-174.000-801.000	11/14/19	BILL'S LAWN CARE, LLC	BRUSH HOG VACANT LOTS IN 3 MEADOW/	23944	11/14/19	600.00	82134
588-588.000-801.000	11/14/19	BILL'S LAWN CARE, LLC	MONTHLY MOWING	23943	11/14/19	150.00	82134
Total For Check 82134						5,410.00	
Check 82136							
640-444.000-730.000	11/14/19	TRUCK & TRAILER SPECIALTIES	FUEL SENDING UNIT	DSO005097	11/14/19	75.49	82136
Total For Check 82136						75.49	
Check 82137							
101-441.000-726.000	11/14/19	FASTENAL	BATTERIES, EAR PLUGS, GLOVES	MIJON77199	11/14/19	275.43	82137
Total For Check 82137						275.43	
Check 82138							
640-444.000-730.000	11/14/19	REDLINE EQUIPMENT	POWER SHAFT, BEARINGS	P39246	11/14/19	163.94	82138

11/14/2019 12:42 PM
 User: gkeasal
 DB: Hillsdale

INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE
 EXP CHECK RUN DATES 11/01/2019 - 11/14/2019
 BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
 BANK CODE: GC

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	check #
Invoice Age: Less Than 30 Days							
Check 82138							
Total For Check 82138						163.94	
Check 82139							
588-588.000-730.000	11/14/19	NORM'S TIREMAN	TIRES	5200062900	11/14/19	1,067.32	82139
Total For Check 82139						1,067.32	
Check 82140							
101-336.000-726.000	11/14/19	PERFORMANCE AUTOMOTIVE	3/8 INCH DRIVE QUICK RELEASE ROUND	10284-1301898	11/14/19	19.69	82140
588-588.000-730.000	11/14/19	PERFORMANCE AUTOMOTIVE	SWITCH, FILTERS,BATTERIES, LIFT JAC:	10284-1300864	11/14/19	58.68	82140
640-444.000-726.000	11/14/19	PERFORMANCE AUTOMOTIVE	SWITCH, FILTERS,BATTERIES, LIFT JAC:	10284-1300865	11/14/19	198.79	82140
640-444.000-730.000	11/14/19	PERFORMANCE AUTOMOTIVE	SWITCH, FILTERS,BATTERIES, LIFT JAC:	10284-1300897	11/14/19	27.73	82140
640-444.000-730.000	11/14/19	PERFORMANCE AUTOMOTIVE	SWITCH, FILTERS,BATTERIES, LIFT JAC:	10284-1300950	11/14/19	13.58	82140
640-444.000-730.000	11/14/19	PERFORMANCE AUTOMOTIVE	SWITCH, FILTERS,BATTERIES, LIFT JAC:	10284-1301200	11/14/19	5.59	82140
640-444.000-730.000	11/14/19	PERFORMANCE AUTOMOTIVE	SWITCH, FILTERS,BATTERIES, LIFT JAC:	10284-1301791	11/14/19	217.99	82140
Total For Check 82140						542.05	
Check 82141							
101-253.000-964.000	11/14/19	FAYETTE TOWNSHIP TREASURER	425 AGREEMENT	11.14.2019	11/14/19	21,230.12	82141
Total For Check 82141						21,230.12	
Check 82142							
101-295.000-740.000	11/14/19	BRINER OIL CO, INC	DIESEL FUEL DELIVERY	105450	11/14/19	568.26	82142
Total For Check 82142						568.26	
Check 82143							
640-444.000-801.000	11/14/19	PURITY CYLINDER GASES, INC.	CYLINDER RENTAL	00864793	11/14/19	49.17	82143
Total For Check 82143						49.17	
Check 82144							
640-444.000-730.000	11/14/19	STEPP MFG CO, INC	RTD, LINE KNOB, LCD READOUT, CABLE,	056440	11/14/19	485.52	82144
640-444.000-730.000	11/14/19	STEPP MFG CO, INC	RTD, LINE KNOB, LCD READOUT, CABLE,	056439	11/14/19	178.58	82144
Total For Check 82144						664.10	
Check 82145							
101-441.000-955.588	11/14/19	WORKHEALTH-QUINCY, PLLC	PRE EMPLOYMENT DRUG TESTING	6605-CITY	11/14/19	114.00	82145
Total For Check 82145						114.00	
Check 82146							
101-265.000-801.000	11/14/19	EAST 2 WEST ENTERPRISES, INC	MOP & BUFF DISPATCH FLOOR	8605	11/14/19	40.00	82146
101-265.000-930.000	11/14/19	EAST 2 WEST ENTERPRISES, INC	CITY HALL CLEANING FOR OCT	8706	11/14/19	650.00	82146
Total For Check 82146						690.00	
Check 82147							
101-295.000-850.000	11/14/19	AEROSPACE RISK MANAGEMENT	INSURANCE RENEWAL	753	11/14/19	3,964.00	82147
Total For Check 82147						3,964.00	
Check 82148							
101-295.000-860.000	11/14/19	GINGER MOORE	MAP MEETING WITH MDOT - MILEAGE REIM	11.06.2019	11/14/19	82.36	82148
Total For Check 82148						82.36	
Check 82149							
202-450.000-801.000	11/14/19	MT ENGINEERING, LLC	ENGINEERING - PAVEMENT 2019 & CHIP	01915-4	11/14/19	42.50	82149
203-450.000-801.000	11/14/19	MT ENGINEERING, LLC	ENGINEERING - PAVEMENT 2019 & CHIP	01915-4	11/14/19	42.50	82149
203-450.000-801.000	11/14/19	MT ENGINEERING, LLC	ENGINEERING - PAVEMENT 2019 & CHIP	01911-5	11/14/19	42.50	82149

11/14/2019 12:42 PM
 User: gkeasal
 DB: Hillsdale

INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE
 EXP CHECK RUN DATES 11/01/2019 - 11/14/2019
 BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
 BANK CODE: GC

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	check #
Invoice Age: Less Than 30 Days							
Check 82149							
						Total For Check 82149	127.50
Check 82150							
101-336.000-930.000	11/14/19	RALPH SOLON RILEY	GENERAL REPAIR ENGINE 341 - BUILDING	4501	11/14/19	262.50	82150
101-336.000-930.000	11/14/19	RALPH SOLON RILEY	GENERAL REPAIR ENGINE 341 - BUILDING	4501	11/14/19	50.02	82150
101-336.000-930.000	11/14/19	RALPH SOLON RILEY	GENERAL REPAIR ENGINE 341 - BUILDING	4501	11/14/19	18.75	82150
						Total For Check 82150	331.27
Check 82151							
101-336.000-726.000	11/14/19	ROE-COMM., INC.	MINITOR VI BATTERIES	351272	11/14/19	44.00	82151
101-336.000-726.000	11/14/19	ROE-COMM., INC.	MINITOR VI BATTERIES	351272	11/14/19	14.00	82151
						Total For Check 82151	58.00
Check 82152							
101-175.000-806.000	11/14/19	LOVINGER & THOMPSON, PC	LEGAL FEES	10.31.2019	11/14/19	2,535.00	82152
247-900.000-806.000	11/14/19	LOVINGER & THOMPSON, PC	DAWN THEATER LEGAL SERVICES	10.30.2019	11/14/19	150.00	82152
						Total For Check 82152	2,685.00
Check 82153							
101-265.000-801.000	11/14/19	GRIFFITHS MECHANICAL	FURNACE REPAIRS	54810	11/14/19	240.00	82153
271-790.000-930.000	11/14/19	GRIFFITHS MECHANICAL	FURNACE REPAIRS	54574	11/14/19	1,750.92	82153
						Total For Check 82153	1,990.92
Check 82154							
101-175.000-955.106	11/14/19	CHESTNEY PUBLISHING	NOV/DEC SIMPLY HERS	9318	11/14/19	275.00	82154
						Total For Check 82154	275.00
Check 82155							
640-444.000-730.000	11/14/19	STILLWELL FORD MERCURY, INC	CABLE & INDICATOR	176667	11/14/19	110.46	82155
						Total For Check 82155	110.46
Check 82156							
101-209.000-734.000	11/14/19	KCI	2020 CHANGE OF ASSESSMENT NOTICES	204324	11/14/19	1,149.00	82156
						Total For Check 82156	1,149.00
Check 82157							
640-444.000-730.000	11/14/19	GREENMARK EQUIPMENT	BLADES, SPRING	P00747	11/14/19	84.00	82157
640-444.000-730.000	11/14/19	GREENMARK EQUIPMENT	BLADES, SPRING	PO1066	11/14/19	2.05	82157
						Total For Check 82157	86.05
Check 82158							
101-336.000-742.000	11/14/19	GALL'S, INC	PANTS (BURKE/HAWKINS)	013988226	11/14/19	52.00	82158
101-336.000-742.000	11/14/19	GALL'S, INC	PANTS (BURKE/HAWKINS)	013988226	11/14/19	10.00	82158
101-336.000-742.000	11/14/19	GALL'S, INC	PANTS (BURKE/HAWKINS)	014027696	11/14/19	104.00	82158
101-336.000-742.000	11/14/19	GALL'S, INC	PANTS (BURKE/HAWKINS)	014027696	11/14/19	10.95	82158
						Total For Check 82158	176.95
Check 82159							
101-295.000-925.000	11/14/19	DMCI BROADBAND, LLC	INTERNET/PHONE	18628	11/14/19	133.45	82159
101-295.000-930.000	11/14/19	DMCI BROADBAND, LLC	INTERNET DOWN - HAD RECONFIGURATION	19292	11/14/19	80.00	82159
						Total For Check 82159	213.45
Check 82160							
101-175.000-808.000	11/14/19	CONDON, HECHT, BISHER, WADE & AUDIT SERVICES FOR 6-30-2019		2000026451	11/14/19	5,000.00	82160

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	check #
Invoice Age: Less Than 30 Days							
Check 82160							
Total For Check 82160						5,000.00	
Check 82161							
202-470.000-801.000	11/14/19	CRAIG WICKHAM	TREE REMOVALS	11.01.2019	11/14/19	950.00	82161
203-470.000-801.000	11/14/19	CRAIG WICKHAM	TREE REMOVALS	11.01.2019	11/14/19	600.00	82161
Total For Check 82161						1,550.00	
Check 82162							
101-336.000-740.000	11/14/19	WATKINS OIL COMPANY	FLEET FUELING - OCTOBER 2019	10.31.2019	11/14/19	372.57	82162
588-588.000-740.000	11/14/19	WATKINS OIL COMPANY	FLEET FUELING - OCTOBER 2019	10.31.2019	11/14/19	1,593.61	82162
640-444.000-740.000	11/14/19	WATKINS OIL COMPANY	FLEET FUELING - OCTOBER 2019	10.31.2019	11/14/19	2,056.55	82162
640-444.000-740.301	11/14/19	WATKINS OIL COMPANY	FLEET FUELING - OCTOBER 2019	10.31.2019	11/14/19	1,605.67	82162
Total For Check 82162						5,628.40	
Check 82163							
640-444.000-801.301	11/14/19	DH WIRELESS SOLUTIONS	DOUBLECELL PANORAMA SHARKFIN ANTENN.	EXECUN31600	11/14/19	18.08	82163
640-444.000-801.301	11/14/19	DH WIRELESS SOLUTIONS	DOUBLECELL PANORAMA SHARKFIN ANTENN.	EXECUN31600	11/14/19	41.16	82163
640-444.000-801.301	11/14/19	DH WIRELESS SOLUTIONS	DOUBLECELL PANORAMA SHARKFIN ANTENN.	EXECUN31600	11/14/19	31.15	82163
640-444.000-801.301	11/14/19	DH WIRELESS SOLUTIONS	DOUBLECELL PANORAMA SHARKFIN ANTENN.	EXECUN31600	11/14/19	27.89	82163
640-444.000-801.301	11/14/19	DH WIRELESS SOLUTIONS	DOUBLECELL PANORAMA SHARKFIN ANTENN.	EXECUN31600	11/14/19	15.87	82163
640-444.000-801.301	11/14/19	DH WIRELESS SOLUTIONS	DOUBLECELL PANORAMA SHARKFIN ANTENN.	EXECUN31600	11/14/19	21.39	82163
640-444.000-981.301	11/14/19	DH WIRELESS SOLUTIONS	DOUBLECELL PANORAMA SHARKFIN ANTENN.	EXECUN31600	11/14/19	212.40	82163
Total For Check 82163						367.94	
Check 82164							
101-172.000-726.000	11/14/19	PRINTER SOURCE PLUS	3 - TONER'S	168568	11/14/19	369.97	82164
Total For Check 82164						369.97	
Check 82165							
101-336.000-726.000	11/14/19	WS DARLEY & CO	TOOLOK HD W/YELLOW STRAP/HANDLELOK	17378502	11/14/19	35.88	82165
101-336.000-726.000	11/14/19	WS DARLEY & CO	TOOLOK HD W/YELLOW STRAP/HANDLELOK	17378502	11/14/19	155.80	82165
101-336.000-726.000	11/14/19	WS DARLEY & CO	TOOLOK HD W/YELLOW STRAP/HANDLELOK	17378502	11/14/19	11.20	82165
101-336.000-955.336	11/14/19	WS DARLEY & CO	TOOLOK HD W/YELLOW STRAP/HANDLELOK	17378502	11/14/19	79.92	82165
Total For Check 82165						282.80	
Check 82166							
101-265.000-801.790	11/14/19	AMERICAN COPPER AND BRASS, LLC	LED BULB, ELBOW, HEAT TAPE	19INV4444510	11/14/19	1.63	82166
101-265.000-930.000	11/14/19	AMERICAN COPPER AND BRASS, LLC	LED BULB, ELBOW, HEAT TAPE	19INV4444510	11/14/19	110.00	82166
101-265.000-930.000	11/14/19	AMERICAN COPPER AND BRASS, LLC	LED BULB, ELBOW, HEAT TAPE	19INV045256	11/14/19	35.00	82166
101-756.000-930.000	11/14/19	AMERICAN COPPER AND BRASS, LLC	LED BULB, ELBOW, HEAT TAPE	INV0045182	11/14/19	29.78	82166
Total For Check 82166						176.41	
Check 82167							
640-444.000-730.000	11/14/19	DP EQUIPMENT CO	PULLEY	087891	11/14/19	37.95	82167
Total For Check 82167						37.95	
Check 82168							
640-444.000-730.000	11/14/19	ST. REGIS CULVERT, INC.	CLAW BUCKET CUTTING EDGES	111131	11/14/19	1,936.42	82168
Total For Check 82168						1,936.42	
Check 82169							
101-301.000-801.000	11/14/19	VERIZON WIRELESS	NETWORK ACCESS FEE FOR IN-CAR MOBIL.	9841276290	11/14/19	160.04	82169
Total For Check 82169						160.04	
Check 82170							

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	check #
Invoice Age: Less Than 30 Days							
Check 82170							
101-276.000-801.000	11/14/19	LAPEW SANITATION SERVICE	PORTABLE RESTROOMS	3766\	11/14/19	95.00	82170
101-756.000-801.000	11/14/19	LAPEW SANITATION SERVICE	PORTABLE RESTROOMS	3766\	11/14/19	965.00	82170
						1,060.00	
Total For Check 82170							
Check 82171							
640-444.000-730.000	11/14/19	WHITE SUPPLY COMPANY	FLAT STEEL	85049	11/14/19	55.15	82171
						55.15	
Total For Check 82171							
Check 82172							
101-173.000-801.000	11/14/19	BS&A SOFTWARE	ANNUAL SERVICE	126207-CIYT	11/14/19	777.00	82172
101-219.000-801.000	11/14/19	BS&A SOFTWARE	ANNUAL SERVICE	126207-CIYT	11/14/19	1,103.00	82172
101-441.000-801.000	11/14/19	BS&A SOFTWARE	ANNUAL SERVICE	126207-CIYT	11/14/19	735.00	82172
						2,615.00	
Total For Check 82172							
Check 82173							
101-265.000-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEE W/E 10/20 & 27/2019	40033867	11/14/19	16.57	82173
101-266.000-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEE W/E 10/20 & 27/2019	40033867	11/14/19	8.29	82173
101-276.000-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEE W/E 10/20 & 27/2019	40033867	11/14/19	538.52	82173
101-441.000-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEE W/E 10/20 & 27/2019	40033867	11/14/19	41.43	82173
101-756.000-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEE W/E 10/20 & 27/2019	40033867	11/14/19	16.57	82173
101-756.000-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEES W/E 11/3/2019	40034109	11/14/19	149.13	82173
202-450.000-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEE W/E 10/20 & 27/2019	40033867	11/14/19	157.41	82173
202-460.000-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEES W/E 11/3/2019	40034109	11/14/19	41.43	82173
202-460.500-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEES W/E 11/3/2019	40034109	11/14/19	8.29	82173
202-480.000-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEE W/E 10/20 & 27/2019	40033867	11/14/19	99.42	82173
202-480.000-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEES W/E 11/3/2019	40034109	11/14/19	49.71	82173
202-480.500-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEE W/E 10/20 & 27/2019	40033867	11/14/19	33.14	82173
202-490.000-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEE W/E 10/20 & 27/2019	40033867	11/14/19	24.85	82173
203-450.000-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEE W/E 10/20 & 27/2019	40033867	11/14/19	223.70	82173
203-460.000-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEE W/E 10/20 & 27/2019	40033867	11/14/19	33.14	82173
203-460.000-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEES W/E 11/3/2019	40034109	11/14/19	356.25	82173
203-480.000-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEE W/E 10/20 & 27/2019	40033867	11/14/19	82.85	82173
203-480.000-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEES W/E 11/3/2019	40034109	11/14/19	57.99	82173
203-490.000-801.000	11/14/19	MANPOWER OF LANSING	TEMP EMPLOYEE W/E 10/20 & 27/2019	40033867	11/14/19	49.71	82173
						1,988.40	
Total For Check 82173							
Check 82175							
640-444.000-801.000	11/14/19	ALTEC NUECO	ANNUAL PM & DIELECTRIC TEST TRUCK #	7003366	11/14/19	805.39	82175
						805.39	
Total For Check 82175							
Check 82176							
101-253.000-964.000	11/14/19	HILLSDALE TOWNSHIP TREASURER	425 AGREEMENT	11.14.2019	11/14/19	7,422.08	82176
						7,422.08	
Total For Check 82176							
Check 82177							
101-175.000-801.000	11/14/19	SONIT SYSTEMS, LLC	NETADMIN - OCTOBER 2019	58570-CITY	11/14/19	1,548.75	82177
271-790.000-801.000	11/14/19	SONIT SYSTEMS, LLC	SONIT E-RATE	58628	11/14/19	2,332.30	82177
						3,881.05	
Total For Check 82177							
Check 82178							
271-790.000-982.000	11/14/19	FINDAWAY WORLD LLC	PLAYAWAY BOOKS	304544	11/14/19	499.00	82178
						499.00	
Total For Check 82178							
Check 82179							

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	check #
Invoice Age: Less Than 30 Days							
Check 82179							
202-450.000-726.000	11/14/19	ALTA EQUIPMENT COMPANY	2019 KMI 8000 - DIESEL HOT BOX, CRA	10.17.2019	11/14/19	13,548.87	82179
202-450.000-726.000	11/14/19	ALTA EQUIPMENT COMPANY	2019 KMI 8000 - DIESEL HOT BOX, CRA	10.17.2019	11/14/19	19,634.34	82179
202-450.000-726.000	11/14/19	ALTA EQUIPMENT COMPANY	2019 KMI 8000 - DIESEL HOT BOX, CRA	10.17.2019	11/14/19	6,772.50	82179
203-450.000-726.000	11/14/19	ALTA EQUIPMENT COMPANY	2019 KMI 8000 - DIESEL HOT BOX, CRA	10.17.2019	11/14/19	8,977.50	82179
203-450.000-726.000	11/14/19	ALTA EQUIPMENT COMPANY	2019 KMI 8000 - DIESEL HOT BOX, CRA	10.17.2019	11/14/19	26,026.91	82179
203-450.000-726.000	11/14/19	ALTA EQUIPMENT COMPANY	2019 KMI 8000 - DIESEL HOT BOX, CRA	10.17.2019	11/14/19	17,960.13	82179
Total For Check 82179						92,920.25	
Check 82180							
101-265.000-925.000	11/14/19	BSB COMMUNICATIONS INC	ETHERFAX MONTHLY CHARGES	149194-CITY	11/14/19	112.00	82180
271-790.000-925.000	11/14/19	BSB COMMUNICATIONS INC	ETHERFAX MONTHLY CHARGES	149194-CITY	11/14/19	56.00	82180
Total For Check 82180						168.00	
Check 82181							
588-588.000-955.588	11/14/19	CE & A PROFESSIONAL SERVICES,	PREEMPLOYMENT DRUG TEST - DUBA	017287	11/14/19	54.00	82181
Total For Check 82181						54.00	
Check 82182							
101-441.000-955.588	11/14/19	JEFFREY NOWAK	DOT REIMBURSE PER CONTRACT	11.11.2019	11/14/19	70.00	82182
Total For Check 82182						70.00	
Check 82183							
202-450.000-801.000	11/14/19	MODERN WASTE SYSTEMS	LEAF COLLECTION, ROLL OFF DUMP	63828	11/14/19	352.05	82183
202-460.000-801.000	11/14/19	MODERN WASTE SYSTEMS	LEAF COLLECTION, ROLL OFF DUMP	10.31.2019	11/14/19	3,250.00	82183
203-450.000-801.000	11/14/19	MODERN WASTE SYSTEMS	LEAF COLLECTION, ROLL OFF DUMP	63828	11/14/19	117.35	82183
203-460.000-801.000	11/14/19	MODERN WASTE SYSTEMS	LEAF COLLECTION, ROLL OFF DUMP	10.31.2019	11/14/19	3,250.00	82183
Total For Check 82183						6,969.40	
Check 82184							
640-444.000-801.000	11/14/19	PHAT JAXX AUTOMOTIVE	R/R FUEL PUMP	25109	11/14/19	606.12	82184
640-444.000-801.000	11/14/19	PHAT JAXX AUTOMOTIVE	R/R FUEL PUMP	25134	11/14/19	454.92	82184
Total For Check 82184						1,061.04	
Check 82185							
401-900.000-975.040	11/14/19	SOUTHERN COMPUTER WAREHOUSE	WIRELESS AP'S & SWITCH FOR NEW WIFI	IN-000609884-CIT	11/14/19	330.94	82185
Total For Check 82185						330.94	
Check 82186							
203-450.000-726.000	11/14/19	TACKETT AND SONS MATERIALS, LI	COMMERCIAL TOP HOT MIX	19-1422	11/14/19	225.75	82186
Total For Check 82186						225.75	
Check 82187							
101-301.000-801.000	11/14/19	TRANSUNION RISK AND ALTERNATIV	ONLINE INVESTIGATIVE SYSTEM BILLING	807352-201910-1	11/14/19	50.00	82187
Total For Check 82187						50.00	
Total For Age Less Than 30 Days						181,282.32	

INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE
 EXP CHECK RUN DATES 11/01/2019 - 11/14/2019
 BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
 BANK CODE: GC

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	check #	
Fund Totals:								
			Fund 101 GENERAL FUND			58,046.28		
			Fund 202 MAJOR ST./TRUNKLINE FUND			45,632.63		
			Fund 203 LOCAL ST. FUND			58,328.16		
			Fund 244 ECONOMIC DEVELOPMENT CORP FU			600.00		
			Fund 247 TAX INCREMENT FINANCE ATH.			150.00		
			Fund 271 LIBRARY FUND			4,647.72		
			Fund 401 CAPITAL IMPROVEMENT FUND			330.94		
			Fund 481 AIRPORT IMPROVEMENT FUND			651.16		
			Fund 588 DIAL-A-RIDE FUND			3,090.64		
			Fund 640 REVOLVING MOBILE EQUIP. FUND			9,804.79		
Total For All Funds:							181,282.32	
--- TOTALS BY GL DISTRIBUTION ---								
		101-172.000-726.000	SUPPLIES			369.97		
		101-173.000-801.000	CONTRACTUAL SERVICES			777.00		
		101-175.000-801.000	CONTRACTUAL SERVICES			1,548.75		
		101-175.000-806.000	LEGAL SERVICES			2,535.00		
		101-175.000-808.000	AUDITING SERVICES			5,000.00		
		101-175.000-955.106	MISC. - NEW YEAR'S EVE EVENT			275.00		
		101-209.000-726.000	BLANKET P/O - OFFICE SUPPLIES			44.68		
		101-209.000-734.000	ASSESSMENT NOTICE POSTAGE			1,149.00		
		101-219.000-801.000	CONTRACTUAL SERVICES			1,103.00		
		101-253.000-964.000	REFUNDS AND REBATES			28,652.20		
		101-265.000-801.000	10/2019 MONTHLY MOWING #23943			637.59		
		101-265.000-801.790	ELBOW #044451 (MRC)			1.63		
		101-265.000-920.000	UTILITIES			459.56		
		101-265.000-925.000	TELEPHONE			112.00		
		101-265.000-930.000	LED BULB, #044451 (T/F)			808.98		
		101-266.000-801.000	10/2019 MONTHLY MOWING #23943			308.29		
		101-276.000-801.000	PORTABLE RESTROOM #3766			633.52		
		101-295.000-726.000	SUPPLIES			36.94		
		101-295.000-740.000	FUEL AND LUBRICANTS			568.26		
		101-295.000-801.000	JET-A REFUELING TRUCK RENTAL			523.38		
		101-295.000-850.000	INSURANCE			3,964.00		
		101-295.000-860.000	TRANSPORTATION AND MILEAGE			82.36		
		101-295.000-920.000	UTILITIES			410.66		
		101-295.000-925.000	TELEPHONE			133.45		
		101-295.000-930.000	REPAIRS & MAINTENANCE			218.00		
		101-301.000-726.000	INV. NO. 315044 WAST TONER BOTTLE			167.44		
		101-301.000-801.000	ACCOUNT NO. 807352 ONLINE INVESTIGATI			210.04		
		101-336.000-726.000	TRANSACTION #: A212762 8X1-1/4 SCREW			299.44		
		101-336.000-740.000	10/2019 FLEET FUEL - FIRE			372.57		
		101-336.000-742.000	INV. NO. 013988226 PR PANTS (BURKE)			176.95		
		101-336.000-920.000	502806085 - 77 E CARLETON - FIRE STAT			136.85		
		101-336.000-930.000	INV. NO. HRS LBR RPLCD AIR GOVERNOR			331.27		
		101-336.000-955.336	INV. NO. 17378502 (4) TOOLOK HD W/STR			79.92		
		101-372.000-801.372	CONTRACTUAL SERVICES - CODE ENFORCEME			150.00		
		101-400.000-905.000	HDN AD FOR PC MEMBERSHIP			77.75		
		101-441.000-726.000	BATTERIES, EAR PLUGS, GLOVES #77199			284.51		
		101-441.000-742.000	RUGS/UNIFORMS-DPS #154-0074463			45.72		
		101-441.000-801.000	10/2019 MONTHLY MOWING #23943			954.75		
		101-441.000-920.000	505153845 - 149 WATERWORKS - DPS			161.37		
		101-441.000-955.588	DOT PHYSICAL REIMBURSE			184.00		
		101-756.000-801.000	10/2019 MONTHLY MOWING #23943			4,030.70		
		101-756.000-930.000	HEAT TAPE, #045182 (SANDY BEACH)			29.78		
		202-450.000-726.000	2019 KMI HOT BOX,			39,955.71		
		202-450.000-801.000	TEMP EMPLOYEES #40033867			551.96		

INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE
 EXP CHECK RUN DATES 11/01/2019 - 11/14/2019
 BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
 BANK CODE: GC

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amountcheck #
		202-460.000-801.000	10/2019 MONTHLY MOWING #23943			3,844.31
		202-460.500-801.000	10/2019 MONTHLY MOWING #23943			123.53
		202-470.000-801.000	TREE REMOVAL			950.00
		202-480.000-801.000	TEMP EMPLOYEES #40033867			149.13
		202-480.500-801.000	TEMP EMPLOYEES #40033867			33.14
		202-490.000-801.000	TEMP EMPLOYEES #40033867			24.85
		203-450.000-726.000	2019 CIMLINE X2 COMPRESSOR SYSTEM			53,190.29
		203-450.000-801.000	TEMP EMPLOYEES #40033867			426.05
		203-460.000-801.000	10/2019 MONTHLY MOWING #23943			3,921.27
		203-470.000-801.000	TREE REMOVAL			600.00
		203-480.000-801.000	TEMP EMPLOYEES #40033867			140.84
		203-490.000-801.000	TEMP EMPLOYEES #40033867			49.71
		244-174.000-801.000	CONTRACTUAL SERVICES			600.00
		247-900.000-806.000	DAWN THEATER CONTRACT REVIEW			150.00
		271-790.000-726.000	NAME TAG			9.50
		271-790.000-801.000	E-RATE			2,332.30
		271-790.000-925.000	TELEPHONE			56.00
		271-790.000-930.000	FURNACE REPAIR #54574 (LIBRARY)			1,750.92
		271-790.000-982.000	PLAYAWAY BOOKS			499.00
		401-900.000-975.040	WIRELESS AP'S & SWITCH FOR NEW WIFI			330.94
		481-000.000-265.000	ACCRUED SALES TAX			651.16
		588-588.000-726.000	SUPPLIES			167.03
		588-588.000-730.000	TIRES #5200062900			1,126.00
		588-588.000-740.000	10/2019 FLEET FUEL - DART			1,593.61
		588-588.000-801.000	10/2019 MONTHLY MOWING #23943			150.00
		588-588.000-955.588	PREEMPLOYMENT DRUG TEST #017287 (DART			54.00
		640-444.000-726.000	TUBE BULBS #A212335			211.73
		640-444.000-730.000	PULLEY #087891 (#142)			3,556.86
		640-444.000-740.000	10/2019 FLEET FUEL - DPS			2,056.55
		640-444.000-740.301	10/2019 FLEET FUEL - POLICE			1,605.67
		640-444.000-742.000	RUGS/UNIFORMS-DPS #154-0074463			22.32
		640-444.000-801.000	ANNUAL PM & DIELECTRIC TEST #7003366			1,983.72
		640-444.000-801.301	CS23 PANORAMA CABLE			155.54
		640-444.000-981.301	INV. NO. EXECUIN31600 SHARKFIN ANTENN			212.40

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	check #
Invoice Age: Less Than 30 Days							
Check 71722							
582-175.000-726.000	11/14/19	ARROW SWIFT PRINTING	PAPER - ROYAL FIBER CREAM	150779	11/14/19	18.68	71722
590-175.000-726.000	11/14/19	ARROW SWIFT PRINTING	PAPER - ROYAL FIBER CREAM	150779	11/14/19	9.34	71722
591-175.000-726.000	11/14/19	ARROW SWIFT PRINTING	PAPER - ROYAL FIBER CREAM	150779	11/14/19	9.33	71722
						37.35	
Total For Check 71722							
Check 71723							
582-000.000-214.101	11/14/19	CITY OF HILLSDALE	PAYABLES FOR NOVEMBER 2019	11.14.2019	11/14/19	7.00	71723
582-175.000-820.000	11/14/19	CITY OF HILLSDALE	OCTOBER 2019 PILOT	10.31.2019	11/14/19	61,088.75	71723
582-175.000-880.000	11/14/19	CITY OF HILLSDALE	SPONSOR NEW YEAR'S EVE BASH	11.14.2019	11/14/19	500.00	71723
590-175.000-820.000	11/14/19	CITY OF HILLSDALE	OCTOBER 2019 PILOT	10.31.2019	11/14/19	11,055.96	71723
590-175.000-880.000	11/14/19	CITY OF HILLSDALE	SPONSOR NEW YEAR'S EVE BASH	11.14.2019	11/14/19	250.00	71723
591-175.000-820.000	11/14/19	CITY OF HILLSDALE	OCTOBER 2019 PILOT	10.31.2019	11/14/19	8,045.67	71723
591-175.000-880.000	11/14/19	CITY OF HILLSDALE	SPONSOR NEW YEAR'S EVE BASH	11.14.2019	11/14/19	250.00	71723
591-544.000-930.000	11/14/19	CITY OF HILLSDALE	HMA PATCHING OF STREET CUTS	6037-BPU	11/14/19	25,884.00	71723
						107,081.38	
Total For Check 71723							
Check 71724							
582-175.000-801.000	11/14/19	CINTAS CORPORATION	MATT'S	4034696868	11/14/19	20.00	71724
582-175.000-801.000	11/14/19	CINTAS CORPORATION	MATT'S	4034161701	11/14/19	20.00	71724
590-175.000-801.000	11/14/19	CINTAS CORPORATION	MATT'S	4034696868	11/14/19	10.00	71724
590-175.000-801.000	11/14/19	CINTAS CORPORATION	MATT'S	4034161701	11/14/19	10.00	71724
591-175.000-801.000	11/14/19	CINTAS CORPORATION	MATT'S	4034696868	11/14/19	10.00	71724
591-175.000-801.000	11/14/19	CINTAS CORPORATION	MATT'S	4034161701	11/14/19	10.00	71724
						80.00	
Total For Check 71724							
Check 71725							
591-545.000-930.000	11/14/19	GELZER & SON INC	CAULK, BRUSHES	A212718	11/14/19	2.29	71725
591-545.000-930.000	11/14/19	GELZER & SON INC	CAULK, BRUSHES	A212718	11/14/19	2.79	71725
591-545.000-930.000	11/14/19	GELZER & SON INC	CAULK, BRUSHES	A212819	11/14/19	23.94	71725
						29.02	
Total For Check 71725							
Check 71726							
582-175.000-880.000	11/14/19	HILLSDALE MEDIA GROUP	FIRE HYDRANT FLUSHINGS/SECTION FOR	1910-00000849	11/14/19	276.50	71726
590-175.000-880.000	11/14/19	HILLSDALE MEDIA GROUP	FIRE HYDRANT FLUSHINGS/SECTION FOR	1910-00000849	11/14/19	138.25	71726
591-175.000-880.000	11/14/19	HILLSDALE MEDIA GROUP	FIRE HYDRANT FLUSHINGS/SECTION FOR	1910-00000849	11/14/19	138.25	71726
591-175.000-905.000	11/14/19	HILLSDALE MEDIA GROUP	FIRE HYDRANT FLUSHINGS/SECTION FOR	1910-00000849	11/14/19	30.05	71726
						583.05	
Total For Check 71726							
Check 71727							
582-175.000-726.000	11/14/19	CURRENT OFFICE SOLUTIONS	TECH SERVICES PLOTTER INK	634979-00	11/14/19	76.88	71727
582-175.000-801.000	11/14/19	CURRENT OFFICE SOLUTIONS	LEASE/COPIES	315202	11/14/19	302.61	71727
590-175.000-726.000	11/14/19	CURRENT OFFICE SOLUTIONS	TECH SERVICES PLOTTER INK	634979-00	11/14/19	38.44	71727
590-175.000-726.000	11/14/19	CURRENT OFFICE SOLUTIONS	TECH SERVICES PLOTTER INK	634979-00	11/14/19	38.42	71727
590-175.000-801.000	11/14/19	CURRENT OFFICE SOLUTIONS	LEASE/COPIES	315202	11/14/19	151.30	71727
591-175.000-801.000	11/14/19	CURRENT OFFICE SOLUTIONS	LEASE/COPIES	315202	11/14/19	151.30	71727
						758.95	
Total For Check 71727							
Check 71728							
582-175.000-880.000	11/14/19	WCSR	ADS	131-000062-0009	11/14/19	95.00	71728
590-175.000-880.000	11/14/19	WCSR	ADS	131-000062-0009	11/14/19	47.50	71728
591-175.000-880.000	11/14/19	WCSR	ADS	131-000062-0009	11/14/19	47.50	71728
						190.00	
Total For Check 71728							
Check 71729							

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	check #
Invoice Age: Less Than 30 Days							
Check 71729							
582-175.000-920.400	11/14/19	MICH GAS UTILITIES	NATURAL GAS UTILITY	2809098482	11/14/19	35.13	71729
590-175.000-920.400	11/14/19	MICH GAS UTILITIES	NATURAL GAS UTILITY	2809098482	11/14/19	17.57	71729
590-547.000-920.400	11/14/19	MICH GAS UTILITIES	NATURAL GAS UTILITY - WWTP	2809336238	11/14/19	55.18	71729
590-547.000-920.400	11/14/19	MICH GAS UTILITIES	NATURAL GAS UTILITY	2809142721	11/14/19	9.69	71729
590-547.000-920.400	11/14/19	MICH GAS UTILITIES	NATURAL GAS UTILITY - WWTP	2808917201	11/14/19	587.88	71729
591-175.000-920.400	11/14/19	MICH GAS UTILITIES	NATURAL GAS UTILITY	2809098482	11/14/19	17.56	71729
591-545.000-920.400	11/14/19	MICH GAS UTILITIES	NATURAL GAS UTILITY - WTP	2809210646	11/14/19	89.96	71729
Total For Check 71729						812.97	
Check 71730							
582-544.000-801.000	11/14/19	HILLSDALE CO ROAD COMMISSION	ANNUAL ROW PERMIT	4344	11/14/19	50.00	71730
Total For Check 71730						50.00	
Check 71731							
582-175.000-726.000	11/14/19	STOCKHOUSE CORPORATION	PRINTING LABELS	191612	11/14/19	54.03	71731
590-175.000-726.000	11/14/19	STOCKHOUSE CORPORATION	PRINTING LABELS	191612	11/14/19	27.02	71731
591-175.000-726.000	11/14/19	STOCKHOUSE CORPORATION	PRINTING LABELS	191612	11/14/19	27.01	71731
Total For Check 71731						108.06	
Check 71732							
591-544.000-930.000	11/14/19	POINT RENTAL & SALES	2 CYCLE OIL,AIR FILTER	77613	11/14/19	41.99	71732
591-544.000-930.000	11/14/19	POINT RENTAL & SALES	2 CYCLE OIL,AIR FILTER	77541/77613	11/14/19	15.00	71732
Total For Check 71732						56.99	
Check 71733							
582-175.000-801.000	11/14/19	HOOP LAWN & SNOW, LLC	MOWING FOR OCTOBER 2019	10.31.2019	11/14/19	250.00	71733
582-175.000-801.000	11/14/19	HOOP LAWN & SNOW, LLC	MOWING FOR OCTOBER 2019	10.31.2019	11/14/19	250.00	71733
582-175.000-801.000	11/14/19	HOOP LAWN & SNOW, LLC	MOWING FOR OCTOBER 2019	10.31.2019	11/14/19	250.00	71733
582-175.000-801.000	11/14/19	HOOP LAWN & SNOW, LLC	MOWING FOR OCTOBER 2019	10.31.2019	11/14/19	250.00	71733
590-175.000-801.000	11/14/19	HOOP LAWN & SNOW, LLC	MOWING FOR OCTOBER 2019	10.31.2019	11/14/19	125.00	71733
590-175.000-801.000	11/14/19	HOOP LAWN & SNOW, LLC	MOWING FOR OCTOBER 2019	10.31.2019	11/14/19	125.00	71733
590-175.000-801.000	11/14/19	HOOP LAWN & SNOW, LLC	MOWING FOR OCTOBER 2019	10.31.2019	11/14/19	125.00	71733
590-175.000-801.000	11/14/19	HOOP LAWN & SNOW, LLC	MOWING FOR OCTOBER 2019	10.31.2019	11/14/19	125.00	71733
591-175.000-801.000	11/14/19	HOOP LAWN & SNOW, LLC	MOWING FOR OCTOBER 2019	10.31.2019	11/14/19	125.00	71733
591-175.000-801.000	11/14/19	HOOP LAWN & SNOW, LLC	MOWING FOR OCTOBER 2019	10.31.2019	11/14/19	125.00	71733
591-175.000-801.000	11/14/19	HOOP LAWN & SNOW, LLC	MOWING FOR OCTOBER 2019	10.31.2019	11/14/19	125.00	71733
591-175.000-801.000	11/14/19	HOOP LAWN & SNOW, LLC	MOWING FOR OCTOBER 2019	10.31.2019	11/14/19	125.00	71733
591-175.000-801.000	11/14/19	HOOP LAWN & SNOW, LLC	MOWING FOR OCTOBER 2019	10.31.2019	11/14/19	125.00	71733
Total For Check 71733						2,000.00	
Check 71734							
591-544.000-930.000	11/14/19	PERFORMANCE AUTOMOTIVE	SOCKET, SCREW CLAMP	10284-1300831	11/14/19	10.89	71734
591-544.000-930.000	11/14/19	PERFORMANCE AUTOMOTIVE	SOCKET, SCREW CLAMP	10284-1301037	11/14/19	4.76	71734
Total For Check 71734						15.65	
Check 71735							
582-175.000-930.000	11/14/19	EAST 2 WEST ENTERPRISES, INC	CLEANING FOR OCT	8705	11/14/19	70.00	71735
590-175.000-930.000	11/14/19	EAST 2 WEST ENTERPRISES, INC	CLEANING FOR OCT	8705	11/14/19	35.00	71735
591-175.000-930.000	11/14/19	EAST 2 WEST ENTERPRISES, INC	CLEANING FOR OCT	8705	11/14/19	35.00	71735
Total For Check 71735						140.00	
Check 71736							
582-175.000-880.000	11/14/19	HILLSDALE HIGH SCHOOL	SPONSOR YEARBOOK 2020	2020YBAS	11/14/19	55.00	71736
590-175.000-880.000	11/14/19	HILLSDALE HIGH SCHOOL	SPONSOR YEARBOOK 2020	2020YBAS	11/14/19	27.50	71736
591-175.000-880.000	11/14/19	HILLSDALE HIGH SCHOOL	SPONSOR YEARBOOK 2020	2020YBAS	11/14/19	27.50	71736

11/14/2019 12:31 PM
 User: gkeasal
 DB: Hillsdale

INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE
 EXP CHECK RUN DATES 11/01/2019 - 11/14/2019
 BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
 BANK CODE: BPUAP

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	check #
Invoice Age: Less Than 30 Days							
Check 71736							
Total For Check 71736						110.00	
Check 71737							
582-175.000-806.000	11/14/19	LOVINGER & THOMPSON, PC	LEGAL FEES	10.31.2019	11/14/19	75.00	71737
Total For Check 71737						75.00	
Check 71738							
582-175.000-801.000	11/14/19	CHESTNEY PUBLISHING	NOV/DEC SIMPLY HERS	9314	11/14/19	275.00	71738
590-175.000-801.000	11/14/19	CHESTNEY PUBLISHING	NOV/DEC SIMPLY HERS	9314	11/14/19	137.50	71738
591-175.000-801.000	11/14/19	CHESTNEY PUBLISHING	NOV/DEC SIMPLY HERS	9314	11/14/19	137.50	71738
Total For Check 71738						550.00	
Check 71739							
590-547.000-930.000	11/14/19	WHITES WELDING SERVICE	MOUNT DUMP TRUCK TAILGATE, O2 FOR T	85041	11/14/19	21.00	71739
591-544.000-730.039	11/14/19	WHITES WELDING SERVICE	MOUNT DUMP TRUCK TAILGATE, O2 FOR T	85071	11/14/19	300.00	71739
591-545.000-930.000	11/14/19	WHITES WELDING SERVICE	MOUNT DUMP TRUCK TAILGATE, O2 FOR T	85042	11/14/19	120.00	71739
Total For Check 71739						441.00	
Check 71740							
582-175.000-808.000	11/14/19	CONDON, HECHT, BISHER, WADE & AUDIT SERVICE FOR 6-30-19 FINAL PRO		2000026450	11/14/19	2,287.50	71740
590-175.000-808.000	11/14/19	CONDON, HECHT, BISHER, WADE & AUDIT SERVICE FOR 6-30-19 FINAL PRO		2000026450	11/14/19	1,143.75	71740
591-175.000-808.000	11/14/19	CONDON, HECHT, BISHER, WADE & AUDIT SERVICE FOR 6-30-19 FINAL PRO		2000026450	11/14/19	1,143.75	71740
Total For Check 71740						4,575.00	
Check 71741							
582-544.000-740.000	11/14/19	WATKINS OIL COMPANY	FUEL PURCHASES	000090-1930401	11/14/19	1,385.85	71741
590-547.000-740.000	11/14/19	WATKINS OIL COMPANY	FUEL PURCHASES	000090-1930401	11/14/19	201.43	71741
591-544.000-740.000	11/14/19	WATKINS OIL COMPANY	FUEL PURCHASES	000090-1930401	11/14/19	805.67	71741
Total For Check 71741						2,392.95	
Check 71742							
582-543.000-930.000	11/14/19	AMERICAN COPPER AND BRASS, LLC	POWER PLANT SWITCH	19INV042567	11/14/19	8.43	71742
590-547.000-930.000	11/14/19	AMERICAN COPPER AND BRASS, LLC	PLUMBING, FUSES	19INV044997	11/14/19	2.98	71742
590-547.000-930.000	11/14/19	AMERICAN COPPER AND BRASS, LLC	PLUMBING, FUSES	19INV044997	11/14/19	3.65	71742
590-547.000-930.000	11/14/19	AMERICAN COPPER AND BRASS, LLC	PLUMBING, FUSES	19INV043185	11/14/19	213.80	71742
591-544.000-930.000	11/14/19	AMERICAN COPPER AND BRASS, LLC	PLUMBING, FUSES	19INV045191	11/14/19	3.58	71742
Total For Check 71742						232.44	
Check 71743							
582-000.000-158.000-20	11/14/19	KENDALL ELECTRIC	WIRE FOR NORTH ST EXPANSION	S108452265.002	11/14/19	4,181.25	71743
Total For Check 71743						4,181.25	
Check 71744							
582-000.000-123.000	11/14/19	BS&A SOFTWARE	ANNUAL SERVICE/SUPPORT	126207-BPU	11/14/19	3,008.50	71744
590-000.000-123.000	11/14/19	BS&A SOFTWARE	ANNUAL SERVICE/SUPPORT	126207-BPU	11/14/19	1,504.25	71744
591-000.000-123.000	11/14/19	BS&A SOFTWARE	ANNUAL SERVICE/SUPPORT	126207-BPU	11/14/19	1,504.25	71744
Total For Check 71744						6,017.00	
Check 71745							
582-543.000-726.000	11/14/19	HEFFERNAN SOFT WATER SERVICE	WATER DELIVERY SERVICE	116535	11/14/19	5.40	71745
590-547.000-726.900	11/14/19	HEFFERNAN SOFT WATER SERVICE	DISTILLED WATER WWTP LAB	116676	11/14/19	15.00	71745
590-547.000-726.900	11/14/19	HEFFERNAN SOFT WATER SERVICE	DISTILLED WATER WWTP LAB	116676	11/14/19	2.50	71745
Total For Check 71745						22.90	

INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE
 EXP CHECK RUN DATES 11/01/2019 - 11/14/2019
 BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
 BANK CODE: BPUAP

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	check #
Invoice Age: Less Than 30 Days							
Check 71746							
582-544.000-726.800	11/14/19	AMAZON CAPITAL SERVICES, INC	APPLIANCE FUSES WAREHOUSE	1D6L-XVDN-GKJV	11/14/19	1.99	71746
						<u>1.99</u>	
Total For Check 71746							
Check 71747							
582-175.000-801.200	11/14/19	SONIT SYSTEMS, LLC	NETADMIN - OCTOBER 2019	58570-BPU	11/14/19	774.38	71747
590-175.000-801.200	11/14/19	SONIT SYSTEMS, LLC	NETADMIN - OCTOBER 2019	58570-BPU	11/14/19	387.19	71747
591-175.000-801.200	11/14/19	SONIT SYSTEMS, LLC	NETADMIN - OCTOBER 2019	58570-BPU	11/14/19	387.18	71747
						<u>1,548.75</u>	
Total For Check 71747							
Check 71748							
582-175.000-801.000	11/14/19	ACD	MONTHLY FIBER LEASE	42187-141	11/14/19	101.00	71748
590-175.000-801.000	11/14/19	ACD	MONTHLY FIBER LEASE	42187-141	11/14/19	50.50	71748
591-175.000-801.000	11/14/19	ACD	MONTHLY FIBER LEASE	42187-141	11/14/19	50.50	71748
						<u>202.00</u>	
Total For Check 71748							
Check 71749							
590-547.000-727.600	11/14/19	ALEXANDER CHEMICAL CORPORTION	FERROUS CHLORIDE WWTP	SLS 10084950	11/14/19	4,210.86	71749
						<u>4,210.86</u>	
Total For Check 71749							
Check 71750							
591-000.000-158.000-20	11/14/19	ARTESIAN OF PIONEER, INC	REFURBISH AND REPLACE MEDIA FILTER	11.07.2019	11/14/19	59,500.00	71750
						<u>59,500.00</u>	
Total For Check 71750							
Check 71751							
582-175.000-801.000	11/14/19	BRIDGESTONE AMERICAS, INC	MONTHLY PROCESSING SERVICE	612028	11/14/19	1,443.64	71751
590-175.000-801.000	11/14/19	BRIDGESTONE AMERICAS, INC	MONTHLY PROCESSING SERVICE	612028	11/14/19	721.82	71751
591-175.000-801.000	11/14/19	BRIDGESTONE AMERICAS, INC	MONTHLY PROCESSING SERVICE	612028	11/14/19	721.81	71751
						<u>2,887.27</u>	
Total For Check 71751							
Check 71752							
582-175.000-925.000	11/14/19	BSB COMMUNICATIONS INC	ETHERFAX MONTHLY CHARGES	1149194- BPU	11/14/19	28.00	71752
590-175.000-925.000	11/14/19	BSB COMMUNICATIONS INC	ETHERFAX MONTHLY CHARGES	1149194- BPU	11/14/19	14.00	71752
591-175.000-925.000	11/14/19	BSB COMMUNICATIONS INC	ETHERFAX MONTHLY CHARGES	1149194- BPU	11/14/19	14.00	71752
						<u>56.00</u>	
Total For Check 71752							
Check 71753							
582-000.000-249.100	11/14/19	COMMUNITY ACTION AGENCY	OPERATION ROUND-UP	10/31/2019	11/14/19	2,618.96	71753
						<u>2,618.96</u>	
Total For Check 71753							
Check 71754							
582-175.000-801.000	11/14/19	CE & A PROFESSIONAL SERVICES,	EMPLOYMENT DRUG TEST	017266	11/14/19	54.00	71754
590-175.000-801.000	11/14/19	CE & A PROFESSIONAL SERVICES,	EMPLOYMENT DRUG TEST	017266	11/14/19	54.00	71754
						<u>108.00</u>	
Total For Check 71754							
Check 71755							
590-547.000-801.000	11/14/19	CINTAS CORPORATION	FIRST AID CABINET SUPPLIES	5015169954	11/14/19	14.95	71755
590-547.000-801.000	11/14/19	CINTAS CORPORATION	FIRST AID CABINET SUPPLIES	5015169954	11/14/19	7.21	71755
590-547.000-801.000	11/14/19	CINTAS CORPORATION	FIRST AID CABINET SUPPLIES	5015169954	11/14/19	6.31	71755
590-547.000-801.000	11/14/19	CINTAS CORPORATION	FIRST AID CABINET SUPPLIES	5015169954	11/14/19	14.93	71755
590-547.000-801.000	11/14/19	CINTAS CORPORATION	FIRST AID CABINET SUPPLIES	5015169954	11/14/19	17.14	71755
590-547.000-801.000	11/14/19	CINTAS CORPORATION	FIRST AID CABINET SUPPLIES	5015169954	11/14/19	43.20	71755
						<u>103.74</u>	
Total For Check 71755							
Check 71756							

INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE
 EXP CHECK RUN DATES 11/01/2019 - 11/14/2019
 BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
 BANK CODE: BPUAP

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	check #
Invoice Age: Less Than 30 Days							
Check 71756							
591-545.000-727.400	11/14/19	ENVIRONMENTAL MANAGEMENT & DEV	CARUS 8700 PHOSPHATES WTP	17996	11/14/19	4,197.60	71756
						<u>4,197.60</u>	
Total For Check 71756							
Check 71757							
591-544.000-930.000	11/14/19	FAMILY FARM & HOME	PRESSURE WASHERS, TORCH KIT, TAPE	1534/54	11/14/19	16.99	71757
591-544.000-930.000	11/14/19	FAMILY FARM & HOME	PRESSURE WASHERS, TORCH KIT, TAPE	1534/54	11/14/19	8.97	71757
591-545.000-930.000	11/14/19	FAMILY FARM & HOME	PRESSURE WASHERS, TORCH KIT, TAPE	1537/54	11/14/19	199.97	71757
591-545.000-930.000	11/14/19	FAMILY FARM & HOME	PRESSURE WASHERS, TORCH KIT, TAPE	1536/54	11/14/19	199.97	71757
						<u>425.90</u>	
Total For Check 71757							
Check 71758							
590-547.000-970.000-19	11/14/19	FOULKE CONSTRUCTION	WWTP HVAC THIRD PAY REQUEST	11.11.2019	11/14/19	34,560.00	71758
						<u>34,560.00</u>	
Total For Check 71758							
Check 71759							
582-543.000-861.000	11/14/19	GARRETT ADAMS	REIMBURSEMENT - LINE SCHOOL - LUNCH	10.30.2019	11/14/19	145.72	71759
						<u>145.72</u>	
Total For Check 71759							
Check 71760							
590-547.000-801.000	11/14/19	GLOBAL ENVIRONMENTAL CONSULTIN	CHRONIC TOXICITY TESTING QUARTERLY	4746	11/14/19	300.00	71760
590-547.000-801.000	11/14/19	GLOBAL ENVIRONMENTAL CONSULTIN	CHRONIC TOXICITY TESTING QUARTERLY	4746	11/14/19	300.00	71760
						<u>600.00</u>	
Total For Check 71760							
Check 71761							
590-547.000-727.500	11/14/19	HAVILAND PRODUCTS COMPNAY	CHLORINE GAS, SULFUR DIOXIDE GAS WW	335047	11/14/19	650.00	71761
590-547.000-727.500	11/14/19	HAVILAND PRODUCTS COMPNAY	CHLORINE GAS, SULFUR DIOXIDE GAS WW	335047	11/14/19	510.03	71761
						<u>1,160.03</u>	
Total For Check 71761							
Check 71762							
591-544.000-801.000	11/14/19	HYDROCORP	CROSS CONNECTION CONTROL PROGRAM OC	0054431-IN	11/14/19	1,333.00	71762
						<u>1,333.00</u>	
Total For Check 71762							
Check 71763							
591-544.000-726.800	11/14/19	IDEXX LABORATORIES	BACT TESTING SUPPLIES	3052808434	11/14/19	285.14	71763
591-544.000-726.800	11/14/19	IDEXX LABORATORIES	BACT TESTING SUPPLIES	3052808434	11/14/19	14.32	71763
591-544.000-726.800	11/14/19	IDEXX LABORATORIES	BACT TESTING SUPPLIES	3052808434	11/14/19	2,413.50	71763
591-544.000-726.800	11/14/19	IDEXX LABORATORIES	BACT TESTING SUPPLIES	3052808434	11/14/19	(438.05)	71763
591-544.000-726.800	11/14/19	IDEXX LABORATORIES	BACT TESTING SUPPLIES	3052808434	11/14/19	52.10	71763
						<u>2,327.01</u>	
Total For Check 71763							
Check 71764							
582-000.000-249.100	11/14/19	LARA - MI PUBLIC SERVICE COMM	"LIEAF-6099 OCTOBER 2019 P.A.95"	10.31.2019	11/14/19	5,507.64	71764
						<u>5,507.64</u>	
Total For Check 71764							
Check 71765							
590-547.000-801.000	11/14/19	MERIT LABORATORIES	BEF COMP TESTING	08389	11/14/19	286.50	71765
590-547.000-801.000	11/14/19	MERIT LABORATORIES	BEF COMP TESTING	08473	11/14/19	286.50	71765
590-547.000-801.000	11/14/19	MERIT LABORATORIES	BEF COMP TESTING	08593	11/14/19	286.50	71765
590-547.000-801.000	11/14/19	MERIT LABORATORIES	BEF COMP TESTING	08511	11/14/19	168.25	71765
590-547.000-801.000	11/14/19	MERIT LABORATORIES	BEF COMP TESTING	08240	11/14/19	168.25	71765
590-547.000-801.000	11/14/19	MERIT LABORATORIES	BEF COMP TESTING	08718	11/14/19	168.25	71765
590-547.000-801.000	11/14/19	MERIT LABORATORIES	BEF COMP TESTING	08697	11/14/19	168.25	71765
						<u>1,532.50</u>	
Total For Check 71765							

INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE
 EXP CHECK RUN DATES 11/01/2019 - 11/14/2019
 BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
 BANK CODE: BPUAP

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	check #
Invoice Age: Less Than 30 Days							
Check 71766							
582-544.000-801.000	11/14/19	MILSOFT	11-1-2019 DISPATCH SUPPORT	20194595	11/14/19	666.67	71766
582-544.000-801.000	11/14/19	MILSOFT	11-1-2019 IVR SUPPORT	20194774	11/14/19	270.33	71766
590-546.000-801.000	11/14/19	MILSOFT	11-1-2019 IVR SUPPORT	20194774	11/14/19	135.17	71766
591-175.000-801.000	11/14/19	MILSOFT	11-1-2019 IVR SUPPORT	20194774	11/14/19	135.16	71766
Total For Check 71766						1,207.33	
Check 71767							
582-000.000-202.000	11/01/19	CLAWSON, SHIRLEY A	UB refund for account: 026539	11/01/2019	11/14/19	16.00	71767
Total For Check 71767						16.00	
Check 71768							
582-000.000-202.000	11/01/19	WILSON, SHALENA L	UB refund for account: 013097	11/01/2019	11/14/19	72.59	71768
582-000.000-202.000	11/01/19	WILSON, SHALENA L	UB refund for account: 013097	11/01/2019	11/14/19	35.05	71768
582-000.000-202.000	11/01/19	WILSON, SHALENA L	UB refund for account: 013097	11/01/2019	11/14/19	4.36	71768
582-000.000-202.000	11/01/19	WILSON, SHALENA L	UB refund for account: 013097	11/01/2019	11/14/19	1.57	71768
582-000.000-202.000	11/01/19	WILSON, SHALENA L	UB refund for account: 013097	11/01/2019	11/14/19	3.14	71768
582-000.000-202.000	11/01/19	WILSON, SHALENA L	UB refund for account: 013097	11/01/2019	11/14/19	3.29	71768
Total For Check 71768						120.00	
Check 71769							
582-000.000-202.000	11/06/19	BOOHER, AGNES I	UB refund for account: 024029	11/06/2019	11/14/19	3.49	71769
582-000.000-202.000	11/06/19	BOOHER, AGNES I	UB refund for account: 024029	11/06/2019	11/14/19	1.07	71769
582-000.000-202.000	11/06/19	BOOHER, AGNES I	UB refund for account: 024029	11/06/2019	11/14/19	0.28	71769
582-000.000-202.000	11/06/19	BOOHER, AGNES I	UB refund for account: 024029	11/06/2019	11/14/19	0.16	71769
582-000.000-202.000	11/06/19	BOOHER, AGNES I	UB refund for account: 024029	11/06/2019	11/14/19	0.01	71769
582-000.000-202.000	11/06/19	BOOHER, AGNES I	UB refund for account: 024029	11/06/2019	11/14/19	0.11	71769
582-000.000-202.000	11/06/19	BOOHER, AGNES I	UB refund for account: 024029	11/06/2019	11/14/19	0.09	71769
Total For Check 71769						5.21	
Check 71770							
582-000.000-202.000	11/06/19	COVEY, APRIL R	UB refund for account: 019358	11/06/2019	11/14/19	222.34	71770
582-000.000-202.000	11/06/19	COVEY, APRIL R	UB refund for account: 019358	11/06/2019	11/14/19	80.98	71770
582-000.000-202.000	11/06/19	COVEY, APRIL R	UB refund for account: 019358	11/06/2019	11/14/19	12.44	71770
582-000.000-202.000	11/06/19	COVEY, APRIL R	UB refund for account: 019358	11/06/2019	11/14/19	4.92	71770
582-000.000-202.000	11/06/19	COVEY, APRIL R	UB refund for account: 019358	11/06/2019	11/14/19	7.34	71770
Total For Check 71770						328.02	
Check 71771							
582-000.000-202.000	11/06/19	OSBORNE, KIMBERLY R	UB refund for account: 024463	11/06/2019	11/14/19	46.41	71771
582-000.000-202.000	11/06/19	OSBORNE, KIMBERLY R	UB refund for account: 024463	11/06/2019	11/14/19	17.55	71771
582-000.000-202.000	11/06/19	OSBORNE, KIMBERLY R	UB refund for account: 024463	11/06/2019	11/14/19	2.59	71771
582-000.000-202.000	11/06/19	OSBORNE, KIMBERLY R	UB refund for account: 024463	11/06/2019	11/14/19	1.00	71771
582-000.000-202.000	11/06/19	OSBORNE, KIMBERLY R	UB refund for account: 024463	11/06/2019	11/14/19	1.56	71771
582-000.000-202.000	11/06/19	OSBORNE, KIMBERLY R	UB refund for account: 024463	11/06/2019	11/14/19	0.89	71771
Total For Check 71771						70.00	
Check 71772							
582-000.000-202.000	11/06/19	DUNN, KARA D	UB refund for account: 013154	11/06/2019	11/14/19	127.26	71772
Total For Check 71772						127.26	
Check 71773							
582-000.000-202.000	11/07/19	ABBE, MARLENE F	UB refund for account: 018948	11/07/2019	11/14/19	75.87	71773
582-000.000-202.000	11/07/19	ABBE, MARLENE F	UB refund for account: 018948	11/07/2019	11/14/19	11.92	71773
582-000.000-202.000	11/07/19	ABBE, MARLENE F	UB refund for account: 018948	11/07/2019	11/14/19	3.62	71773

INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE
 EXP CHECK RUN DATES 11/01/2019 - 11/14/2019
 BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
 BANK CODE: BPUAP

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	check #
Invoice Age: Less Than 30 Days							
Check 71773							
582-000.000-202.000	11/07/19	ABBE, MARLENE F	UB refund for account: 018948	11/07/2019	11/14/19	1.65	71773
582-000.000-202.000	11/07/19	ABBE, MARLENE F	UB refund for account: 018948	11/07/2019	11/14/19	0.80	71773
582-000.000-202.000	11/07/19	ABBE, MARLENE F	UB refund for account: 018948	11/07/2019	11/14/19	1.07	71773
						94.93	
Total For Check 71773							
Check 71774							
582-000.000-202.000	11/07/19	SMITH, LACEY J	UB refund for account: 011213	11/07/2019	11/14/19	38.50	71774
582-000.000-202.000	11/07/19	SMITH, LACEY J	UB refund for account: 011213	11/07/2019	11/14/19	5.52	71774
582-000.000-202.000	11/07/19	SMITH, LACEY J	UB refund for account: 011213	11/07/2019	11/14/19	0.10	71774
582-000.000-202.000	11/07/19	SMITH, LACEY J	UB refund for account: 011213	11/07/2019	11/14/19	1.80	71774
582-000.000-202.000	11/07/19	SMITH, LACEY J	UB refund for account: 011213	11/07/2019	11/14/19	0.84	71774
582-000.000-202.000	11/07/19	SMITH, LACEY J	UB refund for account: 011213	11/07/2019	11/14/19	0.50	71774
582-000.000-202.000	11/07/19	SMITH, LACEY J	UB refund for account: 011213	11/07/2019	11/14/19	0.28	71774
590-000.000-202.000	11/07/19	SMITH, LACEY J	UB refund for account: 011213	11/07/2019	11/14/19	7.52	71774
590-000.000-202.000	11/07/19	SMITH, LACEY J	UB refund for account: 011213	11/07/2019	11/14/19	21.12	71774
591-000.000-202.000	11/07/19	SMITH, LACEY J	UB refund for account: 011213	11/07/2019	11/14/19	8.38	71774
591-000.000-202.000	11/07/19	SMITH, LACEY J	UB refund for account: 011213	11/07/2019	11/14/19	6.44	71774
						91.00	
Total For Check 71774							
Check 71775							
582-000.000-202.000	11/07/19	CHERRY TREE APARTMENTS	UB refund for account: 005633	11/07/2019	11/14/19	13.02	71775
582-000.000-202.000	11/07/19	CHERRY TREE APARTMENTS	UB refund for account: 005633	11/07/2019	11/14/19	0.91	71775
582-000.000-202.000	11/07/19	CHERRY TREE APARTMENTS	UB refund for account: 005633	11/07/2019	11/14/19	0.37	71775
582-000.000-202.000	11/07/19	CHERRY TREE APARTMENTS	UB refund for account: 005633	11/07/2019	11/14/19	0.50	71775
582-000.000-202.000	11/07/19	CHERRY TREE APARTMENTS	UB refund for account: 005633	11/07/2019	11/14/19	0.20	71775
						15.00	
Total For Check 71775							
Check 71776							
582-000.000-202.000	11/07/19	CHERRY TREE APARTMENTS	UB refund for account: 026544	11/07/2019	11/14/19	15.00	71776
						15.00	
Total For Check 71776							
Check 71777							
582-000.000-202.000	11/07/19	NEVINS, TARA E	UB refund for account: 012862	11/07/2019	11/14/19	16.82	71777
582-000.000-202.000	11/07/19	NEVINS, TARA E	UB refund for account: 012862	11/07/2019	11/14/19	5.83	71777
582-000.000-202.000	11/07/19	NEVINS, TARA E	UB refund for account: 012862	11/07/2019	11/14/19	0.02	71777
582-000.000-202.000	11/07/19	NEVINS, TARA E	UB refund for account: 012862	11/07/2019	11/14/19	1.13	71777
582-000.000-202.000	11/07/19	NEVINS, TARA E	UB refund for account: 012862	11/07/2019	11/14/19	0.40	71777
582-000.000-202.000	11/07/19	NEVINS, TARA E	UB refund for account: 012862	11/07/2019	11/14/19	0.85	71777
582-000.000-202.000	11/07/19	NEVINS, TARA E	UB refund for account: 012862	11/07/2019	11/14/19	0.58	71777
590-000.000-202.000	11/07/19	NEVINS, TARA E	UB refund for account: 012862	11/07/2019	11/14/19	12.95	71777
590-000.000-202.000	11/07/19	NEVINS, TARA E	UB refund for account: 012862	11/07/2019	11/14/19	6.87	71777
591-000.000-202.000	11/07/19	NEVINS, TARA E	UB refund for account: 012862	11/07/2019	11/14/19	3.79	71777
591-000.000-202.000	11/07/19	NEVINS, TARA E	UB refund for account: 012862	11/07/2019	11/14/19	11.10	71777
						60.34	
Total For Check 71777							
Check 71778							
582-000.000-202.000	11/13/19	RICHTER, KATHRYN E	UB refund for account: 021363	11/13/2019	11/14/19	34.90	71778
582-000.000-202.000	11/13/19	RICHTER, KATHRYN E	UB refund for account: 021363	11/13/2019	11/14/19	17.46	71778
582-000.000-202.000	11/13/19	RICHTER, KATHRYN E	UB refund for account: 021363	11/13/2019	11/14/19	2.13	71778
582-000.000-202.000	11/13/19	RICHTER, KATHRYN E	UB refund for account: 021363	11/13/2019	11/14/19	0.76	71778
582-000.000-202.000	11/13/19	RICHTER, KATHRYN E	UB refund for account: 021363	11/13/2019	11/14/19	1.56	71778
582-000.000-202.000	11/13/19	RICHTER, KATHRYN E	UB refund for account: 021363	11/13/2019	11/14/19	1.19	71778
						58.00	
Total For Check 71778							

INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE
 EXP CHECK RUN DATES 11/01/2019 - 11/14/2019
 BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
 BANK CODE: BPUAP

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	check #
Invoice Age: Less Than 30 Days							
Check 71779							
591-543.000-930.000	11/14/19	NORTHERN PUMP & WELL	CLEAN HIGH SERVICE PUMP #4, REPAIR	19-J1636	11/14/19	9,206.70	71779
						<u>9,206.70</u>	
Total For Check 71779							
Check 71780							
582-175.000-801.000	11/14/19	ONLINE INFORMATION SERVICES	MONTHLY PROCESSING	963042	11/14/19	74.40	71780
590-175.000-801.000	11/14/19	ONLINE INFORMATION SERVICES	MONTHLY PROCESSING	963042	11/14/19	37.20	71780
591-175.000-801.000	11/14/19	ONLINE INFORMATION SERVICES	MONTHLY PROCESSING	963042	11/14/19	37.20	71780
						<u>148.80</u>	
Total For Check 71780							
Check 71781							
582-544.000-726.800	11/14/19	POWERLINE SUPPLY	TESTING RUBBER GOODS	56415121	11/14/19	315.00	71781
						<u>315.00</u>	
Total For Check 71781							
Check 71782							
582-175.000-726.000	11/14/19	RUPERT'S CULLIGAN	WATER - OFFICE	211576	11/14/19	10.00	71782
590-175.000-726.000	11/14/19	RUPERT'S CULLIGAN	WATER - OFFICE	211576	11/14/19	5.00	71782
591-175.000-726.000	11/14/19	RUPERT'S CULLIGAN	WATER - OFFICE	211576	11/14/19	5.00	71782
						<u>20.00</u>	
Total For Check 71782							
Check 71783							
582-175.000-852.000	11/14/19	SOUTHERN COMPUTER WAREHOUSE	WIRELESS AP'S & SWITCH FOR NEW WIFI	IN-000609884-BPU	11/14/19	223.79	71783
590-175.000-801.200	11/14/19	SOUTHERN COMPUTER WAREHOUSE	WIRELESS AP'S & SWITCH FOR NEW WIFI	IN-000609884-BPU	11/14/19	111.90	71783
591-175.000-801.200	11/14/19	SOUTHERN COMPUTER WAREHOUSE	WIRELESS AP'S & SWITCH FOR NEW WIFI	IN-000609884-BPU	11/14/19	111.89	71783
						<u>447.58</u>	
Total For Check 71783							
Check 71784							
590-546.000-930.000	11/14/19	TINA MILLER	REIMBURSEMENT FOR DAMAGES TO SEWER	10.10.2019	11/14/19	1,750.00	71784
						<u>1,750.00</u>	
Total For Check 71784							
Check 71785							
582-543.000-930.000	11/14/19	UTILITIES INSTRUMENTATION SERV	REVIEW OCTOBER OUTAGE RELAY SETTING	530358549	11/14/19	411.48	71785
582-544.000-930.546	11/14/19	UTILITIES INSTRUMENTATION SERV	REVIEW OCTOBER OUTAGE RELAY SETTING	530358549	11/14/19	1,144.00	71785
						<u>1,555.48</u>	
Total For Check 71785							
Check 78							
582-000.000-265.000	11/12/19	STATE OF MICHIGAN	SALES TAX	11.12.2019	11/12/19	31,523.93	78
582-000.000-693.000	11/12/19	STATE OF MICHIGAN	SALES TAX	11.12.2019	11/12/19	(192.23)	78
						<u>31,331.70</u>	
Total For Check 78							
Check 79							
582-175.000-726.000	11/14/19	PITNEY BOWES GLOBAL FIANANCI	INK CTDG/TAPE STRIPS	0006742516	11/14/19	208.23	79
590-175.000-726.000	11/14/19	PITNEY BOWES GLOBAL FIANANCI	INK CTDG/TAPE STRIPS	0006742516	11/14/19	104.12	79
591-175.000-726.000	11/14/19	PITNEY BOWES GLOBAL FIANANCI	INK CTDG/TAPE STRIPS	0006742516	11/14/19	104.11	79
						<u>416.46</u>	
Total For Check 79							
						<u>300,967.74</u>	
Total For Age Less Than 30 Days							

INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE
 EXP CHECK RUN DATES 11/01/2019 - 11/14/2019
 BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
 BANK CODE: BPUAP

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amountcheck #
Fund Totals:						
			Fund 582 ELECTRIC FUND			121,150.03
			Fund 590 SEWER FUND			61,841.40
			Fund 591 WATER FUND			117,976.31
Total For All Funds:						
						300,967.74
--- TOTALS BY GL DISTRIBUTION ---						
582-000.000-123.000			PREPAID EXPENSES			3,008.50
582-000.000-158.000-20			OMNI 350MCM COPPER XLP/USE-2			4,181.25
582-000.000-202.000			4ENBK1			922.59
582-000.000-214.101			DUE TO GENERAL FUND			7.00
582-000.000-249.100			LOW INCOME ENERGY ASSISTANCE			8,126.60
582-000.000-265.000			ACCRUED SALES TAX			31,523.93
582-000.000-693.000			MISC NON-OPERATING INCOME			(192.23)
582-175.000-726.000			SUPPLIES			367.82
582-175.000-801.000			CONTRACTUAL SERVICES			3,290.65
582-175.000-801.200			COMPUTER			774.38
582-175.000-806.000			LEGAL SERVICES			75.00
582-175.000-808.000			AUDITING SERVICES			2,287.50
582-175.000-820.000			PILOT			61,088.75
582-175.000-852.000			WIRELESS AP'S & SWITCH FOR NEW WIFI			223.79
582-175.000-880.000			COMMUNITY PROMOTION			926.50
582-175.000-920.400			UTILITIES - GAS			35.13
582-175.000-925.000			TELEPHONE			28.00
582-175.000-930.000			REPAIRS & MAINTENANCE			70.00
582-543.000-726.000			SUPPLIES			5.40
582-543.000-861.000			TRAINING & SEMINARS			145.72
582-543.000-930.000			POWER PLANT ELECTRICAL SWITCH			419.91
582-544.000-726.800			APPLIANCE FUSES WAREHOUSE			316.99
582-544.000-740.000			FUEL AND LUBRICANTS			1,385.85
582-544.000-801.000			ANNUAL ROW PERMIT			987.00
582-544.000-930.546			REVIEW OCTOBER OUTAGE RELAY SETTINGS			1,144.00
590-000.000-123.000			PREPAID EXPENSES			1,504.25
590-000.000-202.000			SCCH			48.46
590-175.000-726.000			SUPPLIES			222.34
590-175.000-801.000			CONTRACTUAL SERVICES			1,672.32
590-175.000-801.200			COMPUTER			499.09
590-175.000-808.000			AUDITING SERVICES			1,143.75
590-175.000-820.000			PILOT			11,055.96
590-175.000-880.000			COMMUNITY PROMOTION			463.25
590-175.000-920.400			UTILITIES - GAS			17.57
590-175.000-925.000			TELEPHONE			14.00
590-175.000-930.000			REPAIRS & MAINTENANCE			35.00
590-546.000-801.000			11-1-2019 IVR SUPPOR			135.17
590-546.000-930.000			REIMBURSEMENT			1,750.00
590-547.000-726.900			5 GAL DISTILLED WATER			17.50
590-547.000-727.500			1490# CHLORINE GAS CYLINDER			1,160.03
590-547.000-727.600			FERROUS CHLORIDE			4,210.86
590-547.000-740.000			FUEL AND LUBRICANTS			201.43
590-547.000-801.000			SERVICE CHARGE			2,236.24
590-547.000-920.400			UTILITIES - GAS			652.75
590-547.000-930.000			1 1/2 GALV CAP			241.43
590-547.000-970.000-19			HVAC THIRD PAY REQUEST			34,560.00
591-000.000-123.000			PREPAID EXPENSES			1,504.25
591-000.000-158.000-20			BID AMOUNT			59,500.00
591-000.000-202.000			WBK1			29.71
591-175.000-726.000			SUPPLIES			145.45
591-175.000-801.000			CONTRACTUAL SERVICES			1,753.47

GL Number	Invoice Date	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	check #
		591-175.000-801.200	COMPUTER			499.07	
		591-175.000-808.000	AUDITING SERVICES			1,143.75	
		591-175.000-820.000	PILOT			8,045.67	
		591-175.000-880.000	COMMUNITY PROMOTION			463.25	
		591-175.000-905.000	PUBLISHING / NOTICES			30.05	
		591-175.000-920.400	UTILITIES - GAS			17.56	
		591-175.000-925.000	TELEPHONE			14.00	
		591-175.000-930.000	REPAIRS & MAINTENANCE			35.00	
		591-543.000-930.000	CLEAN HIGH SERVICE PUMP #4 REPAIR MOT			9,206.70	
		591-544.000-726.800	WV120SBST-200 VESSELS W/ST AND SB 200			2,327.01	
		591-544.000-730.039	DUMPTRUCK WELD			300.00	
		591-544.000-740.000	FUEL AND LUBRICANTS			805.67	
		591-544.000-801.000	CCCP OCTOBER 2019 SERVICES			1,333.00	
		591-544.000-930.000	1 1/4 PVC COMP COUPLING			25,986.18	
		591-545.000-727.400	55 GAL DRUM CARUS 8700 PHOSPHATES			4,197.60	
		591-545.000-920.400	UTILITIES - GAS			89.96	
		591-545.000-930.000	PRESSURE WASHER			548.96	

CITY COUNCIL MINUTES

City of Hillsdale
Council Chambers
November 18, 2019
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.

Council Members present:	Adam Stockford, Mayor
	R. Gregory Stuchell, Ward 1
	Tony Vear, Ward 1
	William Morrissey, Ward 2
	Cynthia Pratt, Ward 2
	William Zeiser, Ward 3
	Bruce Sharp, Ward 3
	Matthew Bell, Ward 4
	Raymond Briner, Ward 4

Council Members absent:	None
-------------------------	------

Also present were: Attorney John Lovinger, Katy Price (City Clerk), Jake Hammel (DPS), Scott Hephner (Chief of Police/Fire), Mark Hawkins (Deputy Fire Chief), Chris McArthur (BPU Director), Mike Prince, Adam Malcheft, Steve Stoll, Ted Janesen, Felicia Finch, Jack McClain, Penny Swan, Ruth Brown, Ben Wilson, Joseph Hendee, and Dennis Wainscott.

Approval of Agenda

Motioned to amend agenda to include New Business C. Breathing Air Fill Station (Fire Dept) to agenda by Council Member Bell, seconded by Council Member Briner.

By a voice vote, the motion passed unanimously.

Motion to approve the agenda as amended by Council Morrissey, seconded by Council Member Briner.

Roll call:	Mayor Stockford	Aye
	Council Member Stuchell	Aye
	Council Member Vear	Aye
	Council Member Morrissey	Aye
	Council Member Pratt	Aye
	Council Member Sharp	Aye
	Council Member Zesier	Aye
	Council Member Bell	Aye
	Council Member Briner	Aye

Motion passed 9-0.

Public Comment

Joseph Hendee, 181 Rea Street, commented on the website and finance reports in the council

packet.

Consent Agenda

- A. Approval of Bills
 - 1. City Claims of October 31, 2019: \$710,554.06
 - 2. BPU Claims of October 31, 2019: \$256,097.17
 - 3. Payroll of November 14, 2019: \$185,90.54
- B. City Council Minutes of November 4, 2019 Regular Meeting
- C. Finance Minutes of November 4, 2019
- D. EDC Business Review Committee Minutes of March 7, 2019
- E. December 7, 2019 Light up Parade Use Agreement
- F. October 2019 Financial Report
- G. BPU #2 Water Filter Valve Replacement
- H. BPU Furnace and Heater Replacement at BPU Warehouse
- I. BPU Underground Electric Service Laterals
- J. Merit Internet Contract Renewal

Council Member Morrissey, seconded by Council Member Vear moved to approve the Consent Agenda.

Roll call:	Mayor Stockford	Aye
	Council Member Stuchell	Aye
	Council Member Vear	Aye
	Council Member Morrissey	Aye
	Council Member Pratt	Aye
	Council Member Sharp	Aye
	Council Member Zesier	Aye
	Council Member Bell	Aye
	Council Member Briner	Aye

Motion passed 9-0.

Communications/Petitions

- A. New Year’s Eve Bash
- B. Comcast Letter
- C. BPU Holiday Lights Contest

The items of communications were received for informational purposes only.

Introduction and Adoption of Ordinances/Public Hearings

- A. Public Hearing- CRE application, 3883 W. Carleton Rd. - Olmstead, LLC

Property owners explained the project and renovation process of the property.

Mayor Stockford open public hearing at 7:16 p.m.

Ted Jansen, 104 Hillsdale Street, commented that he is excited to see this development and supports it.

Dennis Wainscott, 34 Garden Street, commented that he is in support of this project and wishes the owners success.

Joseph Hendee, 181 Rea Street, thanked the business for expanding and taking on rehabilitation of the property.

With no further comment Mayor Stockford closed public hearing at 7:49 p.m.

Motion to approve the CRE application for 3883 W. Carleton Rd for 10 years by Council Member Bell, seconded by Council Member Sharp. **Resolution 3399.**

Roll call:	Mayor Stockford	Aye
	Council Member Stuchell	Aye
	Council Member Vear	Aye
	Council Member Morrisey	Aye
	Council Member Pratt	Aye
	Council Member Sharp	Aye
	Council Member Zesier	Aye
	Council Member Bell	Aye
	Council Member Briner	Aye

Motion passed 9-0.

Old Business

A. 2018-19 Budget Amendments: Assign Resolution Number

Council Member Morrisey, seconded by Council Member Bell to assign resolution number 3397 to the approved 2018-19 budget amendments that were passed on June 17, 2019. **Resolution 3397**

Roll call:	Mayor Stockford	Aye
	Council Member Stuchell	Aye
	Council Member Vear	Aye
	Council Member Morrisey	Aye
	Council Member Pratt	Aye
	Council Member Sharp	Aye
	Council Member Zesier	Aye
	Council Member Bell	Aye
	Council Member Briner	Aye

Motion passed 9-0.

B. Approve Resolution to Amend Minutes of June 17, 2019

Council Member Bell, seconded by Council Member Morrisey to adopt resolution 3398 to amend the June 17, 2019 minutes to reflect the assigned resolution number 3397 for the approved 2018-19 budget amendments. **Resolution 3398**

Roll call:	Mayor Stockford	Aye
	Council Member Stuchell	Aye
	Council Member Vear	Aye
	Council Member Morrisey	Aye
	Council Member Pratt	Aye
	Council Member Sharp	Aye
	Council Member Zesier	Aye
	Council Member Bell	Aye
	Council Member Briner	Aye

Motion passed 9-0.

C. Designation of NEZ District #4 (Resolution)

Mr. Stoll contractor of Hillsdale Commons discussed proposed construction project with Council.

Council Member Morrissey, seconded by Council Member Bell to approve a resolution for NEZ district #4. **Resolution 3400.**

Roll call:	Mayor Stockford	Aye
	Council Member Stuchell	Aye
	Council Member Vear	Aye
	Council Member Morrissey	Aye
	Council Member Pratt	Aye
	Council Member Sharp	Aye
	Council Member Zesier	Aye
	Council Member Bell	Aye
	Council Member Briner	Aye

Motion passed 9-0.

D. Street Projects – ICE Grant, Verbal Update

DPS Director Hammel updated Council on Street projects.

Discussion ensued on ICE grant completion checklist.

No action taken.

New Business

A. Set Public Hearing for reinstatement and transfer of IFT certificate 2013-460 (Hartzell Veneer Products LLC) to Paragon Metals Inc.

Council Member Bell, seconded by Council Member Sharp to set a public hearing for IFT certificate 2013-460 transfer for Paragon Metals Inc on December 2, 2019.

By a voice vote, the motion passed unanimously.

B. Revision to Traffic Control Order 2014-07

Council Member Morrissey, seconded by Council Member Vear to revised TCO 2014-07 to 2019-64 with no parking on south side of Vine Street from Union Street to Oak Street. **Resolution 3401.**

By a voice vote, the motion passed unanimously.

C. Breathing Air Fill Station & Compressor (Fire Dept)

Police/Fire Chief Hephner addressed the need of the air fill station/compressor to Council. This has become an emergency item that needs replaced he stated.

Council Member Bell, seconded by Sharp to purchase the fill station compressor in the amount of \$21,719.57.

Roll call:	Mayor Stockford	Aye
	Council Member Stuchell	Aye
	Council Member Vear	Aye
	Council Member Morrissey	Aye
	Council Member Pratt	Aye
	Council Member Sharp	Aye
	Council Member Zesier	Aye
	Council Member Bell	Aye
	Council Member Briner	Aye

Motion passed 9-0.

Miscellaneous Reports

- A. Proclamation – None
- B. Appointment- Airport Advisory Committee – Monico Lopez
Airport Advisory Committee – Paul Taylor
Zoning Board of Appeals- Dennis Wainscott

Council Member Morrissey, seconded by Vear to approve the presented appointments.

By a voice vote, the motion passed unanimously.

- C. Other – None

General Public Comment

Dennis Wainscott, 34 Garden Street, thanked Council on appointing him to the Zoning Board of Appeals

Felicia Finch, 25 Hillsdale Street, commented on the lack of parking for her business and surrounding businesses on Hillsdale Street.

Scott Hephner, Police/Fire Chief, commented on the parking issue on Hillsdale Street. He stated Union Street has a few parking spaces that were added a few months ago to help with the lack of parking in the area.

Penny Swan, 8 S. Manning Street, commented on the fire station Christmas light decorations.

Jack McClain, 16 Broad Street, thanked Council on a good job and commented on parking.

City Manager’s Report

Hillsdale Community Foundation will be hosting the Great Give event on Tuesday, December 3rd, 2019.

The Dawn Theater construction contract has been signed with Foulke Construction and will be moving forward.

The City will be applying for a grant for the Fayette Street project that is scheduled to begin next spring.

The library has two furnaces out at the facility. Looking to see if the city should fix or replace the two out of the six furnaces.

All city offices will be closed for Thanksgiving on Thursday, November 28 and Friday, November 29, 2019.

Council Comments

Council Member Zeiser, commented that the city is doing a great job and is looking up with economic development, community involvement, expansion and events.

Council Member Sharp, commented on the playground equipment on Coldsprings Park.

Council Member Briner, commented that the Exchange Club of Hillsdale had a Book of Golden Deeds event which honored Kristi Gaustche and Trinity Bird for their community service.

Adjournment

Council Member Bell, seconded by Council Member Morrisey moved to adjourn the meeting. By a voice vote, the motion passed unanimously.

The meeting adjourned at 8:03 p.m.

Adam L. Stockford, Mayor

Katy Price, City Clerk



CITY OF HILLSDALE

Tax Increment Finance Authority TIFA Regular Meeting 3rd Floor City Hall September 17, 2019

Minutes

I. Call to Order at 7:30 am

- A. Members Present: Chris Sumnar, Cindy Bieszk, Michael Clark, Deb Kamen, Councilman Greg Stuchell, Andrew Gelzer, Dr. Robert Miller, Tim Dixon, Darin Spieth
- B. Others present: Alan Beeker, Mary Wolfram
- C. Members Absent: Mike Harner, Kathy Newell, John Spiteri

II. Consent Agenda

- A. Minutes from Special Meeting 07/23/2019
- B. Minutes from Targeted Development Committee 08/27/2019
- C. Minutes from Beautification Committee 08/06/2019
- D. Financial Reports
- E. Keefer Promotional Brochure available for review.

Mr. Sumnar asked that the Keefer Promotional Brochure be added to the Consent Agenda and that Committee Appointments be added to New Business as "B". Cindy Bieszk moved to approve with amendments, Drew Gelzer seconded, motion passed.

III. Member Business

- A. Darin Spieth & Tim Dixon – Mr. Sumnar took a moment to welcome the newest members. Mary Wolfram was appointed to the Board at the Sept. 16 Council meeting but had not be sworn-in. She was in attendance and welcomed as well.
- B. Robert Socha tendered his resignation to the Mayor, which Council accepted at the Sept. 16 meeting. Mike Clark moved to accept Mr. Socha's resignation, Deb Kamen seconded. Motion passed.

IV. Public Comment

No public comment.

V. Committee Reports

- A. Program Review Committee – Cindy Bieszk, Chair
 - 1. General Report – No report

- B. Targeted Development Committee
 - 1. General Report – Targeted Development approved and Mr. Sumnar signed the Keefer Purchase Agreement Addendum on Sept. 11, 2019.
- C. Beautification/ Downtown Amenities- Kathy Newell, Chair
 - 1. General Report – Deb Kamen reviewed the minutes from the last meeting, looking at the budget and some of the ways that cost savings can be achieved with regard to the flower purchase and maintenance. Looking at possibly purchasing equipment to do the watering and plant maintenance. Eliminating support of the installation and maintenance of plants that are outside of district.
- D. Dawn Theater Governance Board
 - 1. General Report – No Report
 - 2. Mr. Sumnar applauded the GB for the Rebirthday of the Dawn. The presentation and celebration that followed was very well planned and implemented.
 - 3. Mr. Sumnar gave a brief overview of the final negotiation of the Dawn Management Agreement. Targeted Development wanted a firm number re: minimum costs of operation. Nathan Watson and the GB felt it was premature and would be something that could be determined once operations began in the completed Theater. Greg Stuchell moved to approve the Management Agreement and give the Chair authority to sign. Tim Dixon seconded. Motion passed.

VI. Old Business

- A. Dawn Theater Project Update – Mr. Beeker gave a brief update on the contract negotiations with Foulke Construction. The hope is to have a signed contract by the beginning of October.

VII. New Business

- A. Intergovernmental Agreement – Mr. Beeker gave a brief explanation as to why the agreement is required. MEDC required that the City and TIFA sign an agreement ensuring that the grant monies will be used for the Dawn project on behalf of TIFA as the property owner. Cindy Bieszk moved to approve the agreement and grant the Chair authority to sign, Tim Dixon seconded, motion passed.
- B. Committee Appointments – Cindy Bieszk moved to appoint Mary Wolfram to the Dawn Governance Board and Targeted Development, Tim Dixon to Targeted Development and Darin Spieth to the Program Review Committees. Drew Gelzer seconded, motion passed.

VIII. Economic Development Update/Board Round Table

Mr. Beeker gave a brief overview of some of the developments going on in the City.

- Dollar General moving to the existing Family Video store.
- Cottage Inn purchasing the Silos Park, building additional restaurant space and relocating.
- 23/25 N. Broad – developing an RFQ with the help of Redevelopment Ready Community (RRC) resources to attract a developer to construct a new building in place of the demolished structure.
- 60 Logan Senior Apts. – submitting their funding application to MSHDA.
- New Taco Bell restaurant to be developed along W. Carleton.

The Board would like to have an informational presentation with Council to help them better understand the mechanics of the TIFA and to better work together in further developing the district. There are still empty and under-utilized buildings in the District. The Board also asked Mr. Beeker to place an article in the next City newsletter to help educate the public.

IX. Adjournment – Drew Gelzer moved to adjourn, Tim Dixon seconded. Meeting adjourned at 8:20 a.m.

Next Regular Meeting: November 19, 2019 at 7:30 am.

DRAFT



Planning Commission
97 North Broad Street
Hillsdale, Michigan 49242-1695
(517) 437-6440 Fax: (517) 437-6450

PLANNING COMMISSION MINUTES

HILLSDALE CITY HALL,

97 N. Broad Street

October 15, 2019 at 5:30 PM

I. Call to Order

- A. Vice Chairman Samuel Nutter called the meeting to order at 5:29 pm
- B. Members present: Secretary Kerry Laycock, Mayor Pro-tem William Morrissey, Commissioners Eric Moore, Ron Scholl and Penny Swan
- C. Chairwoman Amber Yoder was absent.
- D. Others present: Alan Beeker for the City, Jack McLain, Alison McDowell and David Stewart representing Kingdom Geekdom, Ronald Redick with Mika Meyers, PLC on behalf of SBA 2012 TC Assets, LLC (SBA) and Ben Herrick with Faulk and Foster on behalf of Tillman Infrastructure.

II. Public Comment

Jack McLain spoke on the petition for a new communication tower. He stated that the proposed tower is less than 170 from a trailer park and that it is not near the center of the industrial park as stated in the petition. He further stated that the new ATT tower near Fayette Street does not comply with the fall zone requirements. Mr. McLain also had questions about new wayfinding signage. He inquired about the source of the new signs. Mr. Beeker suggested he speak with someone in the Street Department.

III. Consent Items/Communications

Commissioner Laycock moved to approve the consent items. Commissioner Moore seconded. All were in favor.

IV. Site plan review

- A. 181 Uran – New communications tower.

Mr. Beeker introduced the project and noted that a lot-split is required, and that a small part of the site will be leased land. Tillman Infrastructure (the petitioner) is preparing the required description. The split must be a condition of approval if the petition is approved by the Planning Commission.

Mr. Herrick spoke on behalf of Tillman. He stated the fall zone is within the engineered specifications. He argued that the ordinance allows for engineered fall zones within the setbacks. He further argued that the use is permitted by right within the industrial zone. He also claimed the tower is more than 170 feet from the mobile home park.

Commissioner Swan stated that she is concerned that she has not had time to read the additional documents that were brought forth at the meeting and were not contained in the meeting packet. Other Commissioners agreed.

Mr. Redick of Mika Meyers and representing SBA noted the proposed tower is 1.3 miles from SBA's existing tower and that it would be unnecessary and duplicative infrastructure. He suggested that the master plan calls for industrial development within existing infrastructure. He claimed that proper public notice was not given. He further claimed that the set-back does not comply with the ordinance and that the ordinance requires a fall zone equal to the height of the tower (not the engineered crumple-height).

Mr. Redick also claimed that Tillman aggressively seeks to duplicate SBA towers in rural communities "without a lot of regulation." He also asserted that Tillman encourages planning commissions "to bend

the rules to help them.” He suggested that the Planning Commission require an independent engineering study. A letter from Mr. Redick was distributed at the meeting and attached herewith.

Commissioner Laycock informed Mr. Redick that the Hillsdale Planning Commission does not bend the rules. He also informed Mr. Redick that the City supports economic development, encourages competition and does not pick winners and losers. Commissioner Laycock also asked Mr. Redick who would pay for an additional engineering study. Mr. Redick suggested that the petitioner be required to pay for the study as a condition of approval.

Commissioner Morrisey asked Mr. Beeker if the City Attorney had reviewed the language of the ordinance regarding fall-zones. Mr. Beeker indicated that he had requested review and that it was not yet complete. Commissioner Scholl asked for clarification on the 95-foot crumple zone.

Commissioner Nutter asked for the reason that a new tower was being requested. Mr. Herrick indicated that it was requested by Verizon and that SBA currently hosts Verizon’s communication equipment on its existing tower.

Commissioner Laycock moved to table the request pending review by the City Attorney. Commissioner Swan seconded. A roll-call vote was taken. All were in favor.

V. Presentation

A. Kingdom Geekdom

Ms. McDowell spoke on behalf of Kingdom Geekdom. She indicated the company had outgrown its present location downtown and wanted to build a new structure on property they own on S. Wolcott Street and to make use of the natural features of the property. Current zoning does not allow such a use and they are considering requesting a rezoning.

Commissioner Swan indicated she did not want to set a precedent by rezoning a parcel within a larger zone.

Commissioner Laycock inquired about on-site parking. Ms. McDowell suggested that there would be a maximum of 15 cars present at any time and the site could accommodate parking for 30 people.

Commissioner Scholl asked Mr. Beeker if the current zoning was single-family. Mr. Beeker responded that it is. Commissioner Scholl asked if this request is considered “spot-zoning.” Mr. Beeker indicated that there is no technical definition nor legal prohibition of spot zoning. Mr. Beeker went on to suggest that this kind of action is what is considered spot-zoning and generally attempts are made to avoid such actions. Mr. Beeker also indicated that it is difficult to categorize the business and to know how to properly zone for it.

Commissioner Nutter asked if the business can succeed in a low-traffic area. Ms. McDowell expressed confidence that it could.

Commissioner Laycock spoke in favor of using a zoning tool for an area larger than the two lots owned by the petitioners – consistent with form-based (as opposed to use-based) zoning. Mr. Beeker spoke about the use of overlay zoning and commented that it is used elsewhere in the City. There was general agreement among Commissioners that such an approach might be appropriate in this case and offered encouragement to the Kingdom Geekdom representatives to continue to work on their project.

B. Wayfinding signage

Mr. Beeker briefly reviewed the Economic Development Corporation’s (EDC) plan for the installation of wayfinding signage. A representative for the project was not present. Mr. Beeker told the Planning Commission that EDC is garnering support from other groups prior to presenting to Council for help with funding. There was no further discussion.

VI. Old business

Commissioner Nutter reviewed a draft of the Planning Commission annual report. He intends to present it to Council in November.

VII. New Business

There was no new business.

VIII. Master Plan review

Mr. Beeker indicated that there is a proposal for a joint meeting of City Council, the Planning Commission, the Economic Development Corporation and the Tax Increment Finance Authority. A facilitated goal setting meeting is proposed for January 2020.

IX. Zoning Ordinance Review

There was no discussion of zoning ordinance.

X. Zoning Administrator's Report

Mr. Beeker discussed the 2019 planning conference. Mr. Beeker also discussed a meeting with MDOT regarding what is required of the City in order to implement its "placemaking strategy" and the reconfiguration of Broad Street.

Mr. Beeker also noted that Commissioners Yoder and Laycock terms will end in November. He indicated an interest in finding replacement commissioners with a background in realty or construction.

XI. Commissioner Comments

There were no Commissioner comments.

XII. Adjournment

Commissioner Swan motioned to adjourn. Commissioner Morrissey seconded. All in favor. The meeting adjourned at 6:37 pm.

Next meeting: November 19, 2019 at 5:30 pm.

CITY OF HILLSDALE



Economic Development Corporation

97 North Broad Street
Hillsdale, Michigan 49242-1695
(517) 437-6426

EDC MINUTES **BUSINESS REVIEW COMMITTEE** **CITY HALL, 97 N. BROAD ST., 2ND FLOOR** **November 7, 2019 at 7:45 am**

I. Call to Order 7:45 am

Members Present: Andrew Gelzer, Richard Moeggenberg, Dean Affholter, Barry Hill
Others Present: Kelly LoPresto (Economic Development Coordinator)
Guests: Brad & Donna Olmstead

II. Consent Agenda:

Mr. Hill moved to approve the Business Review Committee meeting minutes from March 7, 2019. Mr. Gelzer seconded. Motion passed.

III. Public Comment on Agenda Items

None

IV. New Business

1. CRE Application – 3883 W. Carleton Road (Olmstead LLC) – Mr. Gelzer moved to recommend to council for approval for 10 years as the application meets the requirements. Mr. Moeggenberg seconded. Motion passed.

V. Old Business

No Old Business

VI. Public Comment

Brad and Donna Olmstead presented the project.

VII. Adjournment at 8:02 am – Mr. Gelzer moved to adjourn, Mr. Hill seconded, motion passed.

Airport Advisory Committee meeting minutes

September 14, 2019

Members Present Ted Jansen, Roy Szarafinski, David Morris, Mike Prince, Ginger Moore

Public Present: Penny Swan, Dennis Wainscott

Meeting started with Prayer by Pastor Prince and the Pledge of Allegiance

Public comments – None

Secretary Report – Motion to Approve Ted Jansen, Second, Roy Szarafinski –passed.

- **Discussion about Coming Elections for the AAC board – tabled till next meeting in November or December – Email will be sent By David Morris to David Mackie to help us move forward. All agreed!**
- **Airport Managers Report: Ginger Moore, Report** – Please note attachment and notes were given out at last meeting.
- Some Discussion as to what we can do Next year for the Fly in Covered by her report – B-25, Parachuters,
- Fuel Facility relocation plan information passed around the table and discussed

Old business: - Continuation of Airport **Managers Report: Ginger Moore, Report**

New business:

- Evaluation of the Fly in:
- Roy shared - Ground Marshaling needs to be improved – Ground Boss and Signaling – First year for our civil protrol working this event
- Ted shared a concern about the blocking of the Crosses – was disrespectful.
- David Shared Parking Concerns – Communication and cross traffic patters and Concern for our patrons

- Discussion – no need for paid parking or Donations – This Is a free event.
- Stakes and Tape could help I Guiding Cars as to where they can and can not park
- Ginger suggested that at Airport committee could organize or take care of the Parking in the future to help organize it. – Need more orange vest and something, a shirt to recognize those that can direct or help our patrons
- Dave made a suggestion to have a Gulf cart or a couple of Golf carts that can be used for staff
- Discussion as to where we might get Golf carts next year.

Public concerns: Dennis Wainscott Asked a question as to what do we do with this children during this event? - Answers – The whole fly in is for everyone. Some conversation on what the ACC did in the past – Super Heroes, not available at this last event but trying to get them for next year. Dennis Suggested Flying Kites – Problem was endangerment to flying craft, wires Etc:

Suggestion to share some type of appreciation gesture to Travis for making the donations that he did and for all of his help. Possibilities of working with the Exchange club to make this happen. Travis would have loved a picture of the airplane with the pilots

Ginger also shared that we need some type of PA system – Would help in so many ways.

Lots of thanks being given for all that were involved.

Motion made to adjourn by Ted and Second by Roy – passed!

CITY OF HILLSDALE FINANCE COMMITTEE

PLACE: City Hall

DATE: November 18, 2019

TIME: 6:30 PM

PRESENT

COUNCIL: Ray Briner, Bruce Sharp and Tony Vear

STAFF: David Mackie City Manager, Chris McArthur BPU Director, Scott Hephner Police and Fire Chief and Bonnie Tew Finance Director

PUBLIC: Ruth Brown County Commissioner

CITY OF HILLSDALE ACCOUNTS PAYABLE:

Check 351 Sale taxes for fuel.

Check 82134 The \$2900 amount was for all the city's parks.

Check 82141 From the 425 agreement paying a portion of millage to the township.

Check 82150 Emergency vehicle air brakes, compressor and generator.

Check 82160 Year end audit for the city.

Check 82162 Gas for Fire and Dial A Ride vehicles from the moving vehicles fund.

Check 82176 From the 425 agreement the payment is a percentage proportion of population.

Check 82183 Transfer Station for leafs.

Motioned by Vear and seconded by Briner. Passed 3 to 0.

BOARD OF PUBLIC UTILITIES ACCOUNTS PAYABLE:

Check 71723 From the PILOT program (6% of all sales to the city).

Check 71726 Public notice ads for flushing of lines.

Check 71740 Annual audit for the BPU.

Check 71743 North Street underground electric extension.

Check 71744 Annual software service and support agreement.

Check 71750 To replace the filter at the water treatment plant.

Check 71758 Capital improvements at WasteWater Treatment Plant approved by council.

Check 71759 Week of meals while attending a Power Line Conference.

Check 71764 This is for the Low Income Energy Assistance Fund (LIEAF). Figured from a 93 cents surcharge on monthly BPU bills.

Check 71779 Was to service Pump #4, of which the city has 4.

Check 71784 For a damaged manhole cover at 17 Norwood Street.

Motion by Vear and seconded by Briner. Motion passed 3 to 0.

PUBLIC COMMENT: Ruth Brown had a question on check 71753. It is used to help customers pay their bills. UB is an abbreviation for utility bill.

ADJOURNMENT: 6:54PM

Next meeting

City Hall

December 2, 2019

6:30PM

Minutes prepared by Tony Vear, acting Secretary



PORTFOLIO REVIEW

City of Hillsdale Operating portfolio as of 11/18/19

Your Portfolio

Cash	\$218,501
Securities	\$1,800,000
Total Portfolio	\$2,018,501

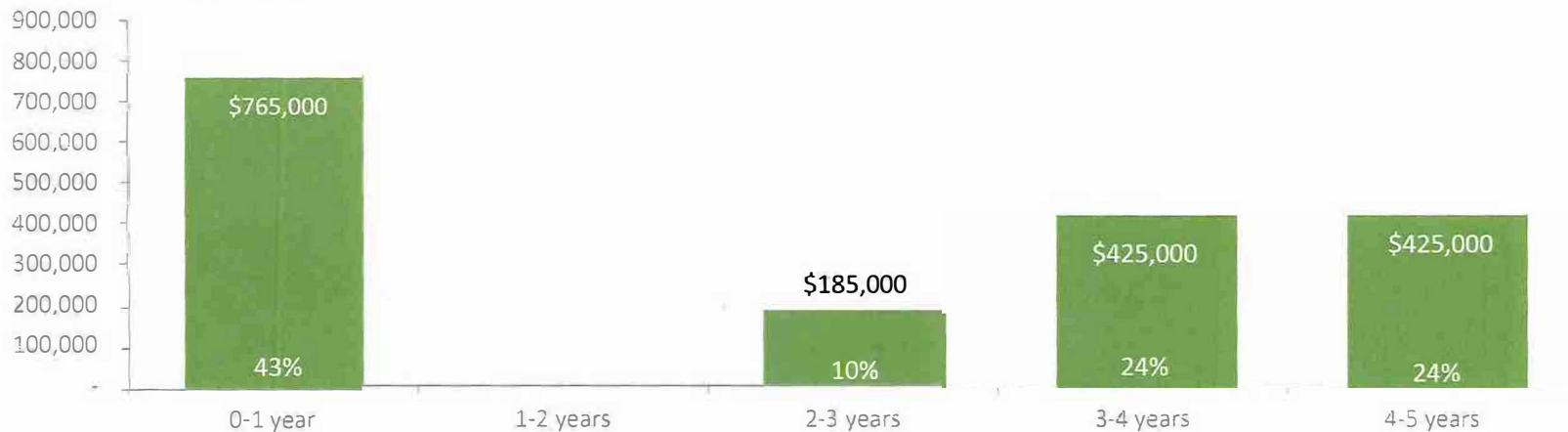
Your Securities

Weighted Average Maturity	2.33 years
Weighted Average Yield	2.37%
Estimated Annual Interest Income	\$42,606

Your Asset Allocation



Your Maturity Distribution



Yield and Interest Income information is annualized. All yield information is shown gross of any advisory and custody fees and is based on yield to maturity at cost. Past performance is not a guarantee of future results.



PORTFOLIO REVIEW

City of Hillsdale BPU portfolio as of 11/18/19

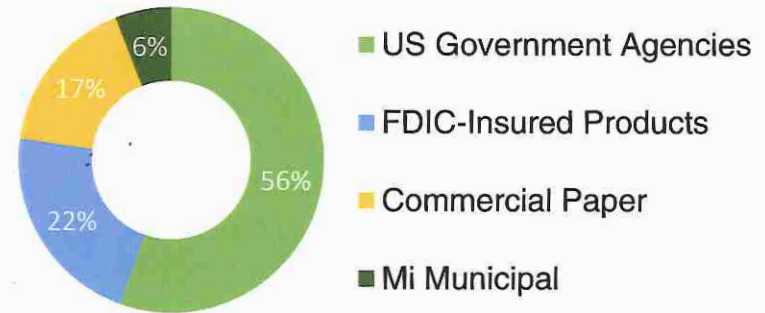
Your Portfolio

Cash	\$1,833,038
Securities	<u>\$3,930,000</u>
Total Portfolio	\$5,763,038

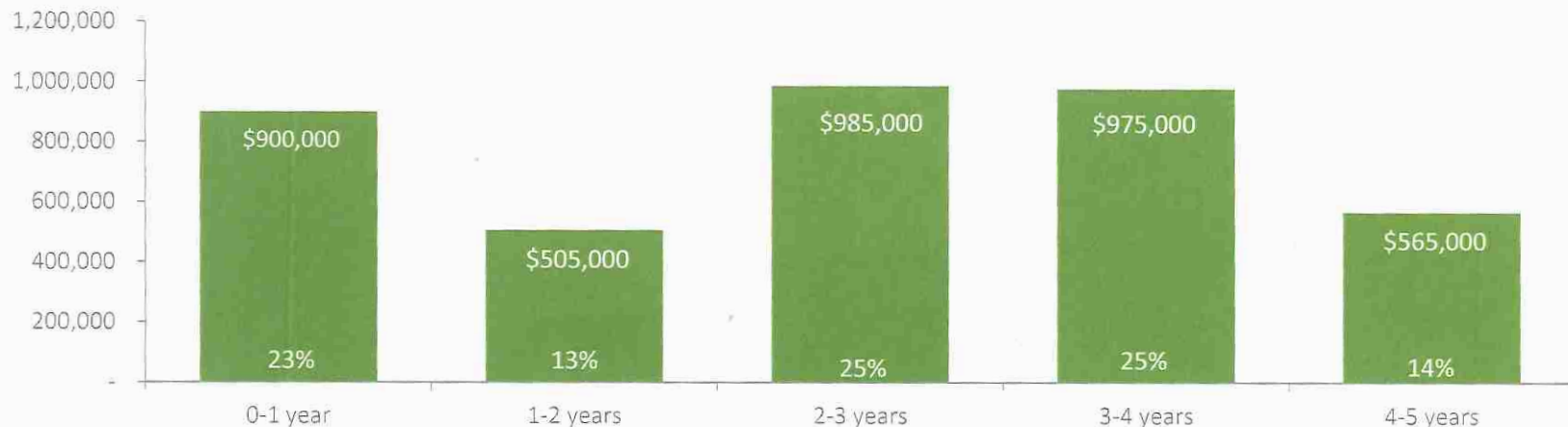
Your Securities

Weighted Average Maturity	2.41 years
Weighted Average Yield	2.43%
Estimated Annual Interest Income	\$95,604

Your Asset Allocation



Your Maturity Distribution



Yield and Interest Income information is annualized. All yield information is shown gross of any advisory and custody fees and is based on yield to maturity at cost. Past performance is not a guarantee of future results.



PORTFOLIO REVIEW

City of Hillsdale BPU - Water portfolio as of 11/18/19

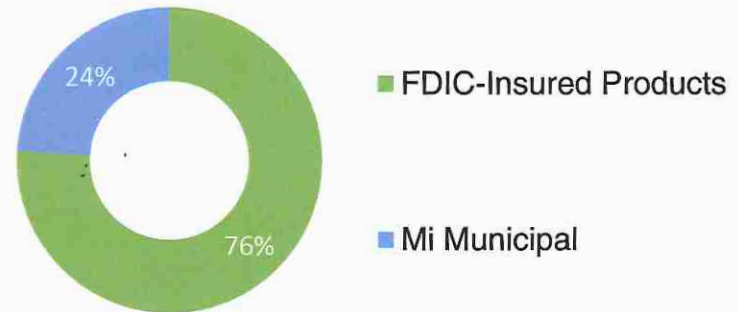
Your Portfolio

Cash	\$292,220
Securities	\$370,000
Total Portfolio	\$662,220

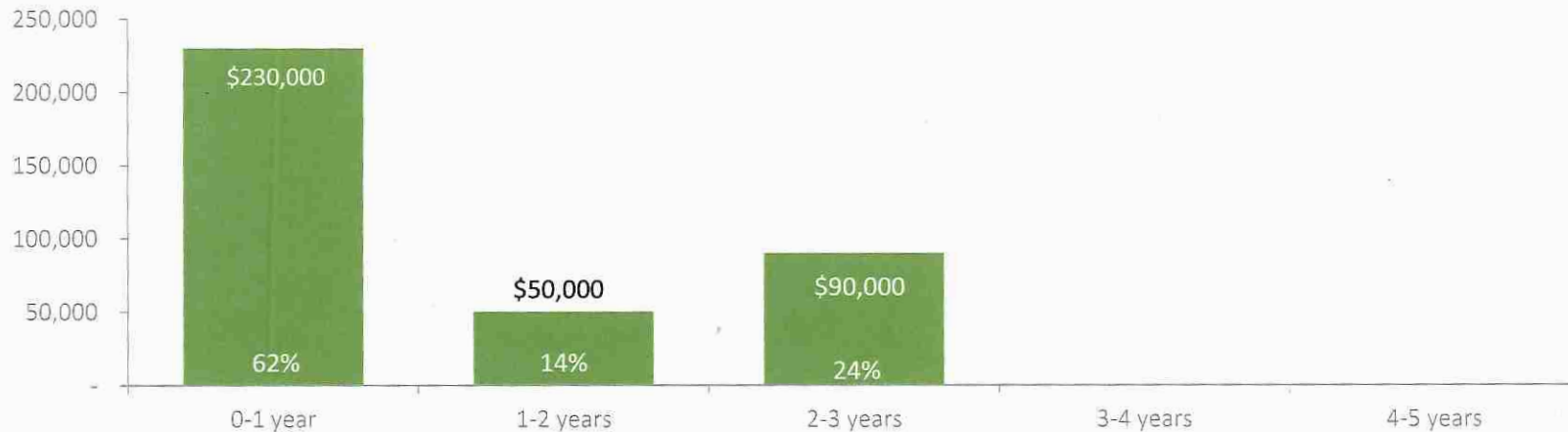
Your Securities

Weighted Average Maturity	1.08 years
Weighted Average Yield	2.60%
Estimated Annual Interest Income	\$9,616

Your Asset Allocation



Your Maturity Distribution



Yield and Interest Income information is annualized. All yield information is shown gross of any advisory and custody fees and is based on yield to maturity at cost. Past performance is not a guarantee of future results.



November 15, 2019

Mr. Dave Mackie, Manager
City of Hillsdale
97 North Broad Street
Hillsdale, MI 49242

RE: Important Information—Price Changes

Dear Mr. Mackie,

At Comcast, we're committed to delivering the entertainment and services that matter most to our customers in Hillsdale, as well as exciting experiences they won't find anywhere else. As we continue to invest in our network, products, and services, the cost of doing business rises. Programming fees – the cost associated with carrying the programming our customers demand, especially broadcast television and sports programming – continue to rise each year and are one of our biggest expenses. While we absorb some of these costs, these fee increases affect service pricing. As a result, starting January 1, 2020, prices for certain services and fees will be increasing, including the Broadcast TV Fee and the Regional Sports Network Fee. Please see the enclosed Customer Notice for more information.

While some prices may increase, we continue to invest in technology to drive innovation. We work hard to bring our customers great value every day and exciting new developments, including:

- Xfinity Stream app included with Xfinity TV has the most free shows and movies
- Apps like Netflix, Pandora, Amazon, and YouTube integrated on our X1 platform and easily accessed using our Voice Remote
- 163,000+ shows and movies on Xfinity On Demand
- Enhanced control of in-home Wi-Fi with Xfinity xFi
- Advanced security with the Xfinity Wireless Gateway
- The fastest Internet speeds in the country
- 19 million Xfinity WiFi hotspots nationwide

We know you may have questions about these changes. If I can be of any further assistance, please contact me at 734-359-2077.

Sincerely,

John P. Gardner
Director, External Affairs
Comcast, Heartland Region
1401 E. Miller Rd.
Lansing, MI 48911

Important Information Regarding Xfinity Services and Pricing

Effective January 1, 2020

Xfinity TV	Current	New
Broadcast TV Fee	\$9.50	\$14.75

Xfinity Internet	Current	New
Performance Starter	\$50.00	\$53.00
Performance	\$70.00	\$73.00
Blast!	\$80.00	\$83.00

Xfinity Equipment	Current	New
Internet/Voice Equipment Rental	\$13.00	\$14.00

Support the Hillsdale County Community Foundation and other nonprofits during

the GREAT Giving Day GIVE 2019

Come **Together** 12.3.19

On December 3, 2019, HCCF will be hosting the Great Give.

December 3rd is Giving Tuesday, a global day dedicated to giving back.

On Tuesday, December 3, charities, families, businesses, community centers, and students around the world will come together for one common purpose: to celebrate generosity and to give.

The HCCF is encouraging Hillsdale County residents to celebrate the spirit of philanthropy by donating to our local nonprofits.

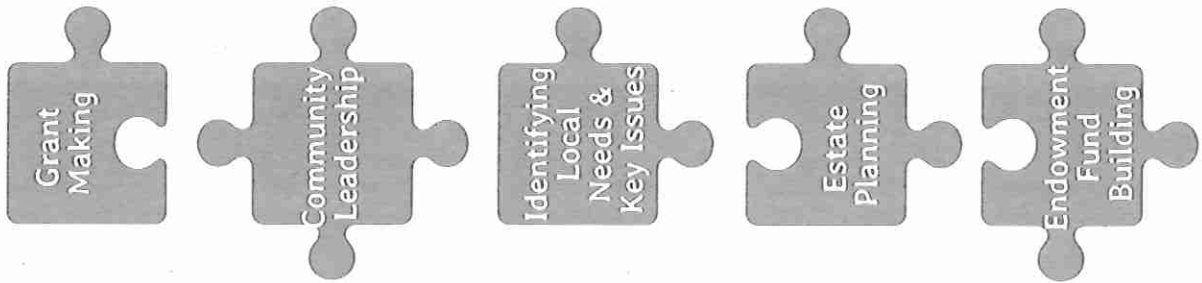
Funds from a bonus pool will be distributed and awarded by the HCCF to participating agencies in several ways during the Great Give. There will be opportunities for agencies to receive both random prizes and funds from a bonus pool. Online gifts are welcomed using the HCCF website, www.abouthccf.org, HCCF Facebook, and walk-in gifts will be accepted at the HCCF office at 2 South Howell Street in downtown Hillsdale from 9 am until 4 pm on that day.

Participating Organizations Include:

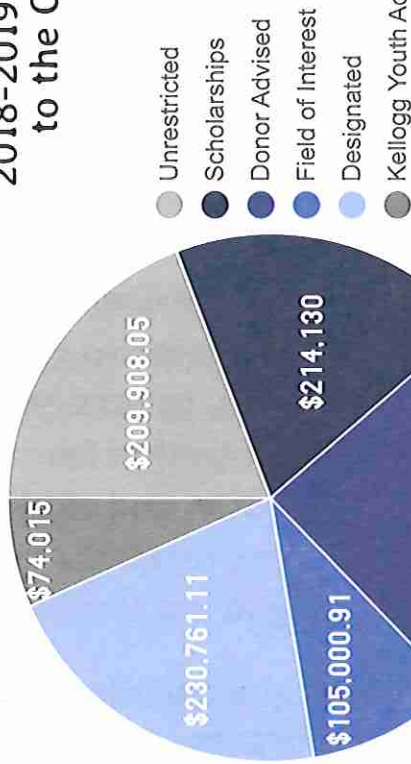
- Alpha Omega Care Center • CAPA • CASA •
- Domestic Harmony • Greater Hillsdale Humane Society •
- Hillsdale County Senior Services Center • Hospice of Hillsdale County •
- St. Peter's Free Clinic • Hillsdale County Community Foundation •


Hillsdale County Community Foundation

2018-2019 Overview



2018-2019 Total Grants to the Community



<p>Endowed Funds</p> <p>\$16,294,230</p> <p></p>	<p>Contributions</p> <p>\$1,349,535</p> <p></p>
<p>New Donors</p> <p>222</p> <p></p>	<p>Asset Size</p> <p>\$18,619,271</p> <p></p>
<p>Grants Given</p> <p>388</p> <p></p>	<p>Pass Through Fund</p> <p>\$2,325,041</p> <p></p>

\$1,098,315.07

Planning Commission Report: 2018-2019



City of Hillsdale, Michigan

Overview

- Site plan reviews
 - Form based code
 - Zoning Districts
 - Parking Ordinance
 - Temporary Rental Ordinance
 - Joint Recreation Plan
-

Site Plans Reviewed

- 260 Industrial Drive, Precision Gage LLC
 - 4H Fairgrounds Shooting Range
 - 190 Uran Street, Dow Automotive
 - Gier Elementary Parking Lot Expansion
 - Gelzer Hardware
 - Hillsdale Commons ****
 - College Parking Lot
 - Hillsdale Historical Society (new barn)
 - 3461 Beck Road, New Storage Building
 - 3383 West Carleton Road- Cottage Inn Pizza
 - Hillsdale County Fairgrounds, New Horse Barn
 - 37 North Street New Parking Lot, MT Engineering
 - 54 North West Street, New Wells Apartment Building
-

Lot Divisions:

- West Street Living LLC Lot Division Application
 - 3980 West Carleton Road
 - 48 McClellan & 67 College
-

Zoning Ordinance Reviews:

- Chapter 26 Sign Ordinance
 - Division 2 R-1 One-Family Residential Districts (Bed and Breakfast supplemental ordinance)
 - Division 6 B-1 Local Business District
 - Division 8 B-3 General Business District
 - Division 9 (I) Industrial District
 - Sec. 36-6 Short term rental definition
 - Sec. 36-411 Schedule of Regulations
 - Sec. 36-413 Average sized lots
 - Sec. 36-436 Prohibition of Marijuana Establishments Ordinance
 - Sec. 36-149 Landscape Ordinance
 - Secs. 36-431 & 36-432 Accessory Structure Ordinance
 - Sec. 36-436 Bed and Breakfast
 - Sec. 36-414 Permitted and Special Conditional uses
-

Other Activities:

- Baw Beese Trails Master Plan
 - Joint Recreation Plan (Hillsdale Township)
 - Downtown Overnight Parking
 - Commission By-Laws Update
 - Updated Zoning Map
 - Form-Based Code
-

Goals for 2020

- Master Plan Revision
 - Existing Tree Ordinance
-

Progress is everywhere



City of Hillsdale

Agenda Item Summary

Meeting Date: **December 2, 2019**

Agenda Item #: **Public Hearing**

SUBJECT: **Application for reinstatement and transfer of Industrial Facilities Exemption Certificate Number 2013-460 (Hartzell Veneer Products LLC) to Paragon Metals Inc.**

BACKGROUND PROVIDED BY STAFF

The clerk's office is in receipt of an "Application for Industrial Facilities Tax Exemption Certificate" for property located at 282 Industrial Drive owned by Warehouse Properties of Coldwater LLC and leased to Paragon Metals Inc. The application is for reinstatement and transfer of the real property tax abatement granted to Hartzell Veneer Products LLC by Industrial Facilities Tax Exemption Certificate 2013-460 for a 35,000 square foot addition to the facility constructed between 2013 and 2014. The project estimated cost from the original application was \$522,000.

The property in question lies within Industrial Development District #1 established in 1975 over the Hillsdale Industrial Park Plats 1 through 3. Certificate 2013-460 was revoked effective December 31, 2016 for the 2017 tax year due to the cessation of operations by Hartzell Veneer at this location. Clawback penalties in the amount of \$40,651.77 for real and personal property taxes abated between 2014 and 2016 were billed to Hartzell upon revocation of the certificate.

MCL 207.565 allows for transfer of a revoked certificate "upon the application of a subsequent owner..." with concurrence by resolution of the legislative body of the local unit of government. The transferee may be charged an application fee (not to exceed 2% of the total property taxes to be abated) and must sign an agreement with the local unit, just as was required of the original applicant.

RECOMMENDATION:

The Economic Development Corporation Business Review Committee reviewed the application at their meeting held on November 20, 2019 and recommends to approve the resolution as presented to reinstate and transfer certificate 2013-460.

Application for Industrial Facilities Tax Exemption Certificate

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

INSTRUCTIONS: File the original and one copy of this form and the required attachments (two complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires one complete set (one original). One copy is retained by the clerk. If you have any questions regarding the completion of this form, call 517-335-7460.

RECEIVED

NOV 12 2019

To be completed by Clerk of Local Government Unit	
Signature of Clerk <i>[Handwritten Signature]</i>	Date Received by Local Unit CITY OF HILLSDALE CITY CLERK'S OFFICE
STC Use Only	
Application Number	Date Received by STC

APPLICANT INFORMATION
All boxes must be completed.

1a. Company Name (Applicant must be the occupant/operator of the facility) Paragon Metals, Inc.		1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 3325	
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 282 Industrial Dr., Hillsdale, MI 49242		1d. City/Township/Village (indicate which) Hillsdale	1e. County Hillsdale
2. Type of Approval Requested <input type="checkbox"/> New (Sec. 2(5)) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Research and Development (Sec. 2(10))		<input checked="" type="checkbox"/> Transfer <input type="checkbox"/> Rehabilitation (Sec. 3(6)) <input type="checkbox"/> Increase/Amendment	3a. School District where facility is located Hillsdale 3b. School Code 30020
		4. Amount of years requested for exemption (1-12 Years) 12	

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

Transfer Application referencing Certificate No. 2013-460. Transfer request is for the real property only.
LIGHT MANUFACTURING

6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	522,000 Real Property Costs
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total	Personal Property Costs
6c. Total Project Costs * Round Costs to Nearest Dollar	Total of Real & Personal Costs

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

	Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements	_____	_____	<input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased
Personal Property Improvements	_____	_____	<input type="checkbox"/> Owned <input type="checkbox"/> Leased

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

9. No. of existing jobs at this facility that will be retained as a result of this project. 20 - 25	10. No. of new jobs at this facility expected to create within 2 years of completion. 0
---	---

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

a. TV of Real Property (excluding land) _____

b. TV of Personal Property (excluding inventory) _____

c. Total TV _____

12a. Check the type of District the facility is located in:

Industrial Development District Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit) 01/13/1975	12c. Is this application for a speculative building (Sec. 3(8))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
---	---

APPLICANT CERTIFICATION - complete all boxes.

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

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.561 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name Kimberly Skudiarick	13b. Telephone Number (517) 279-8714	13c. Fax Number	13d. E-mail Address klms@leaderlg.com
14a. Name of Contact Person Kimberly Skudiarick	14b. Telephone Number (517) 279-8714	14c. Fax Number	14d. E-mail Address klms@leaderlg.com
15a. Name of Company Officer (No Authorized Agents) X Jason Woodward			
15b. Signature of Company Officer (No Authorized Agents) X [Signature]		15c. Fax Number X 517-639-4857	15d. Date X 11-7-19
15e. Mailing Address (Street, City, State, ZIP Code) X 3010 Mechanic Rd Hillsdale 49242		15f. Telephone Number X 269-719-4508	15g. E-mail Address X Jason.Woodward@Palisades.com

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

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

<p>18. Action taken by local government unit</p> <p><input type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Denied (Include Resolution Denying)</p>	<p>16b. The State Tax Commission Requires the following documents be filed for an administratively complete application:</p> <p>Check or Indicate N/A if Not Applicable</p> <p><input type="checkbox"/> 1. Original Application plus attachments, and one complete copy</p> <p><input type="checkbox"/> 2. Resolution establishing district</p> <p><input type="checkbox"/> 3. Resolution approving/denying application.</p> <p><input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant)</p> <p><input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant)</p> <p><input type="checkbox"/> 6. Building Permit for real improvements if project has already begun</p> <p><input type="checkbox"/> 7. Equipment List with dates of beginning of installation</p> <p><input type="checkbox"/> 8. Form 3222 (if applicable)</p> <p><input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable)</p>
16a. Documents Required to be on file with the Local Unit Check or Indicate N/A if Not Applicable	
<p><input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district.</p> <p><input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing.</p> <p><input type="checkbox"/> 3. List of taxing authorities notified for district and application action.</p> <p><input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.</p>	
16c. School Code	
17. Name of Local Government Body	18. Date of Resolution Approving/Denying this Application

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

18a. Signature of Clerk	18b. Name of Clerk	18c. E-mail Address
18d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
18e. Telephone Number	18f. Fax Number	

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

Local Unit: Mail one original of the completed application and all required attachments to:

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

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

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



STATE TAX COMMISSION
ORDER OF REVOCATION
Industrial Facility Exemption Certificate

Certificate Number **2013-460**

Certificate Holder: **Hartzell Veneer Products LLC**

Facility Location: **City of Hillsdale**

County of **Hillsdale**, State of Michigan

Pursuant to the requirements of Section 15(3) of Public Act 198 of 1974, as amended, upon receipt of a written request for revocation of an Industrial Facilities Exemption Certificate by the local unit and after offering an opportunity for a hearing, the State Tax Commission shall by order revoke the certificate in whole, or in part, with respect to its real and personal property components, whichever shall be requested.

The State Tax Commission received a request from the City of Hillsdale to revoke the real and/or personal property component(s) of Industrial Facilities Exemption Certificate number 2013-460, issued to Hartzell Veneer Products LLC, located in the City of Hillsdale, Hillsdale County. At their May 23, 2016 meeting, the State Tax Commission considered and approved the revocation request.

Therefore, it is ordered that the real and personal property components of Industrial Facility Exemption Certificate number 2013-460 be revoked effective **December 31, 2016, for the 2017 tax year.**



Handwritten signature of Douglas B. Roberts in black ink.

Douglas B. Roberts, Chairman
State Tax Commission

A TRUE COPY
ATTEST:

Handwritten signature of Heather S. Burris in black ink.

Heather S. Burris
Michigan Department of Treasury



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

R. KEVIN CLINTON
STATE TREASURER

221-226-11 Ad Val Recd
900-299-00 Ad Val PP
913-460-00 IFT Real
913-460-05 IFT PP

January 7, 2014

Michael C. Bardo
Hartzell Veneer Products LLC
PO Box 919
Piqua, OH 45356

Dear Sir/Madam:

Pursuant to the requirements of Public Act 198 of 1974, as amended, the State Tax Commission (Commission) has issued an Industrial Facility Exemption Certificate numbered 2013-460, to Hartzell Veneer Products LLC located in the City of Hillsdale, Hillsdale County. This certificate was issued at the December 16, 2013 meeting of the Commission and the investment amounts approved are as follows:

Real Property: \$522,000
Personal Property: \$2,250,000

The State Education Tax to be levied for this certificate is 6 mills.

In accordance with MCL 24.304, the local unit of government or applicant has sixty days from the date of this letter to request a hearing to correct an error contained in the enclosed certificate.

Notification of completion of this project shall be filed with the Commission within 30 days of project completion. Within 90 days of project completion, a report of final costs shall be filed with the assessing officer of the local unit and the Commission.

If you have further questions regarding the issuance of this industrial facility exemption certificate, please call 517-373-3302.

Sincerely,

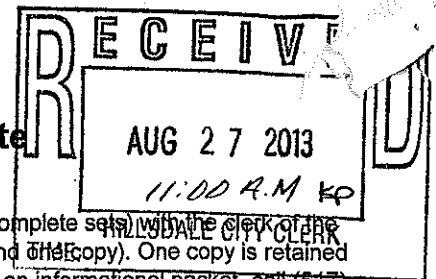
Kelli Sobel, Executive Secretary
State Tax Commission

Enclosure

cc: Kimberly A. Thomas, Assessor, City of Hillsdale

Application for Industrial Facilities Tax Exemption Certificate

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



INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an informational packet, call (517) 373-2408.

To be completed by Clerk of Local Government Unit	
Signature of Clerk <i>M. Michelle Lopez</i>	Date received by Local Unit <i>August 27, 2013</i>
STC Use Only	
Application Number	Date Received by STC

APPLICANT INFORMATION

All boxes must be completed.

1a. Company Name (Applicant must be the occupant/operator of the facility) Hartzell Veneer Products LLC	1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 321211
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 282 Industrial Drive, Hillsdale, MI 49242	1d. City/Township/Village (Indicate which) Hillsdale
2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(4)) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Research and Development (Sec. 2(9))	1e. County Hillsdale
<input type="checkbox"/> Transfer (1 copy only) <input type="checkbox"/> Rehabilitation (Sec. 3(1))	3a. School District where facility is located Hillsdale
	3b. School Code 30020
	4. Amount of years requested for exemption (1-12 Years) 12 years

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

The company is planning to lease the existing industrial space to start a new company. The company plans to move equipment from its Arkansas plant and acquire some additional equipment. The manufacturing facility will produce laminated products, edge banding and face veneer. It plans to have its first lines operational by July, 2013.

6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	<u>522,000</u> Real Property Costs
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total.	<u>2,250,000</u> Personal Property Costs
6c. Total Project Costs * Round Costs to Nearest Dollar	<u>2,772,000</u> Total of Real & Personal Costs

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

	Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements	<u>4/25/13</u>	<u>12/31</u>	<input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased
Personal Property Improvements	<u>5/20/13</u>	<u>12/31/13</u>	<input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased

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

9. No. of existing jobs at this facility that will be retained as a result of this project. 0	10. No. of new jobs at this facility expected to create within 2 years of completion. 40
---	--

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

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

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

12b. Date district was established by local government unit (contact local unit) 1/13/75	12c. Is this application for a speculative building (Sec. 3(8))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
--	---

APPLICANT CERTIFICATION - complete all boxes.

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

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

13a. Preparer Name	13b. Telephone Number	13c. Fax Number	13d. E-mail Address
14a. Name of Contact Person	14b. Telephone Number	14c. Fax Number	14d. E-mail Address
▶ 15a. Name of Company Officer (No Authorized Agents) Michael C. Bardo, VP. Finance			
15b. Signature of Company Officer (No Authorized Agents) <i>Michael C. Bardo</i>		15c. Fax Number 937-615-1917	15d. Date 8-21-13
▶ 15e. Mailing Address (Street, City, State, ZIP Code) P.O. Box 919 Piqua, OH 45356		15f. Telephone Number 937-615-1910	15g. E-mail Address mbardo@hartzell.com

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

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

▶ 16. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Denied (Include Resolution Denying)	16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input type="checkbox"/> 2. Resolution establishing district <input type="checkbox"/> 3. Resolution approving/denying application. <input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input type="checkbox"/> 7. Equipment List with dates of beginning of installation <input type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable)
16a. Documents Required to be on file with the Local Unit Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.	
16c. LUCI Code	16d. School Code
17. Name of Local Government Body	▶ 18. Date of Resolution Approving/Denying this Application

Attached hereto is an original and one copy of the application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time.

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

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

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

**State Tax Commission
Michigan Department of Treasury
P.O. Box 30471
Lansing, MI 48909-7971**

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

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

Hillsdale County

Building

Permit No: PB13-0495

Building Department
Phone: (517) 437-4130

61 McCollum St.
Fax: (517) 437-3233

Hillsdale, MI 49242

282 INDUSTRIAL DR
006-997-513-00

Location

Parcel Number

SMT INVESTMENTS
2500 W ARGYLE
JACKSON

Owner

MI 49202

Issued: 08/05/13 Expire Date: 08/05/14
PLEASE CALL (517) 437-4130
FOR AN INSPECTION 24 HOURS IN ADVANCE

Occupant

CARPENTER CREATIONS

Contractor

500 RACE ST
COLDWATER MI 49036
(517) 677-9228

Work Description: ADDITION

Item		No. of Items	Item Total
ADMINISTRATION FEE	Standard Item	0.00	\$0.00
PLAN REVIEW	Miscellaneous	0.00	\$0.00
SITE INSPECTION	Standard Item	0.00	\$0.00
ADDITIONS	STANDARD ITEMS	1.00	\$8,523.00

Fee Total: \$8,523.00

I agree this permit is only for the work described, and does not grant permission for additional or related work which requires separate permits. I understand that this permit will expire, and become null and void if work is not started within 180 days, or if work is suspended or abandoned for a period of 180 days at any time after work has commenced, and, that I am responsible for assuring all required inspections are requested in conformance with the applicable code.

I hereby certify that the proposed work is authorized by the owner, and that I am authorized by the owner to make this application as his authorized agent. I agree to conform to all applicable laws of the State of Michigan and the local jurisdiction. All information on the permit application is accurate to the best of my knowledge.

Payment of permit fee constitutes acceptance of the above terms.

Inspection Record

1 _____ 4 _____

2 _____ 5 _____

3 _____ 6 _____

#6A

EXHIBIT A-2

Terms of Expansion Construction

A. Definitions. The following terms as used in this Lease shall have the meanings set forth below:

(i) "Expansion Space" shall mean the approximately 35,000 square foot addition to the Property together with the parking areas, drives, utility facilities and related improvements to be constructed substantially in accordance with the preliminary plans and specifications described in Exhibit A-1 attached to this Lease (the "Outline Specifications") and substantially in accordance with the final drawings, plans and specifications to be developed from the Outline Specifications pursuant to the provisions of Section C below (the "Final Plans"). The parties acknowledge that the Final Plans shall contain improvements to be made to the Original Building (the "Original Building Improvements"), including without limitation, providing heat and sprinklers and creating office space.

#LB

**INDUSTRIAL FACILITIES EXEMPTION APPLICATION
SAMPLE AFFIDAVIT OF PROJECT BEGIN DATES**

I swear and affirm by my signature below that the real property project beginning of construction date and/or personal property project installation begin date, associated with the application for Industrial Facilities Exemption Certificate under PA 198 of 1974, as amended, in the amount of \$ 2,772,000, filed with the city/township/village of Hillsdale, Michigan, for a facility located at 282 Industrial Drive, are as follows:

Real Property Project Begin Date: 4/25/13

Personal Property Project Installation Date: 5/20/13

Applicant Name:

Hartzell Veneer Products, LLC

Signature: Michael C. Bardo

Printed Name: Michael C. Bardo

Title: VP-Finance

Date: 8-21-13

Applicant:	Paragon Metals (transfer from Hartzell Veneer)				
Date Received:	August 27, 2013				(original application)
Property Address:	282 Industrial Drive, Hillsdale				
Real Property Investment:	\$		522,000		
Personal Property Investment:	\$		-		
Real Property Classification:	Industrial				
	Real & Personal City Taxes Foregone	Cumulative City Taxes Foregone	Real & Personal Taxes Foregone - All Entities	Cumulative Taxes Foregone - All Entities	Application Fee
1 Year	\$ -	\$ -	\$ -	\$ -	\$ -
2 Year	\$ -	\$ -	\$ -	\$ -	\$ -
3 Year	\$ -	\$ -	\$ -	\$ -	\$ -
4 Year	\$ -	\$ -	\$ -	\$ -	\$ -
5 Year	\$ -	\$ -	\$ -	\$ -	\$ -
6 Year	\$ -	\$ -	\$ -	\$ -	\$ -
7 Year	\$ 1,584.47	\$ 1,584.47	\$ 6,782.23	\$ 6,782.23	\$ 135.64
8 Year	\$ 1,567.43	\$ 3,151.90	\$ 6,709.31	\$ 13,491.54	\$ 269.83
9 Year	\$ 1,550.39	\$ 4,702.29	\$ 6,636.38	\$ 20,127.92	\$ 300.00
10 Year	\$ 1,533.35	\$ 6,235.64	\$ 6,563.45	\$ 26,691.37	\$ 300.00
11 Year	\$ 1,516.32	\$ 7,751.96	\$ 6,490.52	\$ 33,181.89	\$ 300.00
12 Year	\$ 1,499.28	\$ 9,251.24	\$ 6,417.60	\$ 39,599.49	\$ 300.00
Maximum Tax Impact (12 Year Abatement)	\$ 9,251.24		\$ 39,599.49		

Other Property At This Location			
Ad Valorem Parcels at this Location:	State Equalized Value	Taxable Value	Comments
006-221-226-11	1,194,700	1,194,700	Uncapped 2019 (new deed holder).
006-900-298-00	-	-	Eligible Manufacturing Personal
Total:	1,194,700	1,194,700	
Previously Granted Certificates & Other Special Act Parcels at this Location:			
Hartzell Veneer IFE 2013-460			
Southern Michigan Tool & Machine IFE 1989-310; 1992-082; 1994-060; 1994-567			
Southern Michigan Turning IFE 1997-513; 2000-171; 2001-516; 2002-173; 2006-284			
Total:	-	-	
Total Value of Properties at this Location:	1,194,700	1,194,700	
Is Property in LDFA?	No		
Is Property in TIFA?	No		

Applicant: Paragon Metals (transfer from Hartzell Veneer)

Date Received: August 27, 2013 (original application)

Property Address: 282 Industrial Drive, Hillsdale

Cost of Investment: \$ 522,000.00

Real Property Classification: Industrial

Tax	Year 1 2014		Standard Depreciation**	Taxable Value	Taxes Foregone
			0.99	258,390	
	Without IFT		With IFT		
	Millage Rate*	Tax Amount	Millage Rate*	Tax Amount	
Summer					
City General Operating	12.4337	\$ 3,212.74	6.21685	\$ 1,606.37	\$ -
City Streets Maintenance	2.4868	\$ 642.56	1.24340	\$ 321.28	\$ -
City Sinking Fund	2.9810	\$ 770.26	1.49050	\$ 385.13	\$ -
City Public Safety Equipment	1.0000	\$ 258.39	0.50000	\$ 129.20	\$ -
Library	0.9947	\$ 257.02	0.49735	\$ 128.51	\$ -
County Operating	4.9527	\$ 1,279.73	2.47635	\$ 639.86	\$ -
Stated Education Tax	6.0000	\$ 1,550.34	6.00000	\$ 1,550.34	\$ -
School Operating	8.9703	\$ 2,317.84	4.48515	\$ 1,158.92	\$ -
School Building/Site	1.1250	\$ 290.69	0.56250	\$ 145.34	\$ -
ISD General	0.1337	\$ 34.55	0.06685	\$ 17.27	\$ -
ISD Special Ed	1.4999	\$ 387.56	0.74995	\$ 193.78	\$ -
ISD Vocational Ed	0.4459	\$ 115.22	0.22295	\$ 57.61	\$ -
Administration Fee	1%	\$ 111.17	1%	\$ 63.34	\$ -
Total Summer	43.0237	\$ 11,228.06	24.51185	\$ 6,396.95	\$ -
Winter					
County Medical Care Facility	0.6000	\$ 155.03	0.30000	\$ 77.52	\$ -
County Medical Care Facility 2006	0.4000	\$ 103.36	0.20000	\$ 51.68	\$ -
County Ambulance	0.8500	\$ 219.63	0.42500	\$ 109.82	\$ -
County Ambulance 2006	0.1500	\$ 38.76	0.07500	\$ 19.38	\$ -
County Senior Services	0.4965	\$ 128.29	0.24825	\$ 64.15	\$ -
County Senior Services 2008	0.4997	\$ 129.12	0.24985	\$ 64.56	\$ -
County Mental Health	0.5000	\$ 129.20	0.25000	\$ 64.60	\$ -
School Operating	8.9703	\$ 2,317.84	4.48515	\$ 1,158.92	\$ -
School Building/Site	1.1250	\$ 290.69	0.56250	\$ 145.34	\$ -
ISD General	0.1337	\$ 34.55	0.06685	\$ 17.27	\$ -
ISD Special Ed	1.5001	\$ 387.61	0.75005	\$ 193.81	\$ -
ISD Vocational Ed	0.4459	\$ 115.22	0.22295	\$ 57.61	\$ -
Administration Fee	1%	\$ 40.49	1%	\$ 20.25	\$ -
Total Winter	15.6712	\$ 4,089.77	7.83560	\$ 2,044.89	\$ -
GRAND TOTALS	58.6949	\$ 15,317.84	32.34745	\$ 8,441.84	\$ -

*Rates based on most recent information available

**Real Property Depreciation based on 1% per year - for industrial real improvements actually ranges from 1% to 4% per year depending on type of construction and use.

Year	Standard Depreciation*	Taxable Value	City Operating Foregone Annually	Cumulative City Operating Taxes Foregone	Total Taxes Foregone Annually	Cumulative Total Taxes Foregone
2015	0.98	268,569	\$ -	\$ -	\$ -	\$ -
2016	0.97	265,829	\$ -	\$ -	\$ -	\$ -
2017	0.96	263,088	\$ -	\$ -	\$ -	\$ -
2018	0.95	260,348	\$ -	\$ -	\$ -	\$ -
2019	0.94	257,607	\$ -	\$ -	\$ -	\$ -
2020	0.93	254,867	\$ 1,584.47	\$ 1,584.47	\$ 6,782.23	\$ 6,782.23
2021	0.92	252,126	\$ 1,567.43	\$ 3,151.90	\$ 6,709.31	\$ 13,491.54
2022	0.91	249,386	\$ 1,550.39	\$ 4,702.29	\$ 6,636.38	\$ 20,127.92
2023	0.90	246,645	\$ 1,533.35	\$ 6,235.64	\$ 6,563.45	\$ 26,691.37
2024	0.89	243,905	\$ 1,516.32	\$ 7,751.96	\$ 6,490.52	\$ 33,181.89
2025	0.88	241,164	\$ 1,499.28	\$ 9,251.24	\$ 6,417.60	\$ 39,599.49

Maximum Tax Dollar	\$ 9,251.24	\$ 39,599.49
Impact if approved for transfer of remainder of	City Operating	Total All Entities

CITY OF HILLSDALE, MICHIGAN
RESOLUTION NO. _____

RESOLUTION APPROVING TO REINSTATE AND TRANSFER IFT CERTIFICATE 2013-460 FROM HARTZELL VENEER PRODUCTS LLC TO PARAGON METALS INC.

Minutes of a regular meeting of the City Council of Hillsdale, held on December 2, 2019, at City Hall Council Chambers, 97 North Broad Street, in Hillsdale, Michigan, at 7:00 p.m.

PRESENT:

ABSENT:

The following preamble and resolution were offered by Council Member _____, and supported by Council Member _____.

Resolution _____ Approving Transfer of Industrial Facilities Exemption Certificate 2013-460 for Paragon Metals, Inc.

WHEREAS, pursuant to P.A. 198 of 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on January 13, 1975, this City Council by resolution established the Industrial Development District #1; and

WHEREAS, the City Council approved an application from Hartzell Veneer Products LLC requesting an Industrial Facilities Exemption Certificate 2013-460 for real and personal property investments located at 282 Industrial Drive; and

WHEREAS, Paragon Metals, Inc. has filed an application for a transfer of Industrial Facilities Exemption Certificate 2013-460 with respect to the real property portion investment of \$522,000 for a new facility within the Industrial Development District #1; and

WHEREAS, the applicant, the Assessor, and a representative of the affected taxing units were given written notice of the transfer application and were offered an opportunity to be heard on said application; and

WHEREAS, Paragon Metals, Inc. has substantially met all the requirements under Public Act 198 of 1974 for the transfer of Industrial Facilities Exemption Certificate 2013-460; and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Hillsdale, after granting this certificate, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted; and

NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of Hillsdale that:

1. The City Council finds and determines that the granting of the transfer of an Industrial Facilities Exemption Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974 and Act No. 255 of the Public Acts of 1978, shall not have the effect of substantially impeding the operation of City of Hillsdale, or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Hillsdale.

2. The application from Paragon Metals, Inc. for a transfer of Industrial Facilities Exemption Certificate 2013-460, with respect to a New Facility on the following described parcel of real property situated within the Industrial Development District #1 to wit:

LOT 36, HILLSDALE INDUSTRIAL PARK NO 3, according to the Plat thereof, as recorded in LIBER 10 of Plats, Pages 36 & 37, Hillsdale County Records. EXCEPTING THEREFROM: Beginning at the Northeast corner of said Lot 36; thence South 00 degrees 03 minutes 30 seconds East, along the Easterly line of said Lot 36, 230.00 feet to the Northerly right-of-way line of Industrial Drive; thence South 89 degrees 42 minutes 26 seconds West, along the Northerly right-of-way line of Industrial Drive, 33.00 feet; thence North 00 degrees 03 minutes 30 seconds West, 230.00 feet to the North line of said Lot 36; thence North 89 degrees 42 minutes 26 seconds East, along the North line of said Lot 36, 33.00 feet to the Point of Beginning.

be and the same is hereby approved.

3. The Industrial Facilities Exemption Certificate when issued shall remain in force for the remaining years approved under Industrial Facilities Exemption certificate 2013-460 with an end date of December 30, 2025.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

PASSED IN OPEN COUNCIL MEETING THIS 2ND DAY OF DECEMBER, 2019.

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of City of Hillsdale, County of Hillsdale, Michigan, at a regular meeting held on December 2, 2019.

Adam Stockford, Mayor

Katy Price, Clerk

City of Hillsdale Agenda Item Summary

Meeting Date: December 2, 2019

Agenda Item: New Business

SUBJECT: 2019 Audit Presentation

BACKGROUND PROVIDED BY STAFF (Bonnie Tew, Finance Director)

Condon, Hecht, Bisher, Wade and Company, P.C. (CHBW) performed the audit for fiscal year ending June 30, 2019. The work has been completed and attached please find an electronic copy for your review. A representative from CHBW, Donna Hacht, will be present at the meeting to review the findings and answer any questions.

RECOMMENDATION:

Council should listen to the presentation and receive the audit as presented.

CITY OF HILLSDALE, MICHIGAN

YEAR ENDED JUNE 30, 2019

CITY OF HILLSDALE, MICHIGAN
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
(with required supplementary information)
YEAR ENDED JUNE 30, 2019

CITY OF HILLSDALE, MICHIGAN

TABLE OF CONTENTS

JUNE 30, 2019

PAGE

Independent Auditor’s Report.....i - ii

Management’s Discussion and Analysis.....iii - xiii

Basic Financial Statements:

 Government-Wide Financial Statements:

 Statement of Net Position..... 1

 Statement of Activities..... 2 - 3

 Fund Financial Statements:

 Balance Sheet – Governmental Funds..... 4

 Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds
 to Net Position of Governmental Activities on the Statement of Net Position..... 5

 Statement of Revenues, Expenditures, and Changes in Fund
 Balances – Governmental Funds..... 6

 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities..... 7

 Statement of Net Position – Proprietary Funds..... 8

 Statement of Revenues, Expenses and Changes in Net
 Position – Proprietary Funds..... 9

 Statement of Cash Flows – Proprietary Funds..... 10 - 11

 Statement of Fiduciary Net Position – Fiduciary Funds..... 12

 Statement of Changes in Fiduciary Net Position – Fiduciary Funds..... 13

Notes to Financial Statements.....14 - 33

Required Supplementary Information:

Budgetary Comparison Schedule – General Fund..... 34 - 35

Budgetary Comparison Schedule – Major Street Fund..... 36

Budgetary Comparison Schedule – Local Street Fund.....37

Schedule of Changes in the Net Pension Liability and Related Ratios..... 38

Schedule of Employer Contributions.....39

Other Supplementary Information:

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds..... 40

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds..... 41

Combining Balance Sheet – Nonmajor Special Revenue Funds..... 42

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances – Nonmajor Special Revenue Funds..... 43

Combining Balance Sheet – Nonmajor Capital Project Funds..... 44

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances – Nonmajor Capital Project Funds..... 45

Combining Balance Sheet – Nonmajor Permanent Funds..... 46

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances – Nonmajor Permanent Funds..... 47

Dial-A-Ride Enterprise Fund:

Local Revenues..... 48

Local Revenues – Based on a September 30, 2018 Year End..... 49

Federal and State Awards..... 50

Federal and State Awards – Based on a September 30, 2018 Year End..... 51

Expenditures of Federal and State Awards..... 52

Operating and Contract Expenses..... 53

Operating and Contract Expenses – Based on a June 30, 2019 Year End 54

Operating and Contract Expenses – Based on a September 30, 2018 Year End 55

Nonurban Regular Service Revenue Report – Based on a September 30, 2018 Year End..... 56

Nonurban Regular Service Expense Report – Based on a September 30, 2018 Year End..... 57

Nonurban Regular Service Non-Financial Information – Based on a September 30, 2018 Year End..... 58

Operating Assistance Calculation – Based on a September 30, 2018 Year End 59

Internal Service and Agency Funds:

Combining Statement of Net Position – Internal Service Funds..... 60

Combining Statement of Revenues, Expenses and Changes in
Net Position – Internal Service Funds..... 61

Combining Statement of Cash Flows – Internal Service Funds..... 62

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Hillsdale, Michigan
Hillsdale, Michigan

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, Michigan, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Hillsdale, Michigan, as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iii – xiii, as well as the budgetary comparison information and retirement system information on pages 34 - 39, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 combining and individual nonmajor fund financial statements, the Dial-A-Ride Enterprise Fund information, as well as the combining statements for the internal service and agency funds, are presented for purposes of additional analysis and are not a part of the required basic financial statements.

This supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information as described above and listed 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 1, 2019 on our consideration of the City of Hillsdale, Michigan'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hillsdale's internal control over financial reporting and compliance.

CHBW & Co., P.C.

Certified Public Accountants

Hillsdale, Michigan
November 1, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the *City of Hillsdale, Michigan*, 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, 2019.

Financial Highlights

- The amount that the City assets and deferred outflows of resources exceeded its liabilities at the close of the most recent fiscal year was \$64,888,017 (*net position*). Of this amount, \$12,915,333 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Governmental activities change in net position increased \$875,528. Business-type activities change in net position increased \$1,391,535.
- Combined net position at fiscal year-end was up 8.64% or \$5,159,932 from the prior year.
- The Government Accounting Standards Board (GASB) Statement No. 68 requires that the Net Pension Liability be calculated and reported on the Government Wide Statements. The net pension liability is determined by an annual actuarial valuation as of December 31, 2018 combined with the City's pension contributions for January – June 2019. The City's net pension liability for both governmental and business type activities for the fiscal year ending June 30, 2019 was \$6,110,602. This is a 52% increase from fiscal year 2018.
- As of the close of the current fiscal year, the City's Governmental funds reported combined ending fund balances of \$4,026,599. That is down \$68,384 or about one and one-half percent (1.66%) from the prior year.
- Investment in Michigan South Central Power Agency decreased \$1,130,082.
- Council established the policy of maintaining a minimum General Fund balance reserve of fifteen percent (15%) in 1992. At the end of the current fiscal year, total fund balance for the general fund was \$934,591. That represents over eighteen percent (18.39%) of total budgeted general fund expenditures for fiscal year 2019-20.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two 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 government's net assets changed during the most recent fiscal year. All changes in net assets 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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public services, parks and recreation, community development, and long-term debt. The business-type activities are electric, sewer, water, and transportation.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also two legally separate authorities – the Tax Increment Finance Authority and the Economic Development Corporation – for which the City is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 1-3 of this report.

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 evaluating a government's near-term financing requirements.

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

statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains eighteen 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 major and local street funds, each of which are considered to be major funds. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 4-7 of this report.

Proprietary funds. The City maintains two different 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 enterprise funds to account for its electric, sanitary sewer, water distribution, and public transportation operations. *Internal service funds* account for operations that provide services (such as leave and benefits, inventory purchasing, equipment rental and unemployment insurance) and accumulate and allocate costs internally among the City's various functions. Because this service predominantly benefits governmental rather than business-type functions, they have been included within *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 three major enterprise funds; electric, water, and sewer, and one non-major fund, Dial-A-Ride.

The basic proprietary fund financial statements can be found on pages 8-11 of this report.

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

The basic fiduciary fund financial statements can be found on pages 12-13 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-33 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information. This includes combining and individual fund financial statements and schedules, which can be found on pages 34-62 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Hillsdale, assets and deferred outflows exceeded liabilities and deferred inflows by \$64,888,016 at the close of fiscal year 2019.

The total governmental and business-type activities *total liabilities* increased \$3,965,669, or twenty-eight percent (28.26%) from the prior year. This increase is directly related to the wastewater treatment plant renovations financed with the 2015 and 2016 revenue bonds and an interdepartmental loan from the Electric Fund to the Capital Improvement Fund.

By far the largest portion of the City's assets, more than seventy-four and one-half percent (74.59%), are invested in land, buildings, vehicles, equipment and infrastructure less any outstanding related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it is important to note that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City's Net Position	Governmental		Business-type		Total		Total Percent Change
	Activities		Activities				
	2018	2019	2018	2019	2018	2019	
Current and Other Assets	\$5,015,807	\$6,106,221	\$14,465,975	\$18,666,263	\$19,481,782	\$24,772,484	27.16%
Capital Assets	\$22,895,178	\$24,194,655	\$31,295,865	\$32,467,453	\$54,191,043	\$56,662,108	4.56%
Total Assets	\$27,910,985	\$30,300,876	\$45,761,840	\$51,133,716	\$73,672,825	\$81,434,592	10.54%
Deferred Outflows	\$692,430	\$874,161	\$598,139	\$787,288	\$1,290,569	\$1,661,449	28.74%
Long-term Liabilities Outstanding	\$219,295	\$221,234	\$7,816,336	\$7,864,935	\$8,035,631	\$8,086,169	0.63%
Net Pension Liability	\$2,170,797	\$3,200,032	\$1,839,326	\$2,910,570	\$4,010,123	\$6,110,602	52.38%
Other Liabilities	\$481,393	\$1,632,860	\$1,507,012	\$2,170,197	\$1,988,405	\$3,803,057	91.26%
Total Liabilities	\$2,871,485	\$5,054,126	\$11,162,674	\$12,945,702	\$14,034,159	\$17,999,828	28.26%
Deferred Inflows	\$554,925	\$68,378	\$646,225	\$139,819	\$1,201,150	\$208,197	-82.67%
Net Position							
Invested In Capital Assets Net of Related Debt	\$22,895,178	\$24,194,655	\$23,614,797	\$24,207,301	\$46,509,975	\$48,401,956	4.07%
Restricted	\$2,798,156	\$3,087,181	\$351,045	\$483,546	\$3,149,201	\$3,570,727	13.39%
Unrestricted	(\$516,329)	(\$1,229,303)	\$10,585,238	\$14,144,636	\$10,068,909	\$12,915,333	28.27%
Net Position	\$25,177,005	\$26,052,533	\$34,551,080	\$38,835,483	\$59,728,085	\$64,888,016	8.64%

A portion of the City's assets (\$3,570,727) represents resources that are subject to internal and external restrictions on how they may be used. The remaining balance of \$12,915,333 are *unrestricted assets* that may be used to meet the government's ongoing obligations to citizens and creditors. That amount increased \$4,684,765, or more than forty-six and one-half percent (46.53%) from the prior year. That gain is reflective of a change in the way the MSCPA rate stabilization funds are recorded and other increases in current assets.

The City's total program revenue for 2019, (including restricted and operating grants and contributions) was \$19,253,216. This represents just over one percent (1.21%) increase from the prior year. Capital grants and contributions, which are one-time, project specific sources of revenue, increased one hundred-eight percent (108.37%) or \$485,704 from the prior year.

City's Changes in Net Position

	Governmental		Business-type		Total		Total
	Activities		Activities				Percentage
Revenues:	2018	2019	2018	2019	2018	2019	Change
Program Revenues:							
Charges for Services	\$427,490	\$564,529	\$16,584,845	\$16,232,492	\$17,012,335	\$16,797,021	-1.27%
Operating Grants & Contributions	<u>\$1,225,955</u>	\$1,244,130	\$253,422	\$194,390	\$1,479,377	\$1,438,520	-2.76%
Capital Grants & Contributions	\$370,528	\$626,870	\$77,643	\$390,805	\$448,171	\$1,017,675	127.07%
Total Revenues	\$2,023,973	\$2,435,529	\$16,915,910	\$16,817,687	\$18,939,883	\$19,253,216	1.65%
Expenses:							
General Government	\$1,940,011	\$2,236,979			\$1,940,011	\$2,236,979	15.31%
Public Safety	\$2,055,304	\$2,352,497			\$2,055,304	\$2,352,497	14.46%
Public Services	\$284,101	\$246,304			\$284,101	\$246,304	-13.30%
Highways & Streets	\$1,608,675	\$1,323,391			\$1,608,675	\$1,323,391	-17.73%
Community & economic development	\$188,345	\$202,178			\$188,345	\$202,178	7.34%
Recreation & Culture	\$710,193	\$676,957			\$710,193	\$676,957	-4.68%
Capital Outlay & Other	\$116,281	\$50,448			\$116,281	\$50,448	-56.62%
Electric			\$11,461,468	\$11,514,989	\$11,461,468	\$11,514,989	0.47%
Water			\$1,204,905	\$1,248,906	\$1,204,905	\$1,248,906	3.65%
Sewer			\$1,444,234	\$1,443,863	\$1,444,234	\$1,443,863	-0.03%
Transportation			\$345,868	\$358,193	\$345,868	\$358,193	3.56%
Total Expenses	\$6,902,910	\$7,088,754	\$14,456,475	\$14,565,951	\$21,359,385	\$21,654,705	1.38%
Increase (Decrease) in							
Net Position Before Transfers	(\$4,878,937)	(\$4,653,225)	\$2,459,435	\$2,251,736	(\$2,419,502)	(\$2,401,489)	-0.74%
General Revenues:							
Taxes	\$2,507,444	\$2,619,253			\$2,507,444	\$2,619,253	4.46%
To Specific Programs	\$1,054,030	\$1,014,670			\$1,054,030	\$1,014,670	-3.73%
Unrestricted Investment Earnings	\$46,616	\$58,473	\$601,068	\$64,338	\$647,684	\$122,811	-81.04%
Other Revenues	\$739,337	\$900,418	\$70,671	\$11,400	\$810,008	\$911,818	12.57%
Transfers - Internal Activity	\$966,871	\$935,939	(\$966,871)	(\$935,939)	\$0	\$0	0.00%
Total General Revenues	\$5,314,298	\$5,528,753	(\$295,132)	(\$860,201)	\$5,019,166	\$4,668,552	-6.99%
Changes in Net Position	\$435,361	\$875,528	\$2,164,303	\$1,391,535	\$2,599,664	\$2,267,063	-12.79%
Net Position - Beginning of Year	\$24,741,644	\$25,177,005	\$32,386,777	\$37,443,948	\$57,128,421	\$62,620,953	9.61%
Net Position - End of Year	\$25,177,005	\$26,052,533	\$34,551,080	\$38,835,483	\$59,728,085	\$64,888,016	8.64%

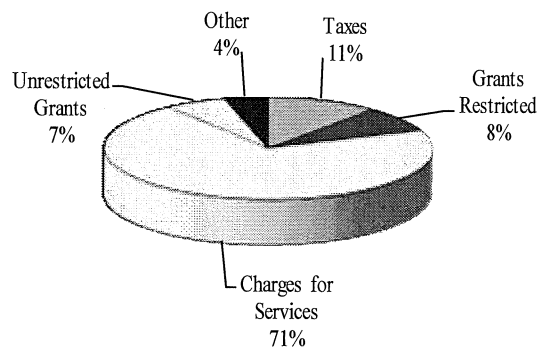
Total government wide, charges for services revenue dropped more than one percent (1.27%). Governmental activities charges for services increased thirty-two percent (32.05%). Business-type charges for services revenue decreased \$352,353 or more than two percent (2.12%). More

than ninety-six and one-half percent (96.66%) of the total charges for services revenue comes from the business-type activities (electric, water, sewer and transportation funds). Of those activities, the electric fund generates more than seventy-seven percent (77.31%) of those charges.

General revenues, for both the governmental and business-type activities, decreased seven percent (6.99%). These revenues consist of taxes, investment earnings, internal transfers between funds, and various other miscellaneous revenues. The tax revenue increased four and one-half percent (4.46%) from the prior year. Governmental and business-type activities specific program revenues decreased about four percent (3.73%). Unrestricted investment earnings decreased 81.04% largely due to the MSCPA \$1,130,082 loss. Other revenues that come from various sources, some of which are from one-time sources increased twelve and one-half percent (12.57%).

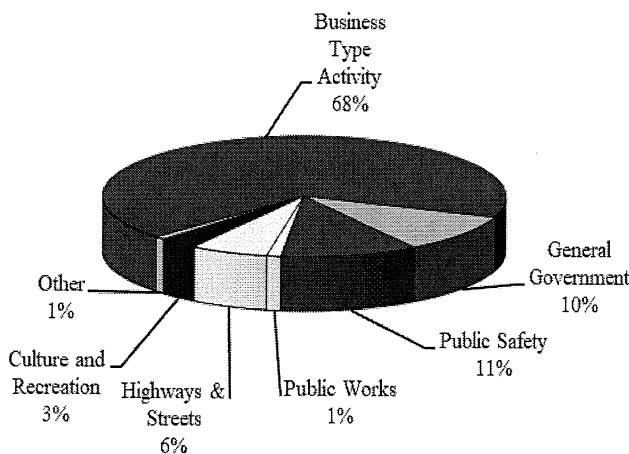
The pie graph to the right reveals the major sources of revenues collected by the municipality's governmental and business-type activities combined. Charges for services make up seventy-one (71%) of revenues. Seventy-seven percent (77%) of those monies come from the electric utility and are not used for general governmental operations. Taxes which are used primarily to fund general governmental activities, make up eleven percent (11%) of general revenues. Grants, restricted and unrestricted combined, account for fifteen percent (15%). Investment earnings and other miscellaneous revenue sources make up the remaining four percent (4%).

**Source of Revenue for Fiscal Yr 2019
Governmental & Business-type Activities**



Total expenditures increased overall by one percent (0.99%) from fiscal year 2017-18. Five (5) of the governmental functions and/or programs experienced increases, while six (6) functions and/or programs decreased. The two functions with the greatest variances were community and economic development and capital outlay and other. Economic development expenditures decreased by \$69,967 as the City made changes in staffing assignments. The Capital Outlay and Other reductions came from various activities being cost conscious with their purchases. As the functions graph on the left depicts, business type activities (electric, water, sewer, and transportation operations) make up sixty-eight percent (68%) of all the municipality's expenditures. The largest portions of overall expenditures, fifty-three percent (53%), are incurred by the electric fund. General

**Functional Expenses for Fiscal Yr 2019
Governmental & Business-type Activities**



governmental activities account for only ten percent (10%) of total expenditures; public safety makes up eleven percent (11%), highways and streets account for six percent (6%), recreation and culture spend around three percent (3%), and public works and other miscellaneous activities each make up the remaining two percent (2%).

Governmental activities. Governmental activities had a positive change in net position of three and one-half percent (3.48%) or \$875,528. Key elements from operations for the year are:

- The City received a \$2 Million Infrastructure Capacity Enhancement (ICE) Grant through the Michigan Economic Development Corporation (MEDC) for sanitary sewer, storm sewer and water main replacements and street improvements. Work continued throughout the year on this project, which began last April. The expected completion date is not until December 2019.
- A Community Development Block Grant through MEDC was obtained by City for TIFA to do renovations to the Dawn Theater. Preliminary work has begun with an expected completion date of April 2021.
- Governmental activities expenditures decreased by approximately one percent (0.97%) as staff continues to be cost conscious in all departments.
- Net pension liability for the government-activities increased by forty-seven percent (47.41%). The Government Accounting Standards Board (GASB) Statement No. 68 requires each municipality to calculate a net pension liability each year. This is done through a series of complex calculations. It appears on the government wide statements only. Changes to the City's pension system have been made that will help limit the city's pension liability exposure into the future.

Business-type activities. Business-type activities experienced a net gain for the year of \$1,391,535. Key elements of the business-type activities increase are as follows:

- The electric fund contributed \$329,945 to that increase from operations. The water fund contributed \$425,577 as the result of rate adjustments put into place at the beginning of the fiscal year.
- The sewer fund realized a change in net position of \$713,195 resulting from rate increases that were implemented in July of 2018.
- Dial-A-Ride experienced a net decrease of \$77,182 as operating revenues declined by over thirty-six percent (36.25%) while expenditures remained relatively unchanged.
- Net pension liability for the business-type activities increased by over fifty-eight percent (58.24%). The Government Accounting Standards Board (GASB) Statement No. 68 requires each municipality to calculate a net pension liability each year. This is done through a series of complex calculations. It appears on the government wide statements only. Changes to the City's fringe benefit structure have been made that will help limit the city's pension liability exposure into the future.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. As of June 30, 2019 the City's governmental funds

reported combined ending fund balances of \$4,026,599. That is a \$68,384 or one and one-half percent (1.7%) decrease from the prior year.

Governmental fund balance is broken into three categories: non-spendable, restricted, and unassigned. Non-spendable fund balance is that portion of fund balance reflecting assets not in spendable form. Prepaid expenditures are the most common type of these expenditures. These are expenses paid in advance for things like health and liability insurances paid in one fiscal year for coverage that extends into the next. The governmental funds prepaid expenditures totaled \$96,967. The restricted portion of fund balance refers to resources subject to externally imposed and legally enforceable constraints put in place by the resource providers, e.g. grantors or creditors, or by law through constitutional provisions or enabling legislation. The governmental funds restricted fund balance is \$3,087,181. This constitutes a decrease of thirty-six and one-half percent (36.48%) decrease from the prior year. The reduction is attributable to the spend-down of the capital projects fund for street projects.

Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. That portion of the governmental funds fund balance is \$842,451 and available for spending at the government's discretion.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the general fund was \$934,591. Of that balance, \$92,140 is classified as non-spendable for prepaid expenditures. The remaining \$842,451 is unassigned and therefore available for spending at the government's discretion.

Public Act 51 of 1951 channels state restricted transportation revenue into special revenue funds, and directs how those funds are spent. The resources that the City of Hillsdale receives from the State through this act are recorded in the Major and Local Street Funds. The fund balances in these two funds, \$390,703 in Major and \$337,496 in Local, are thus designated to be spent only on the streets. These fund balances are classified as restricted, special revenue funds.

The Capital Improvement Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditures for major capital outlays. This year the Capital Improvement Fund met the criteria to be classified and presented separately as a major fund. It has a fund balance of \$344,424, all of which is designated as restricted for capital purchases.

Other non-major governmental funds, after being adjusted for removal of the Capital Improvement Fund, collectively experienced a combined net increase in fund balances of \$441,314. None of these fund balances are considered unassigned. Of the \$2,019,385 balance, \$4,827 is classified as non-spendable, prepaid expenditures. The remaining non-major governmental fund balances totaling \$2,014,558 are considered restricted for various reasons. There are three permanent endowments (Cemetery Perpetual Care Fund, Stocks Park Perpetual Maintenance Fund, and the R.L. Owen Memorial Trust Fund). Combined they have a total restricted fund balance of \$807,221. The restricted non-major special revenue fund balances of \$195,630 are for the Library, Recreation, Police OWUI and Drug Forfeitures Funds. The combined restricted fund balances of the Library Improvement, Airport Improvement, Mrs. Stocks Park, Fire Equipment, and Fields of Dreams Funds is \$245,990. The balance in the Debt Service Fund of \$765,717 is classified as restricted for debt payments.

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

related debt for all proprietary funds increased over two and one-half percent (2.51%). This represents the amount of net position that is invested in capital and therefore not available for future spending. Restricted funds of \$483,546 for bond reserves and debt service for the Sewer Fund revenue bond covenants. Unrestricted net position of the water, sewer, electric, and transportation funds at the end of the year increased \$3,559,398 or more than thirty-three percent and one-half (33.63%). The proprietary funds had a total net position at fiscal year-end of \$38,835,483. That is a total overall increase of more than twelve percent (12.40%).

All of the proprietary funds realized an increase in net position for the year. The sewer fund ended the year with an increase in net position of \$713,195, as the wastewater treatment plant improvement project nears completion. The water fund increased its net position by \$425,577. Finally, the Dial-A-Ride operations resulted in a decrease in net position as expenditures exceeded revenue by \$77,182.

During the fiscal year end process it was discovered that in addition to the ownership percentage of net equity in the MSCPA, there was additional assets held by this entity, not being recorded. The cash in the rate stabilization account held at MSCPA on behalf of the BPU had not been recorded on previous financial statements. Consequently, the net position for fiscal year ending June 30, 2018 had to be restated to reflect this change. That change increased the 2018 net position \$2,892,868. The electric fund ended fiscal year 2019 with an increase in net position of \$329,945.

General Fund Budgetary Highlights

The general fund revenue budget for fiscal year 2019 was originally \$4,782,250. It was amended up to \$4,876,650. These amendments were made because various miscellaneous revenues came in higher than anticipated.

Differences between the original and final amended General Fund expenditure budgets totaled \$94,400. Various adjustments, both positive and negative were made in various General Fund activities. An increase in the transfer to the Capital Improvement Fund was also added to prepare for future capital projects.

Capital Asset and Debt Administration

Capital assets. The City's additions to capital assets in both its governmental and business type activities as of June 30, 2019, amounted to more than \$4.9 million. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, library books, recreational land improvements, roads, sewer and water mains. The combined total capital assets, net of depreciation, increased more than four and one-half percent (4.56%).

Major capital asset events during the current fiscal year included the following:

- The governmental activities invested \$2,086,262 in various capital assets including: books, building and grounds improvements, server upgrades/replacement; security cameras; telephone system; a patrol vehicle and three plow trucks and a pickup truck and street and infrastructure investments.
- The business-type activities invested more than \$2.8 million in various capital assets such as: overhead and underground electric line construction; telephone system; 277

Upgrade Phase 1; Kauffman trailer; digger derrick truck; meter replacement; Phase 2 server upgrade; critical structure replacement; capacitor bank upgrade; distribution automation and monitoring upgrades; sonetics headset; voltage upgrades; fuel storage tank painted; VFD replacement of high service pumps 2 & 3; AMI water meter project; roof at wastewater treatment plant; grinder; hydrant replacement; digester roof at the wastewater treatment plant and other wastewater treatment plant system improvements.

City's Capital Assets							
(Net of Depreciation)							
	Governmental		Business-type		Total		Total
	Activities		Activities		Total		Percent
	2018	2019	2018	2019	2018	2019	2018-19
Land	\$8,613,943	\$8,782,693	\$361,042	\$361,042	\$8,974,985	\$9,143,735	1.88%
Buildings and System Improvements	3,429,173	3,385,150	22,353,320	21,832,768	\$25,782,493	\$25,217,918	-2.19%
Library Books	216,476	211,931			\$216,476	\$211,931	-2.10%
Machinery and Equipment	1,157,665	1,605,462	0	0	\$1,157,665	\$1,605,462	38.68%
Infrastructure	9,477,921	10,209,419			\$9,477,921	\$10,209,419	7.72%
Construction in Progress	0	0	8,581,503	10,273,643	8,581,503	10,273,643	19.72%
Total	\$22,895,178	\$24,194,655	\$31,295,865	\$32,467,453	\$54,191,043	\$56,662,108	4.56%

Additional information on the City's capital assets can be found in note No. 4 on pages 23 -24 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$7,675,000 which consists of sewer revenue bonds. These bonds pledged the City utility's income to be received from the constructed assets to pay the debt service of the bond issue. The City has no general obligation bonds outstanding. The City of Hillsdale, for bonding purposes, has a credit assessment with Standard & Poor's of "Low Investment Grade" and is currently "non-rated" with Moody's and Fitch.

City's Outstanding Debt				
Revenue Bonds				
	Business-type		Total	
	Activities		Total	
	2018	2019	2018	2019
Revenue Bonds	\$6,817,693	\$7,675,000	\$6,817,693	\$7,675,000
Total	\$6,817,693	\$7,675,000	\$6,817,693	\$7,675,000

State statutes limit the amount of general obligation debt a governmental entity may issue to ten percent (10%) of its total State Equalized Value (SEV). The city's state equalized valuation as of December 31, 2018 was \$153,828,430. That translates into a debt limit of \$15,382,843. The City's revenue bond debt is exempt from that limit, so as of June 30, 2019 there is no debt applicable to the limit.

The City's bonded debt increased during the current fiscal year more than twelve and one-half percent (12.57%) or \$857,307. The City's total outstanding debt obligation, including the bond debt, as of June 30, 2019 was \$8,628,851, which includes \$368,699 in compensated absence liabilities as well as all other outstanding loan obligations, including the revenue bonds. The City's debt obligations due within the next year consist of \$345,000 in revenue bond payments and the Board of Public Utilities capital lease debt payment of \$287,682. Additional information on the City's long-term debt can be found in note No. 8 on pages 26-28 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the City's budget for the 2019-20 fiscal year:

- State shared revenues were projected at the constitutional level plus the City Village, and Township Revenue Sharing and County Incentive Program revenues as projected by the State of Michigan.
- The 2019-20 budget for the General Fund a balanced.
- The projection for gas and weight taxes, used to maintain the road systems throughout the state were based on the State's projections for 2020. These taxes are collected by the state and disbursed to the local governmental agencies (cities, townships, road commissions, and counties) based on population and miles of roads maintained in each classification (major or local).
- Health insurance costs increases were projected at twelve percent (12%).
- A 2.75% wage increase were projected across the board for all employees.
- Utility rates were budgeted as follows: electric to increase 2.5%; sewer increasing 11.46%; and water going up 14.24%.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 97 N. Broad Street, Hillsdale, Michigan 49242.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Hillsdale, Michigan
Statement of Net Position
June 30, 2019

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	TAX INCREMENT FINANCE AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION
ASSETS					
Cash and investments	\$ 4,580,273	\$ 10,817,863	\$ 15,398,136	\$ 183,580	\$ 141,923
Restricted cash	-	483,546	483,546	-	-
Receivables	579,324	1,256,398	1,835,722	-	-
Loans receivable	-	-	-	265,000	-
Due from other governments	-	416,334	416,334	-	-
Interdepartmental loans	367,297	590,000	957,297	-	-
Internal balances	260,511	(260,511)	-	-	-
Prepaid items and other assets	166,674	397,590	564,264	-	-
Inventory	152,142	474,798	626,940	-	-
Investment in M.S.C.P.A.	-	4,490,245	4,490,245	-	-
Capital assets, net:					
Assets not being depreciated	8,782,693	10,634,685	19,417,378	65,000	148,067
Assets being depreciated	15,411,962	21,832,768	37,244,730	204,582	-
TOTAL ASSETS	30,300,876	51,133,716	81,434,592	718,162	289,990
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	874,161	787,288	1,661,449	-	-
LIABILITIES					
Accounts payable	698,801	716,564	1,415,365	3,028	771
Accrued expenses	66,762	820,951	887,713	-	-
Due to other governments	-	-	-	-	-
Interdepartmental loans	867,297	90,000	957,297	-	-
Net pension liability	3,200,032	2,910,570	6,110,602	-	-
Non-current liabilities:					
Due within one year	-	632,682	632,682	-	-
Due in more than one year	221,234	7,774,935	7,996,169	-	-
TOTAL LIABILITIES	5,054,126	12,945,702	17,999,828	3,028	771
DEFERRED INFLOWS OF RESOURCES					
Pension related	68,378	139,819	208,197	-	-
NET POSITION					
Net investment in capital assets	24,194,655	24,207,301	48,401,956	269,582	148,067
Restricted for:					
Debt service	765,717	483,546	1,249,263	-	-
Special revenues	923,829	-	923,829	-	-
Capital projects	590,414	-	590,414	-	-
Endowment and trust principal	807,221	-	807,221	-	-
Unrestricted	(1,229,303)	14,144,636	12,915,333	445,552	141,152
TOTAL NET POSITION	\$ 26,052,533	\$ 38,835,483	\$ 64,888,016	\$ 715,134	\$ 289,219

See accompanying notes to the basic financial statements.

City of Hillsdale, Michigan
Statement of Activities
Year Ended June 30, 2019

FUNCTIONS / PROGRAMS	PROGRAM REVENUES				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE
PRIMARY GOVERNMENT					
Governmental Activities:					
General government	\$ 2,236,979	\$ 460,544	\$ 16,013	\$ -	\$ (1,760,422)
Public safety	2,352,497	3,000	7,204	-	(2,342,293)
Public works	246,304	-	-	-	(246,304)
Highways and streets	1,323,391	-	1,121,841	-	(201,550)
Community and economic development	202,178	-	-	83,800	(118,378)
Culture and recreation	676,957	99,436	70,614	-	(506,907)
Capital outlay and other	50,448	1,549	28,458	543,070	522,629
Total Governmental Activities	7,088,754	564,529	1,244,130	626,870	(4,653,225)
Business-type Activities:					
Electric	11,514,989	12,550,015	-	-	1,035,026
Water	1,248,906	1,512,438	-	234,660	498,192
Sewer	1,443,863	2,122,823	-	156,145	835,105
Transportation	358,193	47,216	194,390	-	(116,587)
Total Business-type Activities	14,565,951	16,232,492	194,390	390,805	2,251,736
TOTAL PRIMARY GOVERNMENT	\$ 21,654,705	\$ 16,797,021	\$ 1,438,520	\$ 1,017,675	\$ (2,401,489)
COMPONENT UNITS					
Tax Increment Finance Authority	\$ 114,757	\$ -	\$ -	\$ 83,800	\$ (30,957)
Economic Development Corporation	6,924	-	-	-	(6,924)
TOTAL COMPONENT UNITS	\$ 121,681	\$ -	\$ -	\$ 83,800	\$ (37,881)

continued...

See accompanying notes to the basic financial statements.

City of Hillsdale, Michigan
Statement of Activities
Year Ended June 30, 2019

	<u>PRIMARY GOVERNMENT</u>			<u>COMPONENT UNITS</u>	
	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS - TYPE ACTIVITIES</u>	<u>TOTAL</u>	<u>TAX INCREMENT FINANCE AUTHORITY</u>	<u>ECONOMIC DEVELOPMENT CORPORATION</u>
CHANGES IN NET POSITION					
Net (expense) revenue	\$ (4,653,225)	\$ 2,251,736	\$ (2,401,489)	\$ (30,957)	\$ (6,924)
General Revenues:					
Property taxes - levied for general operations	1,810,616	-	1,810,616	104,926	-
Property taxes - levied for street maintenance	308,166	-	308,166	-	-
Property taxes - levied for sinking fund	369,411	-	369,411	-	-
Property taxes - levied for library operations	131,060	-	131,060	-	-
Unrestricted grants and contributions	1,014,670	-	1,014,670	-	-
Interest and investment gains, net	58,473	64,338	122,811	3,231	3,243
Other revenues (expenses)	900,418	11,400	911,818	16,348	14,416
Transfers - internal activities	935,939	(935,939)	-	-	-
Total general revenues, contributions and transfers	<u>5,528,753</u>	<u>(860,201)</u>	<u>4,668,552</u>	<u>124,505</u>	<u>17,659</u>
CHANGES IN NET POSITION	875,528	1,391,535	2,267,063	93,548	10,735
NET POSITION - BEGINNING OF YEAR	25,177,005	37,443,948	62,620,953	621,586	
NET POSITION - BEGINNING YEAR - RESTATE	-	-	-	-	278,484
NET POSITION - END OF YEAR	<u>\$ 26,052,533</u>	<u>\$ 38,835,483</u>	<u>\$ 64,888,016</u>	<u>\$ 715,134</u>	<u>\$ 289,219</u>

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

City of Hillsdale, Michigan
Balance Sheet
Governmental Funds
June 30, 2019

	General	Major Street	Local Street	Capital Improvement	Other Nonmajor Governmental Funds	TOTAL
ASSETS						
Cash and investments	\$ 1,255,250	\$ 288,803	\$ 308,513	\$ 874,170	\$ 1,631,290	\$ 4,358,026
Receivables:						
Accounts receivable	116,858	122,335	40,304	251,656	36,488	567,641
Special assessments	25,465	-	-	-	-	25,465
Due from other funds	85,005	-	-	666,327	-	751,332
Interdepartmental notes receivable	-	-	-	-	367,297	367,297
Prepaid expenditures	92,140	-	-	-	4,827	96,967
TOTAL ASSETS	1,574,718	411,138	348,817	1,792,153	2,039,902	6,166,728
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	91,004	17,802	10,616	556,924	14,435	690,781
Due to other funds	100,015	-	-	390,805	-	490,820
Salaries payable	37,598	2,633	705	-	6,082	47,018
Accrued liabilities	18,748	-	-	-	-	18,748
Unearned revenue	25,465	-	-	-	-	25,465
Interdepartmental note payable	367,297	-	-	500,000	-	867,297
TOTAL LIABILITIES	640,127	20,435	11,321	1,447,729	20,517	2,140,129
Fund Balances:						
Non-spendable:						
Prepaid expenditures	92,140	-	-	-	4,827	96,967
Restricted:						
Special revenue funds	-	390,703	337,496	-	195,630	923,829
Capital project funds	-	-	-	344,424	245,990	590,414
Permanent funds	-	-	-	-	807,221	807,221
Debt service	-	-	-	-	765,717	765,717
Unassigned	842,451	-	-	-	-	842,451
TOTAL FUND BALANCES	934,591	390,703	337,496	344,424	2,019,385	4,026,599
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,574,718	\$ 411,138	\$ 348,817	\$ 1,792,153	\$ 2,039,902	\$ 6,166,728

See accompanying notes to the basic financial statements.

City of Hillsdale, Michigan
 Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to
 Net Position of Governmental Activities on the Statement of Net Position
 June 30, 2019

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 4,026,599

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources, and are not reported in the funds.

The cost of capital assets is	47,264,023	
Accumulated depreciation is	<u>(23,069,368)</u>	
		24,194,655

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred revenues in the governmental funds, and these are not included in fund balance.

Deferred special assessments revenue		25,465
--------------------------------------	--	--------

Internal Service Funds are used by management to charge the costs of certain equipment usage and administrative costs to individual governmental funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.

Net position of governmental activities accounted for in the Internal Service Fund	1,058,670	
Add portion included in long-term debt	30,883	
Less portion included in capital assets	<u>(668,256)</u>	
		421,297

Long-term liabilities not due and payable in the current period and not reported in the funds:

Notes payable		
Compensated absences	221,234	
Net pension liability	<u>3,200,032</u>	
		(3,421,266)

Governmental funds report actual pension expenditures for the fiscal year, whereas the governmental activities will recognize the net pension liability as of the measurement date. Pension contributions subsequent to the measurement date along with differences between projected and actual pension plan investment earnings are deferred over time in the government-wide financial statements. These amounts consist of:

Deferred inflows of resources related to pension		(68,378)
Deferred outflows of resources related to pensions		<u>874,161</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 26,052,533

See accompanying notes to the basic financial statements.

City of Hillsdale, Michigan
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2019

	<u>General</u>	<u>Major Street</u>	<u>Local Street</u>	<u>Capital Improvement</u>	<u>Other Nonmajor Governmental Funds</u>	<u>TOTAL</u>
REVENUES						
Taxes - general operating	\$ 1,992,842	\$ -	\$ -	\$ -	\$ 498,710	\$ 2,491,552
Federal revenues	83,800	-	-	532,970	-	616,770
State revenues	996,999	764,826	357,015	-	46,533	2,165,373
Licenses and permits	107,025	-	-	-	-	107,025
Contributions from local units	-	-	-	-	20,311	20,311
Charges for services	17,686	-	-	-	293,184	310,870
Fines and violations	2,641	-	-	-	39,474	42,115
Interest and rentals	111,638	4,638	237	-	75,187	191,700
Payments in lieu of taxes	1,069,882	-	-	-	-	1,069,882
Miscellaneous	207,571	9,110	41,419	144	60,603	318,847
TOTAL REVENUES	<u>4,590,084</u>	<u>778,574</u>	<u>398,671</u>	<u>533,114</u>	<u>1,034,002</u>	<u>7,334,445</u>
EXPENDITURES						
General government	1,370,513	-	-	-	149,968	1,520,481
Public safety	1,869,063	-	-	-	2,148	1,871,211
Public works	306,676	-	-	-	-	306,676
Highways and streets	-	617,395	400,032	-	-	1,017,427
Community and economic development	118,378	-	-	-	-	118,378
Culture and recreation	186,032	-	-	-	451,910	637,942
Capital outlay	-	-	-	1,413,147	43,262	1,456,409
TOTAL EXPENDITURES	<u>3,850,662</u>	<u>617,395</u>	<u>400,032</u>	<u>1,413,147</u>	<u>647,288</u>	<u>6,928,524</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>739,422</u>	<u>161,179</u>	<u>(1,361)</u>	<u>(880,033)</u>	<u>386,714</u>	<u>405,921</u>
OTHER FINANCING SOURCES (USES)						
Contribution from TIFA	10,000	-	-	-	-	10,000
Pass-through grant funds	(83,800)	-	-	-	-	(83,800)
Operating transfers in	202,732	-	195,440	615,000	72,100	1,085,272
Operating transfers out	(852,205)	(224,920)	(28,652)	(362,500)	(17,500)	(1,485,777)
TOTAL OTHER FINANCING SOURCES (USES):	<u>(723,273)</u>	<u>(224,920)</u>	<u>166,788</u>	<u>252,500</u>	<u>54,600</u>	<u>(474,305)</u>
NET CHANGES IN FUND BALANCES	16,149	(63,741)	165,427	(627,533)	441,314	(68,384)
FUND BALANCES - BEGINNING OF YEAR	<u>918,442</u>	<u>454,444</u>	<u>172,069</u>	<u>971,957</u>	<u>1,578,071</u>	<u>4,094,983</u>
FUND BALANCES - END OF YEAR	<u>\$ 934,591</u>	<u>\$ 390,703</u>	<u>\$ 337,496</u>	<u>\$ 344,424</u>	<u>\$ 2,019,385</u>	<u>\$ 4,026,599</u>

See accompanying notes to the basic financial statements.

City of Hillsdale, Michigan
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 Year Ended 30, 2019

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (68,384)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Purchase of capital assets	1,754,402
Depreciation expense	(897,843)
Revenues for special assessments are reported in the governmental funds as they are paid off, and the balance is reported as a deferred revenue. The net effect of the current year payments is to decrease net position in the entity-wide statements.	
	(9,862)
Changes in net position of internal service funds that are treated as enterprise fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements.	
	454,963
Some items reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported in the Governmental Funds. These activities consist of:	
(Increase) Decrease in accrued compensated absences	3,209
Changes in net pension liability/expense	(360,957)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 875,528

See accompanying notes to the basic financial statements.

City of Hillsdale, Michigan
Statement of Net Position
Proprietary Funds
June 30, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL ACTIVITIES
	Electric	Water	Sewer	Nonmajor Fund Dial-A-Ride	TOTAL	Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	\$ 8,636,659	\$ 1,048,058	\$ 969,285	\$ 163,861	\$ 10,817,863	\$ 222,248
Restricted cash	-	-	483,546	-	483,546	-
Receivables:						
Accounts (net of allowance for bad debts of \$13,518)	1,026,354	79,974	122,053	8,750	1,237,131	11,683
Due from State	-	-	416,334	-	416,334	-
Other receivables	13,542	-	5,725	-	19,267	-
Due from other funds	15	234,660	156,145	-	390,820	-
Inventory, at cost	384,415	87,609	2,774	-	474,798	152,142
Prepaid expenses	103,202	31,167	32,809	4,512	171,690	44,243
TOTAL CURRENT ASSETS	<u>10,164,187</u>	<u>1,481,468</u>	<u>2,188,671</u>	<u>177,123</u>	<u>14,011,449</u>	<u>430,316</u>
Capital assets:						
Land	181,108	49,613	122,902	7,419	361,042	-
Plant, systems, and equipment	38,026,573	11,743,838	14,151,003	1,080,424	65,001,838	2,454,539
Construction in progress	-	373,341	9,900,302	-	10,273,643	-
	38,207,681	12,166,792	24,174,207	1,087,843	75,636,523	2,454,539
Less: accumulated depreciation	(24,994,201)	(7,069,159)	(10,708,050)	(397,660)	(43,169,070)	(1,786,283)
NET CAPITAL ASSETS	<u>13,213,480</u>	<u>5,097,633</u>	<u>13,466,157</u>	<u>690,183</u>	<u>32,467,453</u>	<u>668,256</u>
Other assets:						
Interdepartmental loan receivable	590,000	-	-	-	590,000	-
Prepaid operating lease (net of \$46,543 amortization)	193,761	-	-	-	193,761	-
Other investment	32,141	-	-	-	32,141	-
Investment in M.S.C.P.A.	4,490,245	-	-	-	4,490,245	-
TOTAL OTHER ASSETS	<u>5,306,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,306,147</u>	<u>-</u>
TOTAL ASSETS	<u>28,683,814</u>	<u>6,579,101</u>	<u>15,654,828</u>	<u>867,306</u>	<u>51,785,049</u>	<u>1,098,572</u>
DEFERRED OUTFLOWS OF RESOURCES - Pension	<u>393,643</u>	<u>196,823</u>	<u>196,822</u>	<u>-</u>	<u>787,288</u>	<u>-</u>
LIABILITIES						
Current liabilities:						
Accounts payable	133,090	25,361	521,054	37,059	716,564	8,022
Due to other funds	11,688	348,733	229,251	61,660	651,332	-
Accrued interest	11,741	1,241	46,174	-	59,156	-
Accrued expenses	716,564	5,982	5,845	10,303	738,694	997
Customer deposits	114,504	9,110	8,558	-	132,172	-
Energy optimization program	(109,070)	-	-	-	(109,070)	-
Current portion of long-term debt	211,082	38,300	383,300	-	632,682	-
TOTAL CURRENT LIABILITIES	<u>1,089,599</u>	<u>428,727</u>	<u>1,194,182</u>	<u>109,022</u>	<u>2,821,530</u>	<u>9,019</u>
Noncurrent liabilities:						
Accrued compensated absences	101,295	13,054	25,858	7,258	147,465	30,883
Interdepartmental loan payable	-	-	90,000	-	90,000	-
Bonds and capital lease payable	218,770	39,350	7,369,350	-	7,627,470	-
Net pension liability	1,455,296	727,637	727,637	-	2,910,570	-
TOTAL NONCURRENT LIABILITIES	<u>1,775,361</u>	<u>780,041</u>	<u>8,212,845</u>	<u>7,258</u>	<u>10,775,505</u>	<u>30,883</u>
TOTAL LIABILITIES	<u>2,864,960</u>	<u>1,208,768</u>	<u>9,407,027</u>	<u>116,280</u>	<u>13,597,035</u>	<u>39,902</u>
DEFERRED INFLOWS OF RESOURCES - Pension	<u>69,909</u>	<u>34,955</u>	<u>34,955</u>	<u>-</u>	<u>139,819</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	12,783,628	5,019,983	5,713,507	690,183	24,207,301	-
Restricted - bond reserves and debt service	-	-	483,546	-	483,546	-
Unrestricted	13,358,960	512,218	212,615	60,843	14,144,636	1,058,670
TOTAL NET POSITION	<u>\$ 26,142,588</u>	<u>\$ 5,532,201</u>	<u>\$ 6,409,668</u>	<u>\$ 751,026</u>	<u>\$ 38,835,483</u>	<u>\$ 1,058,670</u>

See accompanying notes to the basic financial statements.

City of Hillsdale, Michigan
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL ACTIVITIES
	Electric	Water	Sewer	Nonmajor Fund	TOTAL	Internal Service Funds
				Dial-A-Ride		
OPERATING REVENUES						
Charges for services	\$ 12,550,015	\$ 1,512,438	\$ 2,122,823	\$ 47,216	\$ 16,232,492	\$ 321,013
Federal grants	-	-	-	71,316	71,316	-
State grants	-	-	-	123,074	123,074	-
Miscellaneous	-	-	-	-	-	194,818
TOTAL OPERATING REVENUES	12,550,015	1,512,438	2,122,823	241,606	16,426,882	515,831
OPERATING EXPENSES						
Production expense	9,036,165	94,306	-	-	9,130,471	-
Distribution	1,462,078	465,947	-	-	1,928,025	-
Collection system	-	-	238,065	-	238,065	-
Treatment	-	-	619,363	-	619,363	-
Purification	-	274,704	-	-	274,704	-
Administrative and general	1,016,746	413,949	586,435	-	2,017,130	-
Highways and streets	-	-	-	-	-	575,241
Transportation	-	-	-	358,193	358,193	-
TOTAL OPERATING EXPENSES	11,514,989	1,248,906	1,443,863	358,193	14,565,951	575,241
OPERATING INCOME (LOSS)	1,035,026	263,532	678,960	(116,587)	1,860,931	(59,410)
NONOPERATING REVENUES (EXPENSES)						
Investment income	67,944	17,684	1,660	-	87,288	3,714
Federal grants	-	234,660	156,145	-	390,805	107,006
Payments in lieu of taxes	(740,075)	(85,299)	(118,570)	-	(943,944)	-
Gain (loss) on disposal of property	-	-	-	11,400	11,400	11,153
Gain (loss) on investment	(22,950)	-	-	-	(22,950)	-
Transfers in from other funds	-	-	-	89,665	89,665	392,500
Transfers out to other funds	(10,000)	(5,000)	(5,000)	(61,660)	(81,660)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(705,081)	162,045	34,235	39,405	(469,396)	514,373
CHANGES IN NET POSITION	329,945	425,577	713,195	(77,182)	1,391,535	454,963
NET POSITION - BEGINNING OF YEAR	-	5,106,624	5,696,473	828,208	11,631,305	603,707
NET POSITION - BEGINNING OF YEAR - RESTATED	25,812,643	-	-	-	25,812,643	-
NET POSITION - END OF YEAR	\$ 26,142,588	\$ 5,532,201	\$ 6,409,668	\$ 751,026	\$ 38,835,483	\$ 1,058,670

See accompanying notes to the basic financial statements.

City of Hillsdale, Michigan
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL ACTIVITIES
	Electric	Water	Sewer	Nonmajor Fund	TOTAL	Internal Service Funds
				Dial-A-Ride		
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers, residents and users	\$ 12,361,227	\$ 1,388,668	\$ 1,951,453	\$ 47,215	\$ 15,748,563	\$ -
Other operating receipts	181,529	32,287	94,700	211,657	520,173	-
Cash paid to suppliers of goods and services	(9,610,994)	(683,910)	(834,249)	(55,453)	(11,184,606)	(226,465)
Cash paid to employees for services	(1,108,079)	(176,279)	(264,600)	(212,002)	(1,760,960)	(295,861)
Receipts for interfund services provided	-	-	-	-	-	504,148
Net Cash Provided By (Used In)						
Operating Activities	1,823,683	560,766	947,304	(8,583)	3,323,170	(18,178)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Receipt of cash reserves from joint venture	4,000,000	-	-	-	4,000,000	-
Transfers (to) from other funds	(10,000)	(5,000)	(5,000)	28,005	8,005	-
Payments in lieu of taxes	(740,075)	(85,299)	(118,570)	-	(943,944)	-
Net Cash Provided By (Used In)						
Noncapital Financing Activities	3,249,925	(90,299)	(123,570)	28,005	3,064,061	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal payments on capital debt	(203,665)	(37,279)	(372,279)	-	(613,223)	-
Transfers from other funds, net	-	-	-	-	-	392,500
Interdepartment loan receipt (payment), net	(394,272)	(195,728)	90,000	-	(500,000)	-
Capital grants	-	-	-	-	-	107,006
Proceeds from the disposal of assets	-	-	-	11,400	11,400	11,153
Purchase of capital assets, net	(445,209)	(135,761)	(151,837)	-	(732,807)	(500,611)
Net Cash Provided By (Used In)						
Capital and Related Financing Activities	(1,043,146)	(368,768)	(434,116)	11,400	(1,834,630)	10,048
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(3,700,000)	-	-	-	(3,700,000)	-
Interest income received	80,234	22,453	1,660	-	104,347	3,713
Net Cash Provided By (Used In)						
Investing Activities	(3,619,766)	22,453	1,660	-	(3,595,653)	3,713
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	410,696	124,152	391,278	30,822	956,948	(4,417)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	2,571,489	213,269	1,061,553	133,039	3,979,350	226,665
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,982,185</u>	<u>\$ 337,421</u>	<u>\$ 1,452,831</u>	<u>\$ 163,861</u>	<u>\$ 4,936,298</u>	<u>\$ 222,248</u>

continued...

See accompanying notes to the basic financial statements.

City of Hillsdale, Michigan
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL
	Electric	Water	Sewer	Nonmajor	TOTAL	Internal
				Fund		Service
BALANCE SHEET CLASSIFICATION OF CASH AND CASH EQUIVALENTS				Dial-A-Ride		Funds
Cash and investments	\$ 8,636,659	\$ 1,048,058	\$ 1,452,831	\$ 163,861	\$ 11,301,409	\$ 222,248
Less amounts classified as investments	(5,654,504)	(710,637)	-	-	(6,365,141)	-
Total cash and cash equivalents	<u>\$ 2,982,155</u>	<u>\$ 337,421</u>	<u>\$ 1,452,831</u>	<u>\$ 163,861</u>	<u>\$ 4,936,268</u>	<u>\$ 222,248</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	\$ 1,035,026	\$ 263,532	\$ 678,960	\$ (116,587)	\$ 1,860,931	\$ (59,410)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	717,680	228,201	193,075	57,531	1,196,487	57,694
Interdepartmental	(60,126)	57,653	2,473	-	-	-
Noncash pension expense	187,845	93,922	93,922	-	375,689	-
(Increase)/decrease in:						
Receivables	85,747	(18,014)	(24,424)	17,500	60,809	(11,683)
Due from other funds	40	(234,660)	(156,145)	-	(390,765)	-
Inventory	(60,843)	(5,312)	615	-	(65,540)	(218)
Prepays and other assets	31,988	2,239	1,793	1,223	37,243	1,107
Increase/(decrease) in:						
Accounts payable	626	13,443	147,197	26,245	187,511	(10,994)
Accrued expenses	(59,130)	3,690	11,133	(2,119)	(46,426)	5,326
Due to other funds	(55,170)	156,072	(1,295)	7,624	107,231	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 1,823,683</u>	<u>\$ 560,766</u>	<u>\$ 947,304</u>	<u>\$ (8,583)</u>	<u>\$ 3,323,170</u>	<u>\$ (18,178)</u>

See accompanying notes to the basic financial statements.

City of Hillsdale, Michigan
Statement of Net Position
Fiduciary Funds
June 30, 2019

	HOSPITAL PRIVATE PURPOSE TRUST FUND	AGENCY FUNDS
ASSETS		
Cash and investments	\$ 15,000	\$ 32,133
LIABILITIES		
Due to other agencies	-	\$ 32,133
NET POSITION		
Unrestricted	15,000	
TOTAL NET POSITION	\$ 15,000	

See accompanying notes to the basic financial statements.

City of Hillsdale, Michigan
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2019

	<u>HOSPITAL PRIVATE PURPOSE TRUST FUND</u>
ADDITIONS:	
Investment income	<u>\$ 115</u>
DEDUCTIONS:	
Other	<u>115</u>
CHANGES IN NET POSITION	-
NET POSITION - BEGINNING OF YEAR	<u>15,000</u>
NET POSITION - END OF YEAR	<u><u>\$ 15,000</u></u>

See accompanying notes to the basic financial statements.

NOTES TO FINANCIAL STATEMENTS

City of Hillsdale, Michigan
Notes to Financial Statements
June 30, 2019

Note 1: Summary of Significant Accounting Policies

The financial statements of the City of Hillsdale, Michigan have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Reporting Entity

The City of Hillsdale, Michigan (the "City") 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 8,305 residents (2010 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 of the City have been prepared in accordance with criteria established by the Governmental Accounting Standards Board (GASB) for determining the various governmental organizations to be included in the reporting entity. The criteria established by the GASB for determining which of the governmental organizations are a part of the City's reporting entity includes oversight responsibility, fiscal dependency, scope of public service, and whether the financial statements would be misleading if data were not included. The component units discussed below are included in the City's reporting entity because the City is considered to be financially accountable for them.

Discretely Presented Component Units - The City maintains three component units, one which is inactive and thus has no financial data to report. The other two component units are reported in the component unit columns in the combined financial statements. These units are reported in separate columns to emphasize that they are legally separate from the City. The City's component units are the following:

Tax Increment Finance Authority (TIFA) - Operated as a separate Board, this Authority is responsible for directing improvements to a District in the City of Hillsdale using funds derived from the capturing of real and personal property taxes within that District. The City has the ability to significantly influence operations and has accountability for fiscal matters.

Economic Development Corporation - This entity is governed by a separate Board appointed by the City Council to grant loans to businesses operating in the City.

Brownfield Redevelopment Authority - This entity was established in order to revitalize environmentally distressed areas within a Brownfield Redevelopment Area and is operated by a separate Board. To date, the Authority has had no activity.

Related Organization - The Hillsdale Housing Commission was established by the City of Hillsdale to provide qualifying senior and low-income family housing. The financial statements of the Housing Commission are excluded from the accompanying financial statements since the Housing Commission's operating and capital expenditures, including debt service, are financed entirely from federal grants and rentals; the City has no involvement in the determination of the Housing Commission's outstanding debt. The Hillsdale Housing Commission financial statements can be obtained at 45 North West Avenue, Hillsdale, Michigan 49242.

City of Hillsdale, Michigan
Notes to Financial Statements
June 30, 2019

Basis of Presentation

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 non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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 segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or 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

Government-Wide Statements - 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.

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 and other charges between the government's water and sewer funds 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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Fund-Based Statements - 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 if they are collected 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, expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

Property 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:

General Fund – This 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.

Major Street Fund – This fund is a special revenue fund. It accounts for revenues received primarily from the State of Michigan Department of Transportation and accounts for street activity relating to the major street functions of the City.

Local Street Fund – This fund is a special revenue fund. It accounts for revenues received primarily from the State of Michigan Department of Transportation and accounts for street activity relating to the local street functions of the City.

Capital Improvement Fund – This fund is a capital projects fund. It accounts for grant revenues and transfers in from other funds that are used to purchase or construct capital projects within the City.

The government reports the following major proprietary funds:

Electric Fund – The electric fund accounts for the activities of the government’s electric generation and distribution systems.

Water Fund – The water fund accounts for the activities of the government’s water production, purification, and distribution systems.

Sewer Fund – The sewer fund accounts for the activities of the government’s sewage collection and treatment systems.

Additionally, the government reports the following fund types:

Special Revenue Funds – These funds 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 Project Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

Internal Service Funds – The internal service funds account for operations that provide services (such as leave and benefits, inventory purchasing, equipment rental and unemployment insurance) to other departments of the City on a cost-reimbursement basis.

Debt Service Fund – This fund is used to account for property taxes levied and other revenue used to service long-term debt.

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

Permanent Funds – Permanent funds account for monies held in trust to be used for specified activities. The City maintains the R.L. Owen Memorial Fund to account for monies to be used for the activities specified in the related trust agreement. The City also maintains the Cemetery Perpetual Care Fund and the Stock Park Maintenance Fund as permanent funds.

Proprietary Funds – In addition to the major proprietary funds noted above, the City maintains the Dial-A-Ride Fund which accounts for the operations of the local transportation system in the City of Hillsdale.

Trust and Agency Funds – These funds are held to account for monies that are not owned by the City but are administered by the City. The City maintains the Hospital Private Purpose Trust Fund to account for contributions earmarked for hospital care. The City also maintains agency funds to account for assets held for other governments in an agency capacity.

Additional Financial Statement Presentation Information – Proprietary funds distinguish operating revenue 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 electric, water and sewer enterprise funds and of the government's internal service fund are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and 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.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Reclassifications of prior year's data, if any, have been made in the accompanying financial statements where appropriate to conform to the current presentation. These reclassifications, if any, have no effect on overall changes in fund balance/net position.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Cash, Cash Equivalents and Investments – Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value.

State statutes authorize the City to invest in bonds, and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The City is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

Receivables and Payables – All receivables are reported at their net value. They are reduced, where appropriate, by the estimated portion that is expected to be uncollectible.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the noncurrent portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Inventory – Inventory is valued at cost (purchase price), which approximates market, using the first-in, first-out method. Inventory of the Hillsdale Board of Public Utilities (reported as business-type activities, major proprietary funds) is valued using the average cost method. Inventories of governmental funds are recorded as expenditures when purchased.

Prepaid items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets – Certain proceeds of the Enterprise Funds’ revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns 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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	50
Vehicles	5 - 12
Books	7
Equipment and vehicles	5 - 20
Infrastructure	15 - 50
Plant and systems	10 - 65

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

Deferred Outflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City reports deferred outflows of resources for change in expected and actual investment returns, assumptions, and benefits provided in its pension plans.

Compensated Absences – It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation, sick and personal days are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if the obligation is expected to be liquidated from expendable available financial resources.

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 types. Bond premiums and discounts are reported as a deferred inflow or outflow of resources, separate from assets or liabilities, over the life of the bonds using the effective interest method. Bond issuance costs are expensed as incurred.

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.

Deferred Inflows of Resources – In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds also report unavailable revenues, which arise only under a modified accrual basis of accounting that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City reports deferred inflows of resources for change in expected and actual investment returns in its pension plan.

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 of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Fund Equity – Governmental funds are categorized according to five defined categories of fund balance. These categories consist of nonspendable amounts which are legally or contractually required to be maintained intact, restricted amounts that are constrained for specific purposes set by external parties or law, committed amounts that are constraints set by the highest decision-making authority (City Council) and may only be removed by those individuals, assigned amounts that have an intended but no formal specific purpose, and unassigned amounts which are the residual of the other categories and have no specific purpose.

It is the City's policy to generally use fund balance in order according to the hierarchy of fund balance categories, from restricted down to unassigned.

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

Property Taxes – The government’s property taxes are levied each July 1 on the taxable valuation of property located in the City as of the preceding December 31, the lien date. Property taxes are payable without penalty and interest through September 14; as of March 1 of the succeeding year, unpaid real property taxes are sold to and collected by Hillsdale County.

Assessed values as established annually by the government, and subject to acceptance by the County, are equalized by the State at an estimated 50% of current market value. Real and personal property in the City for 2018 had a taxable value of approximately \$127,571,448 (not including properties subject to Industrial Facilities Tax exemption), representing 50% of estimated current market value.

The following millages were levied:

General operating	12.4337
Streets maintenance	2.4868
Sinking fund	2.9810
Library	.9947

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 the DDA district. Property taxes are recognized in the fiscal year in which they are levied.

Note 2: Stewardship, Compliance and Accountability

Budgetary Information – Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. The Council holds public hearings and a final budget must be prepared and adopted prior to July 1.

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).

Excess of Expenditures over Appropriations – For the year ended June 30, 2019, expenditures that exceeded appropriations in the General Fund or major special revenue funds, if any, are disclosed in the Required Supplementary Information on pages 35 – 38.

Disbursing Taxes Collected for Other Units of Government – For the year ended June 30, 2019, the City was not in compliance with MCL211.43, with regard to timely remitting tax collections.

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

Note 3: Cash and Investments

A reconciliation of cash and investments as shown on the Statement of Net Position and Statement of Fiduciary Net Position to deposits and investments as classified for note disclosure purposes is as follows:

	<u>Primary</u>	<u>Component</u>	<u>Totals</u>
Statement of Net Position:			
Cash and investments	\$ 15,398,136	\$ 325,503	\$ 15,723,639
Restricted cash	483,546	-	483,546
Statement of Fiduciary Net Position:			
Cash and investments	47,133	-	47,133
Total	<u>\$ 15,928,815</u>	<u>\$ 325,503</u>	<u>\$ 16,254,318</u>

Deposits and Investments

Bank deposits (checking, savings, certificates of deposit and money market)	\$ 10,841,881
Investments	5,410,937
Cash on hand	1,500
Total	<u>\$ 16,254,318</u>

The City's investments are summarized as follows:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>	<u>FV Level</u>
MBIA Investment Fund	N/A	\$ 588,468	S&P – AAAm	Level 2
U.S. Governmental Agency Bonds	1 – 2 yrs.	4,456,505	N/A	Level 1
Municipal Bonds	1 – 3 yrs.	365,964	S&P – A+ – AA-	Level 2
		<u>\$ 5,410,937</u>		

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. State law limits the allowable investments and the maturities of some of the allowable investments as identified in Note 1. The City's investment policy does not have specific limits in excess of State law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided in the following table that shows the distribution of the City's investments by maturity.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented above is the actual rating as of year-end for each investment type. The City's investment policy does not have specific limits in excess of State law on investment credit risk.

The MBIA investment pool is a Michigan CLASS public sector investment program invested under an interlocal trust agreement according to provisions of the Urban Cooperation Act of 1967. This investment pool is held by a bank serving as custodian for Michigan CLASS and the pool is regulated by the SEC. Financial statements may be obtained via the Michigan CLASS website, michiganclass.org, or through Michigan CLASS, 3135 South State Street, Ann Arbor, Michigan 48108.

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the local unit. The City has not adopted and State law does not require a policy for deposit custodial credit risk. As of year-end, \$7,953,299 of the City's bank balance of \$14,503,443 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Michigan law and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. There is no custodial risk to the City as all investments are held in the City's name.

Fair Value Measurement

The City is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the City's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

Note 4: Capital Assets

Capital assets activity for the year ended June 30, 2019 was as follows:

Primary Government	Beginning Balance	Additions and Transfers	Disposals and Adjustments	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 8,613,943	\$ 168,750	\$ -	\$ 8,782,693
Capital assets being depreciated:				
Land improvements	773,631	-	-	773,631
Buildings and improvements	5,155,779	90,870	-	5,246,649
Books	305,617	17,234	43,775	279,076
Equipment and vehicles	3,737,111	584,820	238,765	4,083,166
Infrastructure	26,705,467	1,393,338	-	28,098,805
Total capital assets being depreciated	<u>36,677,605</u>	<u>2,086,262</u>	<u>282,540</u>	<u>38,481,327</u>
Accumulated depreciation:				
Land improvements	359,843	28,631	-	388,474
Buildings and improvements	2,140,394	106,262	-	2,246,656
Books	89,141	21,779	43,775	67,145
Equipment and vehicles	2,579,446	137,023	238,765	2,477,704
Infrastructure	17,227,546	661,840	-	17,889,386
Total accumulated depreciation	<u>22,396,370</u>	<u>955,535</u>	<u>282,540</u>	<u>23,069,365</u>
Total capital assets being depreciated - net	<u>14,281,235</u>	<u>1,130,727</u>	<u>-</u>	<u>15,411,962</u>
Governmental activities capital assets - net	<u>\$ 22,895,178</u>	<u>\$ 1,299,477</u>	<u>\$ -</u>	<u>\$ 24,194,655</u>
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 361,042	\$ -	\$ -	\$ 361,042
Construction in progress	8,581,503	2,143,096	450,956	10,273,643
Total capital assets not being depreciated	<u>8,942,545</u>	<u>2,143,096</u>	<u>450,956</u>	<u>10,634,685</u>
Capital assets being depreciated:				
Plant, systems and equipment	64,403,125	675,934	77,221	65,001,838
Accumulated depreciation:				
Plant, systems and equipment	42,049,805	1,196,486	77,221	43,169,070
Total capital assets being depreciated - net	<u>22,353,320</u>	<u>(520,552)</u>	<u>-</u>	<u>21,832,768</u>
Business-type activities capital assets - net	<u>\$ 31,295,865</u>	<u>\$ 1,622,544</u>	<u>\$ 450,956</u>	<u>\$ 32,467,453</u>

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

Component Units	Beginning Balance	Additions and Transfers	Disposals and Adjustments	Ending Balance
Capital assets not being depreciated:				
Land – EDC	\$ 172,721	\$ -	\$ 24,654	\$ 148,067
Land – TIFA	65,000	-	-	65,000
Total capital assets not being depreciated	<u>237,721</u>	<u>-</u>	<u>24,654</u>	<u>213,067</u>
Capital assets being depreciated:				
Infrastructure – TIFA	381,672	-	-	381,672
Buildings - TIFA	400,498	86,314	275,347	211,465
Total capital assets being depreciated	<u>782,170</u>	<u>86,314</u>	<u>275,347</u>	<u>593,137</u>
Accumulated depreciation:				
Infrastructure	381,672	-	-	381,672
Building	6,007	14,226	13,350	6,883
Total accumulated depreciation	<u>387,679</u>	<u>14,226</u>	<u>13,350</u>	<u>388,555</u>
Total capital assets being depreciated - net	<u>394,491</u>	<u>72,088</u>	<u>261,998</u>	<u>204,582</u>
Component unit capital assets, net	<u>\$ 632,212</u>	<u>\$ 72,088</u>	<u>\$ 286,652</u>	<u>\$ 417,649</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Public safety	\$ 63,171
Highways and streets	560,202
Culture and recreation	133,219
Public works	89,578
General government	51,673
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>57,692</u>
Total depreciation expense – governmental activities	<u>\$ 955,535</u>
Business-Type Activities:	
Electric	\$ 717,680
Water	228,201
Sewer	193,075
Transportation	<u>57,530</u>
Total depreciation expense – business-type activities	<u>\$ 1,196,486</u>

Note 5: Interfund Receivables, Payables and Transfers

The City reports interfund balances between many of its funds. The sum of all balances presented in the tables below agrees with the sum of interfund balances presented in the statements of net position/balance sheet for governmental funds and proprietary funds. These interfund balances resulted primarily 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.

Due from/to other funds:	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 85,005	\$ 100,015
Capital Improvement Fund	666,327	390,805
Water Fund	234,660	348,733
Sewer Fund	156,145	229,251
Electric Fund	15	11,688
Nonmajor Enterprise Fund	-	61,660
	<u>\$ 1,142,152</u>	<u>\$ 1,142,152</u>

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

Transfer In	Transfer Out	Amount
General Fund	Library Fund	\$ 2,000
General Fund	Cemetery Fund	15,500
General Fund	Dial-A-Ride Fund	61,660
General Fund	Local Street Fund	28,652
General Fund	Major Street Fund	74,920
General Fund	Electric Fund	10,000
General Fund	Water Fund	5,000
General Fund	Sewer Fund	5,000
Local Street Fund	General Fund	45,440
Local Street Fund	Major Street Fund	150,000
Recreation Fund	General Fund	62,100
Capital Improvement Fund	General Fund	615,000
Field of Dreams Fund	General Fund	10,000
Dial-A-Ride Fund	General Fund	89,665
Public Services Inventory Fund	General Fund	30,000
Revolving Mobile Equipment Fund	Capital Improvement Fund	362,500

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (2) use unrestricted revenues collected in various funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 6: Interfund Loans

On May 15, 2007 Council approved a loan from the Oak Grove and Lakeview Cemetery Perpetual Care Fund to the General Fund up to \$450,000 for the purchase of a pumper fire truck. The loan commenced on July 1, 2017 in the amount of \$447,048 and is due in bi-annual installments of \$25,782.68 at 2.8% interest. The final payment is scheduled to be paid by June 30, 2027. The balance as of June 30, 2019 is \$367,297.

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. Annual principal payments of \$90,000 are due annually along with interest at 2.5%. The final payment is scheduled to be paid by June 20, 2029. The balance as of June 30, 2019 is \$90,000.

On June 17, 2019 Council approved a loan from the Electric Fund to the Capital Improvement Fund up to \$1,300,000 for street reconstruction. The loan commenced on June 20, 2019 with an initial draw of \$500,000. Annual principal payments of \$300,000 are due annually along with interest at 2.5%. The final payment is scheduled to be paid by May 30, 2024. The balance as of June 30, 2019 is \$500,000.

Note 7: TIFA – Promissory Note

The City's Tax Increment Finance Authority entered into an agreement to sell property known as the Keefer House 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.

Pursuant to the terms set forth in the Purchase Agreement, if borrower completes construction and renovation of the Keefer House Hotel property on or before May 25, 2021, 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 May 25, 2021, all outstanding principal shall be due and payable.

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

Note 8: Prepaid Operating Lease

The City entered into a 20-year operating lease with KEPS Technologies, Inc. d/b/a ACD.net, for 48 strands of dark fiber to support its business operations. The agreement was for total upfront costs of \$240,304, and is amortized over the 20-year life of the lease.

Note 9: Investment in Joint Venture

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 \$8,607,248 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's Board of Publica Utilities owns an approximate 17.30% interest in the Michigan South Central Power Agency (MSCPA). The City records the investment using the equity method and calculates 17.30% 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 17.30% of the equity net of the City's assets.

Note 10: Long-Term Debt

Long-term liability activity for the year ended June 30, 2019 was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 219,295	\$ 1,939	\$ -	\$ 221,234	\$ -
	<u>\$ 219,295</u>	<u>\$ 1,939</u>	<u>\$ -</u>	<u>\$ 221,234</u>	<u>\$ -</u>
Business-type activities:					
Revenue bonds	\$ 6,817,693	\$ 1,192,307	\$ 335,000	\$ 7,675,000	\$ 345,000
Capital leases	863,375	-	278,223	585,152	287,682
Compensated absences	135,268	12,197	-	147,465	-
	<u>\$ 7,816,336</u>	<u>\$ 1,204,504</u>	<u>\$ 613,223</u>	<u>\$ 8,407,617</u>	<u>\$ 632,682</u>

Business-Type Activities

2015 Sewage Disposal System Revenue Bonds – interest rate of 2.50%, annual principal payments ranging from \$250,000 to \$405,000 through 2037.	\$ 5,925,000
2016 Sewage Disposal System Revenue Bonds – maturing \$75,000 to \$120,000 annually plus interest at 2.50% through 2040.	1,750,000
Capital Lease – Government Capital Corporation annual lease payments of \$226,737 including interest at 3.60% through September 16, 2020.	429,852
Capital Lease Agreement – Key Government Finance, Inc., annual lease payments of \$80,855 including interest at 2.74% through September 30, 2020.	155,300
Total	<u>\$ 8,260,152</u>

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

Annual debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 632,682	\$ 200,765	\$ 833,447
2021	647,470	184,453	831,923
2022	360,000	165,636	525,636
2023	370,000	154,480	524,480
2024	375,000	145,230	520,230
2025 - 2029	2,035,000	579,774	2,614,774
2030 - 2034	2,305,000	312,649	2,617,649
Thereafter	1,535,000	44,314	1,579,314
Total	<u>\$ 8,260,152</u>	<u>\$ 1,787,301</u>	<u>\$ 10,047,453</u>

Note 11: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2019, the City carried commercial insurance to cover all risks of losses. The City has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

Note 12: Defined Benefit Pension Plan

Plan Description

The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by Michigan's Legislature under Public Act 135 of 1945 and administered by a nine (9) member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing MERS' website at www.mersofmich.com.

Summary of Significant Accounting Policies

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

Benefits Provided

Benefits provided include plans with multipliers ranging from 2.00% to 2.50%.

Vesting period of 10 years.

Normal retirement age is 60 with early retirement at 50/55 with 25/15 years of service.

Final average compensation is calculated based on 3 years. Member contributions range from 3.00% to 9.16%.

At the December 31, 2018 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	73
Inactive employees entitled to but not yet receiving benefits	45
Active employees	60
	<u>178</u>

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the 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. Employer contributions range from 0.00% to 32.15% based on annual payroll for open divisions.

Net Pension Liability

The employer's Net Pension Liability was measured as of December 31, 2018, 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, 2018 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.5%
- Salary Increases: 3.75% in the long-term
- Investment rate of return: 7.75%, net of investment expense including inflation

Although no specific price inflation assumptions are needed for the valuation, the 3.75% long-term wage inflation assumption would be consistent with a price inflation of 2.5%.

Mortality rates used were based on the RP-2014 Group Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study completed in 2015.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Gross Return</u>
Global Equity	55.50%	4.80%
Global Fixed Income	18.50%	0.70%
Real Assets	13.50%	1.31%
Diversifying Strategies	12.50%	0.94%

Discount Rate – The discount rate used to measure the total pension liability is 8.0% for 2018. 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 plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability - The following table provides the calculation of the change in net pension liability:

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

	Changes in Net Pension Liability		
	Increase (Decrease)		
	Liability	Fiduciary Net Position	Liability
	(a)	(b)	(a) - (b)
Balances as of 12/31/17	\$ 23,718,182	\$ 19,708,058	\$ 4,010,124
Changes for the Year			
Service cost	363,207	-	363,207
Interest on Total Pension Liability	1,849,895	-	1,849,895
Difference in experience	(194,427)	-	(194,427)
Changes in assumptions	-	-	-
Benefit changes	7,156	-	7,156
Employer contribution	-	510,189	(510,189)
Employee contributions	-	203,833	(203,833)
Net investment income	-	(751,004)	751,004
Benefit payments	(1,552,182)	(1,552,182)	-
Administrative	-	(37,665)	37,665
Other	-	-	-
Net changes	473,649	(1,626,829)	2,100,478
Balances as of 12/31/18	<u>\$ 24,191,831</u>	<u>\$ 18,081,229</u>	<u>\$ 6,110,602</u>

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 8.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1-percentage point lower (7.00%) or 1% higher (9.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	<u>\$ 2,518,573</u>	<u>\$</u>	<u>\$ (2,149,517)</u>

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions – For the year ended June 30, 2019 the City recognized pension expense of \$1,309,065. The City reported deferred outflows and inflows of resources related to the pension at June 30, 2019 from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences in experience	\$ 21,085	\$ 208,197
Differences in assumptions	-	-
Net difference between projected and actual investment returns	<u>1,381,732</u>	<u>-</u>
Pension contributions subsequent to measurement date	<u>258,632</u>	<u>-</u>
Total	<u>\$ 1,661,449</u>	<u>\$ 208,197</u>

The amount reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows and deferred outflows of resources will be recognized in pension expense as follows:

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

<u>Year Ended June 30</u>	
2020	\$ 401,212
2021	114,193
2022	220,691
2023	<u>458,524</u>
	<u>\$ 1,194,620</u>

Note 13: Street Maintenance

During the year, the general fund collected \$308,166 from the special street maintenance property tax levy. It was used to defray the expenditures related to working on, improving, repairing and cleaning the streets as follows:

Local street transfer	\$ 45,440
Street lighting	55,477
Public Services Department - Administration	<u>207,249</u>
	<u>\$ 308,166</u>

Note 14: Commitments and Contingencies

The City participates in a number of federally-assisted grant programs. These programs are subject to program compliance audits. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Note 15: Dial-A-Ride Enterprise Fund

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.

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.

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

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 OMB Circular A-87. 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.

Pension Plan – During the fiscal year July 1, 2018 through June 30, 2019, Dial-A-Ride paid \$3,636 in 50201 Pension. Of this amount, \$3,636 paid the actuarial required minimum contribution and \$-0- was paid in excess of the actuarial required minimum contribution. The entire amount of \$3,636 was expensed on the books and is included in Dial-A-Ride’s total eligible expenses for the fiscal year ending September 30, 2019.

Other Post-Employment Benefits – The transit agency did not incur, nor pay, any 50202 Other Post-Employment Benefits (OPEB).

Note 16: Tax Abatements

The City employs a variety of tax abatement programs that reduce the taxes an individual or entity otherwise would owe, with the intent of encouraging certain behaviors that benefit the City and economic development.

The City has the following tax abatement programs and the reduction of tax related to each:

Industrial Facilities Exemption – new facilities	\$	14,016
Industrial Facilities Exemption – rehab facilities		14,171
Commercial Rehabilitation (Act) Exemption		5,304
Obsolete Properties Rehabilitation Act		8,494
Neighborhood Enterprise Zone		10,022
	\$	52,007

There have been no significant abatements made by other governmental units that reduce the City’s tax revenues.

Note 17: Purchased Power Contracts

AFEC

On July 28, 2011, AMP acquired from FirstEnergy Generation Corporation (“FirstEnergy”) the Fremont Energy Center (“AFEC”), 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. The AMP Fremont Energy Center is a natural gas fired, combined cycle, electric power generation plant with a capacity of 512 MW (unfired)/675 MW (fired), consisting 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”).

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

To provide permanent financing for the 90.69% Interest, in 2012, AMP issued, in two series \$546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the "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. On December 20, 2017, AMP issued bonds to refund all of the callable tax-exempt AFEC Bonds issued in 2012. As of January 1, 2019, \$499,105,000 aggregate principal amount of AFEC Bonds was outstanding.

The *Hillsdale Board of Public Utilities* 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.

Combined Hydroelectric Projects

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.

To provide financing for the Combined Hydroelectric Projects, AMP has issued eight series of its Combined Hydroelectric Projects Revenue Bonds (the "Combined Hydroelectric Bonds"), in an original aggregate principal amount of \$2,354,485,000 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, 2019, \$2,222,975,882 aggregate principal amount of the Combined Hydroelectric Bonds and approximately \$31.6 aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Combined Hydroelectric Bonds.

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).

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

Meldahl Hydroelectric Project

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, 2019, \$685,215,000 aggregate principal amount of the Meldahl Bonds and approximately \$2.4 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Meldahl Bonds.

City of Hillsdale, Michigan
Notes to Financial Statements
Year Ended June 30, 2019

The *Hillsdale Board of Public Utilities* has executed a take-or-pay power sales contract with AMP as a participant of the Meldahl Project of 731 kW or 0.70% of capacity and associated energy from the Meldahl Project.

Greenup Hydroelectric Project

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, 2019, \$125,300,000 aggregate principal amount of the 2016 Greenup Bonds was outstanding under the indenture securing the 2016 Greenup Bonds.

The *Hillsdale Board of Public Utilities* 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 18: Restatement of Net Position
Electric Fund**

During the year ended June 30, 2019, management was alerted to the fact that in addition to the ownership % of net equity in the MSCPA, as previously reported, cash in the rate stabilization account at MSCPA was also held on behalf of the BPU and should be reported.

Net position – June 30, 2018	\$	22,919,775
Addition to investment in MSCPA		2,892,868
Restated net position – June 30, 2018	\$	25,812,643

EDC

During the year, it was discovered that the reporting of lot sales in prior years was incorrect. There was a reduction in the land cost for the sale price, not the actual cost. Therefore, the remaining lot values, in total, were undervalued on the balance sheet. A correction was made to increase the lot values to their original cost.

Net position – June 30, 2018	\$	300,262
Addition to assets (reduces net position)		(21,778)
Restated net position – June 30, 2018	\$	278,484

Note 19: Subsequent Events

Management has evaluated subsequent events through the auditor's report date, the date the financial statements were available to be issued. No such significant events or transactions were identified.

REQUIRED SUPPLEMENTARY INFORMATION

City of Hillsdale, Michigan
Required Supplemental Information
General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2019

	BUDGETED AMOUNTS		ACTUAL
	ORIGINAL	FINAL	
REVENUES			
City Taxes:			
Property taxes - general	\$ 1,914,500	\$ 1,914,500	\$ 1,540,329
Property taxes - street maintenance	-	-	308,166
Administrative fees	62,000	62,000	62,766
Interest and penalties	16,000	16,000	25,505
Industrial facilities tax	46,700	46,700	56,076
Total City taxes	<u>2,039,200</u>	<u>2,039,200</u>	<u>1,992,842</u>
State revenue	1,068,000	1,068,000	996,999
Federal revenue	-	-	83,800
Licenses and permits	108,800	108,800	107,025
Charges for services	22,400	22,400	17,686
Fines and violations	4,750	4,750	2,641
Interest and rentals	114,600	121,100	111,638
Payments in lieu of tax	1,100,000	1,100,000	1,069,882
Miscellaneous	127,000	214,900	207,571
TOTAL REVENUES	<u>4,584,750</u>	<u>4,679,150</u>	<u>4,590,084</u>
EXPENDITURES			
General government:			
Council	29,330	29,330	23,202
City manager	211,395	182,395	178,875
Human resources	47,175	47,175	47,387
Administrative	173,400	161,400	184,310
Elections	12,550	21,050	20,201
Assessing	179,210	134,210	129,479
Clerk	130,495	111,795	101,498
Finance department	98,710	98,710	94,699
Treasurer	145,890	145,890	145,467
Building and grounds	131,745	151,745	147,213
Parking lots	62,915	62,915	47,402
Cemeteries	122,365	122,365	117,866
Airport	138,455	138,455	132,914
Total general government	<u>1,483,635</u>	<u>1,407,435</u>	<u>1,370,513</u>
Public safety:			
Police	1,458,365	1,458,365	1,435,729
Fire	416,555	416,555	417,482
Code enforcement	30,000	30,000	15,852
Total public safety	<u>1,904,920</u>	<u>1,904,920</u>	<u>1,869,063</u>
Public works:			
Public services	271,100	261,100	251,199
Street lights	68,125	58,125	55,477
Total public works	<u>339,225</u>	<u>319,225</u>	<u>306,676</u>

continued...

City of Hillsdale, Michigan
Required Supplemental Information
General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2019

	BUDGETED AMOUNTS		ACTUAL
	ORIGINAL	FINAL	
EXPENDITURES (CONTINUED)			
Community and economic development:			
Planning	\$ 108,735	\$ 99,335	\$ 95,299
Economic development	25,400	25,400	23,079
Total community and economic development	134,135	124,735	118,378
Culture and recreation - parks	208,130	198,130	186,032
TOTAL EXPENDITURES	4,070,045	3,954,445	3,850,662
REVENUES OVER (UNDER) EXPENDITURES	514,705	724,705	739,422
OTHER FINANCING SOURCES (USES)			
Contribution from TIFA	15,000	15,000	10,000
Pass-through grant funds	-	-	(83,800)
Operating transfers in	182,500	182,500	202,732
Operating transfers (out)	(712,205)	(922,205)	(852,205)
TOTAL OTHER FINANCING SOURCES (USES)	(514,705)	(724,705)	(723,273)
NET CHANGE IN FUND BALANCE	-	-	16,149
FUND BALANCE - BEGINNING OF YEAR	918,442	918,442	918,442
FUND BALANCE - END OF YEAR	\$ 918,442	\$ 918,442	\$ 934,591

City of Hillsdale, Michigan
 Required Supplemental Information
 Major Street Fund
 Budgetary Comparison Schedule
 Year Ended 30, 2019

	BUDGETED AMOUNTS		ACTUAL
	ORIGINAL	FINAL	
REVENUES			
State revenue	\$ 700,000	\$ 780,000	\$ 764,826
Interest and rentals	3,500	3,500	4,638
Miscellaneous	9,000	9,000	9,110
TOTAL REVENUES	712,500	792,500	778,574
EXPENDITURES			
Highways and streets:			
Street surface	169,030	249,030	248,728
Trunkline street surface	14,555	14,555	19,012
R.O.W. maintenance	91,385	91,385	87,578
Trunkline R.O.W. maintenance	7,800	7,800	4,114
Trees	39,220	39,220	41,853
Trunkline trees	1,280	1,280	1,036
Drainage	44,535	44,535	57,397
Trunkline R.O.W. drainage	2,440	2,440	1,537
Traffic	87,125	87,125	73,762
Trunkline traffic	8,620	8,620	6,444
Winter maintenance	81,150	81,150	63,031
Trunkline winter maintenance	18,220	18,220	12,903
TOTAL EXPENDITURES	565,360	645,360	617,395
REVENUES OVER (UNDER) EXPENDITURES	147,140	147,140	161,179
OTHER FINANCING SOURCES (USES)			
Transfers out	(218,500)	(218,500)	(224,920)
TOTAL OTHER FINANCING SOURCES (USES)	(218,500)	(218,500)	(224,920)
NET CHANGES IN FUND BALANCES	(71,360)	(71,360)	(63,741)
FUND BALANCES - BEGINNING OF YEAR	454,444	454,444	454,444
FUND BALANCES - END OF YEAR	\$ 383,084	\$ 383,084	\$ 390,703

City of Hillsdale, Michigan
Required Supplemental Information
Local Street Fund
Budgetary Comparison Schedule
Year Ended June 30, 2019

	BUDGETED AMOUNTS		ACTUAL
	ORIGINAL	FINAL	
REVENUES			
State revenue	\$ 230,000	\$ 290,000	\$ 357,015
Interest and rentals	-	-	237
Miscellaneous	4,500	4,500	41,419
TOTAL REVENUES	<u>234,500</u>	<u>294,500</u>	<u>398,671</u>
EXPENDITURES			
Highways and streets:			
Street surface	144,985	159,985	141,846
R.O.W. maintenance	79,100	79,100	62,221
Trees	60,100	60,100	51,706
Drainage	43,660	83,660	62,426
Traffic	31,085	36,085	32,738
Winter maintenance	49,510	49,510	49,095
TOTAL EXPENDITURES	<u>408,440</u>	<u>468,440</u>	<u>400,032</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(173,940)</u>	<u>(173,940)</u>	<u>(1,361)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	195,440	195,440	195,440
Transfers out	(21,500)	(21,500)	(28,652)
TOTAL OTHER FINANCING SOURCES (USES)	<u>173,940</u>	<u>173,940</u>	<u>166,788</u>
NET CHANGES IN FUND BALANCES	-	-	165,427
FUND BALANCES - BEGINNING OF YEAR	<u>172,069</u>	<u>172,069</u>	<u>172,069</u>
FUND BALANCES - END OF YEAR	<u>\$ 172,069</u>	<u>\$ 172,069</u>	<u>\$ 337,496</u>

City of Hillsdale, Michigan
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Plan Year December 31

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total Pension Liability					
Service cost	\$ 364,196	\$ 355,050	\$ 363,158	\$ 368,215	\$ 363,207
Interest	1,621,607	1,677,361	1,765,765	1,796,684	1,849,895
Changes of benefit terms	-	-	(9,325)	(7,990)	7,156
Difference between expected and actual experience	-	110,760	(249,508)	42,169	(194,427)
Changes of assumptions	-	1,013,079	-	-	-
Benefit payments including employee refunds	(1,232,671)	(1,378,158)	(1,461,617)	(1,510,668)	(1,552,182)
Other	(1)	1	-	(1)	-
Net Change in Total Pension Liability	<u>753,131</u>	<u>1,778,093</u>	<u>408,473</u>	<u>688,409</u>	<u>473,649</u>
Total Pension Liability - beginning	<u>20,090,076</u>	<u>20,843,207</u>	<u>22,621,300</u>	<u>23,029,773</u>	<u>23,718,182</u>
Total Pension Liability - ending	<u>\$ 20,843,207</u>	<u>\$ 22,621,300</u>	<u>\$ 23,029,773</u>	<u>\$ 23,718,182</u>	<u>\$ 24,191,831</u>
Plan Fiduciary Net Position					
Contributions-employer	\$ 332,464	\$ 346,141	\$ 336,160	\$ 421,866	\$ 510,189
Contributions-employee	137,790	156,571	164,437	190,637	203,833
Net investment income	1,138,603	(270,721)	1,932,425	2,370,564	(751,004)
Benefit payments including employee refunds	(1,232,671)	(1,378,158)	(1,461,617)	(1,510,668)	(1,552,182)
Administrative expense	(41,685)	(39,960)	(38,182)	(37,600)	(37,665)
Other	2	-	-	-	-
Net Change in Plan Fiduciary Net Position	<u>334,503</u>	<u>(1,186,127)</u>	<u>933,223</u>	<u>1,434,799</u>	<u>(1,626,829)</u>
Plan Fiduciary Net Position - beginning	<u>18,191,663</u>	<u>18,526,166</u>	<u>17,340,036</u>	<u>18,273,259</u>	<u>19,708,058</u>
Plan Fiduciary Net Position - ending	<u>\$ 18,526,166</u>	<u>\$ 17,340,039</u>	<u>\$ 18,273,259</u>	<u>\$ 19,708,058</u>	<u>\$ 18,081,229</u>
Employer Net Pension Liability - ending	<u>\$ 2,317,041</u>	<u>\$ 5,281,261</u>	<u>\$ 4,756,514</u>	<u>\$ 4,010,124</u>	<u>\$ 6,110,602</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	88.88%	76.65%	79.35%	83.09%	74.74%
Covered Employee Payroll	\$ 3,531,325	\$ 3,426,822	\$ 3,440,133	\$ 3,436,078	\$ 3,769,509
Employer's Net Pension Liability as a percentage of covered employee payroll	65.61%	154.12%	138.27%	116.71%	162.11%

City of Hillsdale, Michigan
Required Supplementary Information
Pension Plan Schedule of Employer Contributions
Year Ended June 30

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarial Determined Contributions	\$ 330,003	\$ 348,500	\$ 353,776	\$ 490,020	\$ 523,811
Contributions in relation to the actuarially determined contribution	<u>330,003</u>	<u>348,500</u>	<u>353,776</u>	<u>490,020</u>	<u>523,811</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Covered Employee Payroll	3,531,325	3,955,056	3,714,246	3,899,437	3,713,486
Contributions as a percentage of covered employee payroll	9.35%	8.81%	9.52%	12.57%	14.11%

OTHER SUPPLEMENTARY INFORMATION

City of Hillsdale, Michigan
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Debt Service Fund</u>	<u>Permanent Funds</u>	<u>TOTAL</u>
ASSETS					
Cash and investments	\$ 169,996	\$ 255,653	\$ 765,717	\$ 439,924	\$ 1,631,290
Accounts receivable	35,033	1,455	-	-	36,488
Interdepartmental notes receivable	-	-	-	367,297	367,297
Prepaid expenditures	4,827	-	-	-	4,827
TOTAL ASSETS	<u>209,856</u>	<u>257,108</u>	<u>765,717</u>	<u>807,221</u>	<u>2,039,902</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	3,317	11,118	-	-	14,435
Accrued payroll and related liabilities	6,082	-	-	-	6,082
TOTAL LIABILITIES	<u>9,399</u>	<u>11,118</u>	<u>-</u>	<u>-</u>	<u>20,517</u>
Fund Balances:					
Non-spendable					
Prepaid expenditures	4,827	-	-	-	4,827
Restricted	195,630	245,990	765,717	807,221	2,014,558
TOTAL FUND BALANCES	<u>200,457</u>	<u>245,990</u>	<u>765,717</u>	<u>807,221</u>	<u>2,019,385</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 209,856</u>	<u>\$ 257,108</u>	<u>\$ 765,717</u>	<u>\$ 807,221</u>	<u>\$ 2,039,902</u>

City of Hillsdale, Michigan
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2019

	Special Revenue	Capital Project	Debt Service Fund	Permanent Funds	TOTAL
REVENUES					
Taxes	\$ 129,299	\$ -	\$ 369,411	\$ -	\$ 498,710
State revenues	26,718	-	19,815	-	46,533
Federal revenue	-	-	-	-	-
Contributions	10,211	10,100	-	-	20,311
Charges for services	89,977	196,022	-	7,185	293,184
Fines and violations	39,474	-	-	-	39,474
Interest and rentals	11,472	39,271	3,319	21,125	75,187
Miscellaneous	44,741	9,849	-	6,013	60,603
TOTAL REVENUES	<u>351,892</u>	<u>255,242</u>	<u>392,545</u>	<u>34,323</u>	<u>1,034,002</u>
EXPENDITURES					
General government	-	149,968	-	-	149,968
Public safety	2,148	-	-	-	2,148
Culture and recreation	450,818	1,092	-	-	451,910
Capital outlay	-	43,262	-	-	43,262
TOTAL EXPENDITURES	<u>452,966</u>	<u>194,322</u>	<u>-</u>	<u>-</u>	<u>647,288</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(101,074)</u>	<u>60,920</u>	<u>392,545</u>	<u>34,323</u>	<u>386,714</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	62,100	10,000	-	-	72,100
Transfers out	(2,000)	-	-	(15,500)	(17,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>60,100</u>	<u>10,000</u>	<u>-</u>	<u>(15,500)</u>	<u>54,600</u>
CHANGES IN FUND BALANCES	(40,974)	70,920	392,545	18,823	441,314
FUND BALANCES - BEGINNING OF YEAR	<u>241,431</u>	<u>175,070</u>	<u>373,172</u>	<u>788,398</u>	<u>1,578,071</u>
FUND BALANCES - END OF YEAR	<u>\$ 200,457</u>	<u>\$ 245,990</u>	<u>\$ 765,717</u>	<u>\$ 807,221</u>	<u>\$ 2,019,385</u>

City of Hillsdale, Michigan
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019

	<u>Library</u>	<u>Recreation Commission</u>	<u>Drug Forfeitures</u>	<u>Police</u>	<u>TOTAL</u>
ASSETS					
Cash and investments	\$ 143,280	\$ 7,909	\$ 8,508	\$ 10,299	\$ 169,996
Accounts receivable	35,033	-	-	-	35,033
Due from other funds	-	-	-	-	-
Prepaid expenditures	2,212	2,615	-	-	4,827
	<u>180,525</u>	<u>10,524</u>	<u>8,508</u>	<u>10,299</u>	<u>209,856</u>
TOTAL ASSETS					
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	1,625	1,692	-	-	3,317
Accrued payroll and related liabilities	2,323	3,759	-	-	6,082
	<u>3,948</u>	<u>5,451</u>	<u>-</u>	<u>-</u>	<u>9,399</u>
TOTAL LIABILITIES					
Fund Balances:					
Non-spendable					
Prepaid expenditures	2,212	2,615	-	-	4,827
Restricted	174,365	2,458	8,508	10,299	195,630
	<u>176,577</u>	<u>5,073</u>	<u>8,508</u>	<u>10,299</u>	<u>200,457</u>
TOTAL FUND BALANCES					
TOTAL LIABILITIES AND FUND BALANCES					
	<u>\$ 180,525</u>	<u>\$ 10,524</u>	<u>\$ 8,508</u>	<u>\$ 10,299</u>	<u>\$ 209,856</u>

City of Hillsdale, Michigan
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2019

	<u>Library</u>	<u>Recreation Commission</u>	<u>Drug Forfeitures</u>	<u>Police</u>	<u>TOTAL</u>
REVENUES					
Taxes	\$ 129,299	\$ -	\$ -	\$ -	\$ 129,299
State revenue	26,718	-	-	-	26,718
Contributions	8,356	1,855	-	-	10,211
Charges for services	7,522	82,455	-	-	89,977
Fines and violations	36,488	-	2,986	-	39,474
Interest and rentals	11,472	-	-	-	11,472
Miscellaneous	44,382	-	-	359	44,741
TOTAL REVENUES	<u>264,237</u>	<u>84,310</u>	<u>2,986</u>	<u>359</u>	<u>351,892</u>
EXPENDITURES					
Public safety	-	-	228	1,920	2,148
Culture and recreation	305,122	145,696	-	-	450,818
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>305,122</u>	<u>145,696</u>	<u>228</u>	<u>1,920</u>	<u>452,966</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(40,885)</u>	<u>(61,386)</u>	<u>2,758</u>	<u>(1,561)</u>	<u>(101,074)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	62,100	-	-	62,100
Transfers out	(2,000)	-	-	-	(2,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,000)</u>	<u>62,100</u>	<u>-</u>	<u>-</u>	<u>60,100</u>
CHANGES IN FUND BALANCES	<u>(42,885)</u>	<u>714</u>	<u>2,758</u>	<u>(1,561)</u>	<u>(40,974)</u>
FUND BALANCES - BEGINNING OF YEAR	<u>219,462</u>	<u>4,359</u>	<u>5,750</u>	<u>11,860</u>	<u>241,431</u>
FUND BALANCES - END OF YEAR	<u>\$ 176,577</u>	<u>\$ 5,073</u>	<u>\$ 8,508</u>	<u>\$ 10,299</u>	<u>\$ 200,457</u>

City of Hillsdale, Michigan
Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2019

	<u>Fields of Dreams</u>	<u>Stock Park</u>	<u>Cold Springs Park</u>	<u>Airport Improvement</u>	<u>Three Meadows Development</u>	<u>Fire Equipment</u>	<u>TOTAL</u>
ASSETS							
Cash and investments	\$ 1,594	\$ 47,541	\$ 2,000	\$ 184,690	\$ 5,381	\$ 14,447	\$ 255,653
Accounts receivable	1,200	255	-	-	-	-	1,455
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>2,794</u>	<u>47,796</u>	<u>2,000</u>	<u>184,690</u>	<u>5,381</u>	<u>14,447</u>	<u>257,108</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	1,254	-	-	9,864	-	-	11,118
TOTAL LIABILITIES	<u>1,254</u>	<u>-</u>	<u>-</u>	<u>9,864</u>	<u>-</u>	<u>-</u>	<u>11,118</u>
Fund Balances:							
Restricted	1,540	47,796	2,000	174,826	5,381	14,447	245,990
TOTAL FUND BALANCES	<u>1,540</u>	<u>47,796</u>	<u>2,000</u>	<u>174,826</u>	<u>5,381</u>	<u>14,447</u>	<u>245,990</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,794</u>	<u>\$ 47,796</u>	<u>\$ 2,000</u>	<u>\$ 184,690</u>	<u>\$ 5,381</u>	<u>\$ 14,447</u>	<u>\$ 257,108</u>

City of Hillsdale, Michigan
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Project Funds
Year Ended June 30, 2019

	<u>Field of Dreams</u>	<u>Stock Park</u>	<u>Cold Springs Park</u>	<u>Airport Improvement</u>	<u>Three Meadows Development</u>	<u>Fire Equipment</u>	<u>TOTAL</u>
REVENUES							
Interest and rentals	\$ 380	\$ 1,054	\$ -	\$ 37,837	\$ -	\$ -	\$ 39,271
Charges for services	8,422	-	-	184,600	-	3,000	196,022
Contributions	-	10,100	-	-	-	-	10,100
Miscellaneous	-	-	-	-	1,549	8,300	9,849
TOTAL REVENUES	<u>8,802</u>	<u>11,154</u>	<u>-</u>	<u>222,437</u>	<u>1,549</u>	<u>11,300</u>	<u>255,242</u>
EXPENDITURES							
General government	-	-	-	149,968	-	-	149,968
Culture and recreation	-	1,092	-	-	-	-	1,092
Capital outlay	37,441	5,821	-	-	-	-	43,262
TOTAL EXPENDITURES	<u>37,441</u>	<u>6,913</u>	<u>-</u>	<u>149,968</u>	<u>-</u>	<u>-</u>	<u>194,322</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(28,639)</u>	<u>4,241</u>	<u>-</u>	<u>72,469</u>	<u>1,549</u>	<u>11,300</u>	<u>60,920</u>
OTHER FINANCING SOURCES (USES)							
Transfers in (out)	10,000	-	-	-	-	-	10,000
CHANGES IN FUND BALANCES	(18,639)	4,241	-	72,469	1,549	11,300	70,920
FUND BALANCES - BEGINNING OF YEAR	<u>20,179</u>	<u>43,555</u>	<u>2,000</u>	<u>102,357</u>	<u>3,832</u>	<u>3,147</u>	<u>175,070</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,540</u>	<u>\$ 47,796</u>	<u>\$ 2,000</u>	<u>\$ 174,826</u>	<u>\$ 5,381</u>	<u>\$ 14,447</u>	<u>\$ 245,990</u>

City of Hillsdale, Michigan
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2019

	R.L. Owen Memorial	Cemetery Perpetual Care	Stock Park Maintenance	TOTAL
ASSETS				
Cash and investments	\$ 46,352	\$ 328,679	\$ 64,893	\$ 439,924
Notes receivable	-	367,297	-	367,297
TOTAL ASSETS	46,352	695,976	64,893	807,221
LIABILITIES AND FUND BALANCES				
Fund Balances:				
Restricted	46,352	695,976	64,893	807,221
TOTAL FUND BALANCES	46,352	695,976	64,893	807,221
TOTAL LIABILITIES AND FUND BALANCES	\$ 46,352	\$ 695,976	\$ 64,893	\$ 807,221

City of Hillsdale, Michigan
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
Year Ended June 30, 2019

	<u>R.L. Owen Memorial</u>	<u>Cemetery Perpetual Care</u>	<u>Stock Park Maintenance</u>	<u>TOTAL</u>
REVENUES				
Charges for services	\$ -	\$ 7,185	\$ -	\$ 7,185
Interest and rentals	4,283	15,720	1,122	21,125
Miscellaneous	-	-	6,013	6,013
TOTAL REVENUES	<u>4,283</u>	<u>22,905</u>	<u>7,135</u>	<u>34,323</u>
EXPENDITURES				
General government	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>4,283</u>	<u>22,905</u>	<u>7,135</u>	<u>34,323</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	(15,500)	-	(15,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(15,500)</u>	<u>-</u>	<u>(15,500)</u>
CHANGES IN FUND BALANCES	4,283	7,405	7,135	18,823
FUND BALANCES - BEGINNING OF YEAR	<u>42,069</u>	<u>688,571</u>	<u>57,758</u>	<u>788,398</u>
FUND BALANCES - END OF YEAR	<u>\$ 46,352</u>	<u>\$ 695,976</u>	<u>\$ 64,893</u>	<u>\$ 807,221</u>

City of Hillsdale, Michigan
 Local Revenues
 Dial-A-Ride Enterprise Fund
 Year Ended June 30, 2019

	<u>7/1/2018 - 9/30/2018</u>	<u>10/1/2018 - 6/30/2019</u>	<u>7/1/2018 - 6/30/2019</u>
OPERATING REVENUES AND TRANSFERS			
Demand response (farebox) - nonurban	\$ 9,568	\$ 37,648	\$ 47,216
Sale of City property - bus	-	11,400	11,400
Transfer in from general fund	-	89,665	89,665
	<hr/>	<hr/>	<hr/>
TOTAL LOCAL REVENUES	<u>\$ 9,568</u>	<u>\$ 138,713</u>	<u>\$ 148,281</u>

City of Hillsdale, Michigan
 Local Revenues
 Dial-A-Ride Enterprise Fund
 Based on a September 30, 2018 Year End

	<u>10/1/2017 - 6/30/2018</u>	<u>7/1/2018 - 9/30/2018</u>	<u>10/1/2017 - 9/30/2018</u>
OPERATING REVENUES AND TRANSFERS			
Demand response (farebox) - nonurban	\$ 37,649	\$ 9,568	\$ 47,217
Transfer in from general fund	50,000	-	50,000
TOTAL LOCAL REVENUES	<u>\$ 87,649</u>	<u>\$ 9,568</u>	<u>\$ 97,217</u>

City of Hillsdale, Michigan
Federal and State Awards
Dial-A-Ride Enterprise Fund
Year Ended June 30, 2019

	<u>7/1/2018 - 9/30/2018</u>	<u>10/1/2018 - 6/30/2019</u>	<u>7/1/2018 - 6/30/2019</u>
Michigan Department of Transportation			
Local bus operating 2019	\$ -	\$ 104,634	\$ 104,634
Local bus operating 2018	35,371	-	35,371
Preliminary reconciliation fiscal year 2017	-	(23,873)	(23,873)
Federal Transit Administration			
Section 5311	27,937	15,379	43,316
Mobility management Federal	7,000	21,000	28,000
Mobility management State	1,750	5,250	7,000
Section 5310 - Capital	-	(291)	(291)
	<u>\$ 72,058</u>	<u>\$ 122,099</u>	<u>\$ 194,157</u>
TOTAL FEDERAL AND STATE AWARDS			

City of Hillsdale, Michigan
Federal and State Awards
Dial-A-Ride Enterprise Fund
Based on a September 30, 2018 Year End

	<u>10/1/2017 - 6/30/2018</u>	<u>7/1/2018 - 9/30/2018</u>	<u>TOTAL</u>
Michigan Department of Transportation			
Local bus operating 2017	\$ 95,776	\$ -	\$ 95,776
Local bus operating 2018	-	35,371	35,371
Preliminary reconciliation fiscal year 2016	(5,361)	-	(5,361)
Federal Transit Administration			
Section 5311	26,786	27,937	54,723
Section 5310 Bus	97,054	-	97,054
Mobility management Federal	21,000	7,000	28,000
Mobility management State	5,250	1,750	7,000
TOTAL FEDERAL AND STATE AWARDS	<u>\$ 240,505</u>	<u>\$ 72,058</u>	<u>\$ 312,563</u>

City of Hillsdale, Michigan
Expenditures of Federal and State Awards
Dial-A-Ride Enterprise Fund
Year Ended June 30, 2019

FEDERAL CFDA NUMBER	GRANT NUMBER AUTHORIZATION NUMBER	PROGRAM AWARD AMOUNT	CURRENT YEAR'S EXPENDITURES			PRIOR YEARS' EXPENDITURES	AWARD AMOUNT REMAINING	
			TOTAL	FEDERAL	STATE			
FEDERAL AND STATE GRANTOR / PASS THROUGH								
GRANTOR / PROGRAM TITLE								
U.S. DEPARTMENT OF TRANSPORTATION								
Passed through Michigan Department of Transportation								
Bus capital - Section 5310	20.513	2017-0063/P3	\$ 97,328	\$ -	\$ -	\$ -	\$ 97,054	\$ 274
Mobility management fy 2018 - Section 5311	20.509	2017-0063/P4	35,000	8,750	7,000	1,750	26,250	-
Operating assistance fy 2018 - Section 5311	20.509	2017-0063/P5/R1	67,803	43,316	43,316	-	14,578	9,909
Bus capital - Section 5310	20.513	2017-0063/P6	96,030	-	-	-	-	96,030
Mobility management fy 2019 - Section 5311	20.509	2017-0063/P7	35,000	26,250	21,000	5,250	-	8,750
Operating assistance fy 2019 - Section 5311	20.509	2017-0063/P8	65,970	-	-	-	-	65,970
			397,131	78,316	71,316	7,000	137,882	180,933
MICHIGAN DEPARTMENT OF TRANSPORTATION								
Operating Assistance - Act 51								
Nonurban 2019 budget	N/A	N/A	139,513	104,634	-	104,634	-	34,879
Nonurban 2018 budget	N/A	N/A	143,664	35,916	-	35,916	107,748	-
Nonurban 2017 reconciled	N/A	N/A	142,140	-	-	-	118,267	23,873
			<u>\$ 822,448</u>	<u>\$ 218,866</u>	<u>\$ 71,316</u>	<u>\$ 147,550</u>	<u>\$ 363,897</u>	<u>\$ 239,685</u>

City of Hillsdale, Michigan
Operating and Contract Expenses
Dial-A-Ride Enterprise Fund
Year Ended June 30, 2019

	<u>NONURBAN</u>	<u>TOTAL</u>
Labor	\$ 188,428	\$ 188,428
Fringe benefits	68,438	68,438
Services	54,050	54,050
Materials & supplies	28,700	28,700
Insurance	10,639	10,639
Utilities	9,553	9,553
Depreciation	57,531	57,531
Other	2,281	2,281
	<hr/>	<hr/>
TOTAL EXPENSES	<u>\$ 419,620</u>	<u>\$ 419,620</u>

City of Hillsdale, Michigan
Operating and Contract Expenses
Dial-A-Ride Enterprise Fund
Year Ended June 30, 2019

	NONURBAN		TOTAL
	07/01/2018 - 9/30/2018	10/01/2018 - 6/30/2019	
Labor	\$ 33,230	\$ 155,198	\$ 188,428
Fringe benefits	18,330	50,108	68,438
Services	5,150	23,550	28,700
Materials & supplies	1,523	52,527	54,050
Insurance	(493)	11,132	10,639
Utilities	1,917	7,636	9,553
Depreciation	-	57,531	57,531
Other	-	2,281	2,281
TOTAL EXPENSES	\$ 59,657	\$ 359,963	\$ 419,620

City of Hillsdale, Michigan
 Operating and Contract Expenses
 Dial-A-Ride Enterprise Fund
 Based on a September 30, 2018 Year End

	NONURBAN		TOTAL
	10/1/2017 - 6/30/2018	7/1/2018 - 9/30/2018	
Labor	\$ 146,750	\$ 33,230	\$ 179,980
Fringe benefits	50,388	18,330	68,718
Services	48,617	5,150	53,767
Materials & supplies	24,102	1,523	25,625
Insurance	12,496	(493)	12,003
Utilities	5,939	1,917	7,856
Miscellaneous	-	-	-
Depreciation	54,697	-	54,697
TOTAL EXPENSES	\$ 342,989	\$ 59,657	\$ 402,646

City of Hillsdale, Michigan
 Nonurban Regular Service Revenue Report
 Dial-A-Ride Enterprise Fund
 Based on a September 30, 2018 Year End

<u>CODE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
401	Farebox Revenue	
40100	Passenger Fares	\$ 47,217
409	Local Revenues	
40910	Local operating assistance	50,000
411	State Formula and Contracts	
41101	State operating assistance	126,010
413	Federal Contracts	
41301	Federal Section 5311 (operating funds only)	<u>57,615</u>
	TOTAL REVENUES	<u><u>\$ 280,842</u></u>

City of Hillsdale, Michigan
 Nonurban Regular Service Expense Report
 Dial-A-Ride Enterprise Fund
 Based on a September 30, 2018 Year End

CODE	DESCRIPTION	OPERATIONS	MAINTENANCE	GENERAL ADMINISTRATION	TOTAL
501	Labor				
50101	Operators' salaries and wages	\$ 104,940	\$ -	\$ -	\$ 104,940
50102	Other salaries and wages	-	4,645	26,107	30,752
50103	Dispatchers' salaries and wages	38,928	-	-	38,928
502	Fringe Benefits				
50200	Other fringe benefits	57,529	3,093	13,456	74,078
503	Services				
50305	Audit costs	-	-	1,422	1,422
50399	Other	10,280	348	38,727	49,355
504	Materials and Supplies				
50401	Fuel and lubricants	17,364	-	-	17,364
50402	Tires and tubes	817	-	-	817
50499	Other materials and supplies	1,888	3,916	-	5,804
505	Utilities				
50500	Utilities	7,857	-	3,392	11,249
506	Insurance				
50603	Liability insurance	7,021	-	-	7,021
50699	Other insurance	-	-	4,982	4,982
512	Operating Leases and Rentals				
51200	Operating leases and rentals	1,237	-	-	1,237
513	Depreciation				
51300	Depreciation	54,697	-	-	54,697
550	Ineligible Expenses				
55007	Ineligible depreciation	(54,697)	-	-	(54,697)
604	Ineligible Expenses				
57604	Ineligible mobility management	-	-	(35,000)	(35,000)
	Total expenses				<u>\$ 402,646</u>
	Total ineligible expenses				<u>\$ (89,697)</u>
	Total eligible expenses				<u>\$ 312,949</u>

City of Hillsdale, Michigan
 Nonurban Regular Service Non-Financial Information
 Dial-A-Ride Enterprise Fund
 Based on a September 30, 2018 Year End

	<u>WEEKDAY</u>	<u>SATURDAY</u>	<u>SUNDAY</u>	<u>TOTAL</u>
Non-Financial Information				
Annual Reconciliation				
10/1/2017 - 9/30/2018				
Vehicle Hours	4,687	-	-	4,687
Vehicle Miles	50,303	-	-	50,303
Passengers Reg.	12,268	-	-	12,268
Passengers - Sr.	5,361	-	-	5,361
Passengers - Per. Disb.	6,744	-	-	6,744
Passengers - Sr. Disb.	3,289	-	-	3,289
Total Demand - Response	<u>27,662</u>	<u>-</u>	<u>-</u>	<u>27,662</u>
Days Operated	<u>250</u>	<u>-</u>	<u>-</u>	<u>250</u>
	<u>Quantity</u>			
Total Demand - Response Vehicles	5			
Demand-Response Vehicles w/Lifts	5			
Diesel/Gasoline Gallons Consumed	8,197			
Total Transit (full-time equivalent) Employees	4			
Total Revenue Vehicles (full-time equivalent) Operators	3			

City of Hillsdale, Michigan
 Operating Assistance Calculation
 Dial-A-Ride Enterprise Fund
 Based on a September 30, 2018 Year End

	<u>NONURBAN</u>
Total expenses	\$ 402,646
Less ineligible expenses:	
Depreciation and other	89,697
Total State eligible expenses	<u>312,949</u>
Eligible expenses for State reimbursement	312,949
Reimbursement percentage	<u>40.2653%</u>
State operating assistance	<u>126,010</u>
Total federal eligible expenses	312,949
Less additional federal ineligible expenses:	
Audit costs	1,516
Eligible expenses for federal reimbursement	<u>311,433</u>
Reimbursement percentage	<u>18.5000%</u>
Section 5311 operating assistance	<u>\$ 57,615</u>

City of Hillsdale, Michigan
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

	Department of Public Service Leave & Benefits	Public Service Inventory	Revolving Mobile Equipment	Unemployment Insurance	TOTAL
ASSETS					
Current assets:					
Cash and investments	\$ 27,264	\$ 14,238	\$ 106,433	\$ 74,313	\$ 222,248
Accounts receivable	-	11,683	-	-	11,683
Inventory	-	152,142	-	-	152,142
Prepaid expenses	20,384	-	23,859	-	44,243
TOTAL CURRENT ASSETS	47,648	178,063	130,292	74,313	430,316
Capital assets:					
Equipment	-	-	2,454,539	-	2,454,539
Less: accumulated depreciation	-	-	(1,786,283)	-	(1,786,283)
TOTAL CAPITAL ASSETS, NET	-	-	668,256	-	668,256
TOTAL ASSETS	47,648	178,063	798,548	74,313	1,098,572
LIABILITIES					
Current liabilities:					
Accounts payable	321	1,552	6,149	-	8,022
Accrued payroll and related liabilities	-	12	985	-	997
TOTAL CURRENT LIABILITIES	321	1,564	7,134	-	9,019
Other liabilities:					
Compensated absences	24,748	-	6,135	-	30,883
TOTAL LIABILITIES	25,069	1,564	13,269	-	39,902
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Unrestricted	22,579	176,499	785,279	74,313	1,058,670
TOTAL NET POSITION	\$ 22,579	\$ 176,499	\$ 785,279	\$ 74,313	\$ 1,058,670

City of Hillsdale, Michigan
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2019

	Department of Public Service Leave & Benefits	Public Service Inventory	Revolving Mobile Equipment	Unemployment Insurance	TOTAL
OPERATING REVENUES					
Charges for services	\$ -	\$ 7,195	\$ 313,818	\$ -	\$ 321,013
Miscellaneous	194,818	-	-	-	194,818
TOTAL OPERATING REVENUES	194,818	7,195	313,818	-	515,831
OPERATING EXPENSES					
Salaries	58,177	4,184	63,516	-	125,877
Fringe benefits	136,641	3,184	34,116	-	173,941
Supplies	-	15,114	105,567	-	120,681
Contracted services	-	2,120	11,319	-	13,439
Maintenance	-	2,964	25,425	-	28,389
Insurance	-	-	43,710	-	43,710
Miscellaneous	-	-	6,939	93	7,032
Capital outlay	-	-	4,478	-	4,478
Depreciation	-	-	57,694	-	57,694
TOTAL OPERATING EXPENSES	194,818	27,566	352,764	93	575,241
OPERATING INCOME (LOSS)	-	(20,371)	(38,946)	(93)	(59,410)
NONOPERATING REVENUES (EXPENSES)					
Operating transfers in	-	30,000	362,500	-	392,500
Federal grant	-	-	107,006	-	107,006
Gain (loss) on disposal of assets	-	-	11,153	-	11,153
Interest income	-	-	1,869	1,845	3,714
TOTAL NONOPERATING REVENUES (EXPENSES)	-	30,000	482,528	1,845	514,373
CHANGES IN NET POSITION	-	9,629	443,582	1,752	454,963
NET POSITION - BEGINNING OF YEAR	22,579	166,870	341,697	72,561	603,707
NET POSITION - END OF YEAR	\$ 22,579	\$ 176,499	\$ 785,279	\$ 74,313	\$ 1,058,670

City of Hillsdale, Michigan
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2019

	Department of Public Service Leave & Benefits	Public Service Inventory	Revolving Mobile Equipment	Unemployment Insurance	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash paid to suppliers	\$ -	\$ (26,269)	\$ (200,103)	\$ (93)	\$ (226,465)
Cash paid to employees	(190,024)	(7,362)	(98,475)	-	(295,861)
Receipts for interfund services provided	194,818	(4,488)	313,818	-	504,148
	<u>4,794</u>	<u>(38,119)</u>	<u>15,240</u>	<u>(93)</u>	<u>(18,178)</u>
Net Cash Provided By (Used In) Operating Activities					
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of capital assets	-	-	11,153	-	11,153
Transfers from other funds	-	30,000	362,500	-	392,500
Capital grants	-	-	107,006	-	107,006
Purchase of capital assets	-	-	(500,611)	-	(500,611)
	<u>-</u>	<u>-</u>	<u>(19,952)</u>	<u>-</u>	<u>10,048</u>
Net Cash Provided By (Used In) Capital and Related Financing Activities					
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income received	-	-	1,868	1,845	3,713
	<u>-</u>	<u>-</u>	<u>1,868</u>	<u>1,845</u>	<u>3,713</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,794	(8,119)	(2,844)	1,752	(4,417)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	22,470	22,357	109,277	72,561	226,665
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 27,264	\$ 14,238	\$ 106,433	\$ 74,313	\$ 222,248
BALANCE SHEET CLASSIFICATION OF CASH AND CASH EQUIVALENTS					
Cash and investments	\$ 27,264	\$ 14,238	\$ 106,433	\$ 74,313	\$ 222,248
Less amounts classified as investments	-	-	-	-	-
	<u>\$ 27,264</u>	<u>\$ 14,238</u>	<u>\$ 106,433</u>	<u>\$ 74,313</u>	<u>\$ 222,248</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ -	\$ (20,371)	\$ (38,946)	\$ (93)	\$ (59,410)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	57,694	-	57,694
(Increase)/decrease in:					
Accounts receivable	-	(11,683)	-	-	(11,683)
Due from other funds	-	-	-	-	-
Inventory	-	(218)	-	-	(218)
Prepaid expenses	(783)	-	1,890	-	1,107
Increase/(decrease) in:					
Accounts payable	(586)	(5,853)	(4,555)	-	(10,994)
Accrued expenses	6,163	6	(843)	-	5,326
	<u>4,794</u>	<u>(38,119)</u>	<u>15,240</u>	<u>(93)</u>	<u>(18,178)</u>
Net Cash Provided By (Used In) Operating Activities					

OTHER REPORTS

CITY OF HILLSDALE, MICHIGAN
ADDITIONAL REPORTS REQUIRED BY
THE UNIFORM GUIDANCE
YEAR ENDED JUNE 30, 2019

CITY OF HILLSDALE, MICHIGAN

TABLE OF CONTENTS

JUNE 30, 2019

	PAGE
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	1 - 2
Independent Auditor's Report on Compliance for Each Major Program and Internal Control over Compliance Required by the Uniform Guidance.....	3 - 4
Schedule of Expenditures of Federal Awards.....	5
Notes to Schedule of Expenditures of Federal Awards.....	6
Schedule of Findings and Questioned Costs.....	7 - 10
Schedule of Prior Audit Findings.....	11 - 12
Corrective Action Plan.....	13 - 14

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Hillsdale, Michigan, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Hillsdale, Michigan's basic financial statements and have issued our report thereon dated November 1, 2019.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charges 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses. They are referenced as 2019-1, 2019-2 and 2019-3.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Hillsdale, Michigan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 2019-4.

City of Hillsdale, Michigan's Response to Findings

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

Purpose of this Report

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

CHBW & Co., P.C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Hillsdale's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Hillsdale's major federal programs for the year ended June 30, 2019. The City of Hillsdale's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Hillsdale's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Hillsdale's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Hillsdale's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Hillsdale complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of City of Hillsdale is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Hillsdale's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Hillsdale's internal control over compliance.

A deficiency in internal 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, however, material weaknesses may exist that were not identified.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Hillsdale, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise City of Hillsdale basic financial statements. We issued our report thereon dated November 1, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted 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.

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.

CHBW & Co., P.C.

Certified Public Accountants

**CITY OF HILLSDALE, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Federal CFDA Number</u>	<u>Federal or Pass-Through Grant Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed-through the Michigan Strategic Fund				
CDBG Blight Elimination	14.228	MSC-218006-ESB	\$ 1,415,000	\$ 83,800
CDBG ICE Grant	14.228	MSC-216038-ICE	2,000,000	923,775
Total U.S. Department of Housing and Urban Development			<u>3,415,000</u>	<u>1,007,575</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>				
Passed-through the Michigan Department of Environmental Quality				
Capitalization Grants for Clean Water State Revolving Loan Funds	66.458	5610-01	7,435,000	75,891
Capitalization Grants for Clean Water State Revolving Loan Funds	66.458	5610-02	2,000,000	46,498
USEPA Clean Diesel Grant	66.040	DS00E66604-0	108,750	107,006
Total U.S. Environmental Protection Agency			<u>9,543,750</u>	<u>229,395</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Passed-through Michigan Department of Transportation				
Operating assistance - Section 5311	20.509	2017-0063/P5/R1	67,803	43,316
Mobility management - Section 5311	20.509	2017-0063/P7	35,000	21,000
Mobility management - Section 5311	20.509	2017-0063/P4	35,000	7,000
Total U.S. Department of Transportation			<u>137,803</u>	<u>71,316</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 13,096,553</u>	<u>\$ 1,308,286</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards.

CITY OF HILLSDALE, MICHIGAN
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
JUNE 30, 2019

Note 1: Basis of presentation – The 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, 2019. 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) and reconciles with the amounts presented in the preparation of the financial statements.

Note 2: The following was audited as a major program:

CDBG ICE Grant – CFDA #14.228

Note 3: The threshold for distinguishing Type A and Type B programs was \$750,000.

Note 4: Federal expenditures are reported in the following fund financial statements as follows:

Governmental funds - revenue	\$ 616,770
Proprietary funds - revenue	462,121
Proprietary funds - bonds payable	122,389
Internal service funds - revenue	<u>107,006</u>
	<u>\$ 1,308,286</u>

Note 5: Outstanding loans – the City has an outstanding loan commitment under the Clean Water State Revolving Loan Fund from the Michigan Department of Environmental Quality, as a passthrough agency for the Environmental Protection Agency (CFDA #66.458). As of June 30, 2019, the outstanding loan payable was \$7,675,000, which consists of both Federal and State funds.

Note 6: Of the federal expenditures presented in the schedule of expenditures of federal awards, the City provided the following to subrecipients:

U.S. Department of Housing and Urban Development
 Passed through Michigan Strategic Fund

CDBG Blight Elimination – CFDA #14.228	\$83,800
--	----------

CITY OF HILLSDALE, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	<u> X </u> Yes	<u> </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> No
Noncompliance material to financial statements noted?	<u> X </u> Yes	<u> </u> No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> No

Type of auditor's report issued:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with §200.516 of the Uniform Guidance?	<u> </u> Yes	<u> X </u> No

Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Block Development Grants
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u> </u> Yes <u> X </u> No

CITY OF HILLSDALE, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Section II - Financial Statement Findings

Finding 2019-1 Financial Statement Preparation (Repeat finding)

Internal Control Finding considered a material weakness

Requirement: The preparation of GAAP financial statements requires internal controls over (1) recording, processing, and summarizing accounting data, and (2) reporting the fund financial statements, including the related footnotes.

Condition: The City has historically relied on its independent external auditors to assist in the preparation of the financial statements and footnotes as part of its external financial reporting process. Accordingly, the City's ability to prepare financial statements is based, in part, on its reliance on its external auditors, who cannot by definition be considered part of the City's internal controls. In addition, the City relied on the auditors for assistance with adjusting the net pension liability and related deferred amounts.

Cause: This condition is caused by the City's decision that it is more cost effective to outsource the preparation of its annual financial statements to the auditors than to incur the added time and expense of outsourcing to another accounting firm, or obtaining the necessary training for its management to perform this task.

Effect: The result of this condition is that the City lacks internal controls over the preparation of financial statements and notes, and instead relies, in part, on its external auditors for assistance with this task.

View of responsible officials: The City will continue to evaluate the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP. In addition, the City will carefully review the draft financial statements and notes prior to approving them and accept responsibility for their content and presentation.

Finding 2019-2 Capital Assets record keeping – TIFA and EDC Component Units

Internal Control Finding considered a material weakness

Requirement: The business office is responsible for the accounting of the Tax Increment Finance Authority and the Economic Development Corporation Fund, including the record keeping of capital assets. During the year, the TIFA fund did not properly capitalize certain expenditures as required. It also came to our attention that the EDC was not properly accounting for gain or loss on the sale of lots for current and prior years, and the land values on the books were understated.

Condition: Management did not capitalize material expenditures related to building renovations in the TIFA fund. Management recorded sales of lots incorrectly during the year and in prior years.

Cause: 1) Lack of adequate year end closing procedures related to the analysis of what expenditures are required to be capitalized. 2) Lot sale transactions were not recorded using generally accepted accounting principles.

Effect: 1) At the time of audit, TIFA capital assets were understated by \$86,000; 2) At the time of audit, the EDC was reporting a loss on sale of lots in the amount of (\$53,868), when in fact, was actually a gain of \$10,734. In addition, the land values in the EDC were understated due to prior period errors in the recording of lot sales.

View of responsible officials: Year-end procedures will be improved to identify any errors in recording expenditures and/or sales.

Finding 2019-3 Capital outlay – Capital Improvement Fund
Internal Control Finding considered a material weakness

Requirement: Capital outlay expense accounts should reflect actual amounts paid for purchases and/or services.

Condition: At the time of audit, the capital outlay line item for demolition of the Broad Street building showed both an expense for a check that had been written, plus an accrual for the same amount.

Cause: The original check was voided after the year end, and in the meantime, the year end accrual was made.

Effect: The balance in the capital outlay line item was overstated by \$187,500.

View of responsible officials: Year-end procedures will be improved to identify any errors in reporting.

Finding 2019-4 Distribution of property taxes to other governmental units
Compliance Finding

Requirement: The City Treasurer is required to remit tax collections on a timely basis according to MCL 211.43. Tax distributions should be submitted within 10 business days after the 1st and the 15th day of each month.

Condition: As of June 30, 2019, final adjustments and delivery of the total amount of tax collections were delinquent to the County of Hillsdale and the State of Michigan.

Cause: The Treasurer was inexperienced and did not have a good understanding of the property tax allocation scheme.

Effect: The City was delinquent in remitting taxes to the County of Hillsdale and the State of Michigan in the amount of \$89,879; the City in turn, overpaid the local school districts by \$57,747.

View of responsible officials: The City Treasurer will receive additional training on property tax allocations.

CITY OF HILLSDALE, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONCLUDED)
YEAR ENDED JUNE 30, 2018

Section III – Federal Award Findings and Questioned Costs

None

CITY OF HILLSDALE, MICHIGAN
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019

Finding 2018-1 Financial Statement Preparation (Repeat finding)

Internal Control Finding considered a significant deficiency

Requirement: The preparation of GAAP financial statements requires internal controls over (1) recording, processing, and summarizing accounting data, and (2) reporting the fund financial statements, including the related footnotes.

Condition: The City has historically relied on its independent external auditors to assist in the preparation of the financial statements and footnotes as part of its external financial reporting process. Accordingly, the City's ability to prepare financial statements is based, in part, on its reliance on its external auditors, who cannot by definition be considered part of the City's internal controls. In addition, the City relied on the auditors for assistance with adjusting the net pension liability and related deferred amounts.

Cause: This condition is caused by the City's decision that it is more cost effective to outsource the preparation of its annual financial statements to the auditors than to incur the added time and expense of outsourcing to another accounting firm, or obtaining the necessary training for its Treasurer to perform this task.

Effect: The result of this condition is that the City lacks internal controls over the preparation of financial statements and notes, and instead relies, in part, on its external auditors for assistance with this task.

Status:

Finding 2018-2 Inventory and Capital Assets – Utility Funds

Internal Control Finding considered a material weakness

Requirement: The business office is responsible for the reconciliation of all general ledger accounts to their proper underlying balances for the purpose of creating a reasonably adjusted trial balance, from which the basic financial statements are derived.

Condition: Management was not able to produce supporting documentation (inventory list; capital assets schedule) for the respective account balances on the financial statements. In addition, an asset disposal transaction was not recorded properly.

Cause: 1) Lack of adequate financial analysis to timely detect discrepancies between the financial statements and supporting documentation. 2) Asset disposal (sale) transaction was left to complete at year end; however, it was overlooked.

Effect: 1) At the time of audit, the supporting documentation given to the auditor for test purposes was dated more than 60 days after the fiscal year end and did not agree to the balances on the financial statements. 2) The financial statements were materially misstated due to only recording the gross proceeds from sale of assets.

Status:

Finding 2018-3 Pooled cash account – Utility funds
Internal Control Finding considered a material weakness

Requirement: Each fund using the pooled *Operations Account* should show the respective balance on the fund financial statements as either a positive amount, or in case of a negative amount, a *due to* (liability) to another fund.

Condition: The sewer fund operations (pooled) cash account was a negative (\$255,241) at year end, and there was not a *due to other funds* reported.

Cause: The negative cash was caused by funding the bond covenant requirements up front and not leaving enough in the operations account to cover expenses. The cause for not creating a liability (*due to other funds*) is unknown.

Effect: The sewer fund, in effect, borrowed cash from all other funds within the pooled account, and the liability was not recognized.

Status:

Finding 2018-4 Material journal entries proposed by auditors
Internal Control Finding considered a material weakness

Requirement: Management is responsible for the fair presentation in the financial statements of financial position, results of operations, in conformity with U.S. generally accepted accounting principles.

Condition: Material journal entries for the proper classification of property tax revenue and federal grant revenue were proposed by the auditors. These misstatements were not detected by the City's internal control over financial reporting. These entries were brought to the attention of management and were subsequently recorded in the City's general ledger.

Cause: Misstatements were not identified and corrected by management.

Effect: The City's accounting records were initially misstated by amounts material to the financial statements. Necessary adjustments were brought to the attention of management and were subsequently recorded in the City's general ledger.

Status:

City of Hillsdale/Hillsdale Board of Public Utilities
Corrective Action Plan
June 30, 2019 Fiscal Year-End Audit Findings

November 22, 2019

2019-1 Financial Statement Preparation (Repeat finding)
Internal Control Finding considered a material weakness

This was a repeat deficiency from previous years. Preparation of the city's financial statements is done by the auditing firm. The City is aware that GAAP requires that management maintain internal controls over both recording and processing and summarizing accounting data and reporting government-wide and fund financial statements, including the related footnotes. As is the case with many small to medium sized communities, the City has relied on independent external auditors to assist with the preparation of the financial statements and footnotes. It is more cost effective to outsource the preparation of its annual financial statements to the auditors than to incur the time and expense of obtaining the necessary expertise required to prepare the financial statements internally. It is anticipated that the City will continue to use external auditors for technical assistance and expect that this situation will continue into future years.

2019-2 Capital Assets record keeping – TIFA and EDC Component Units
Internal Control Finding considered a material weakness

The business office is responsible for the accounting of the Tax Increment Finance Authority and the Economic Development Corporation Funds, including the record keeping of capital assets. The TIFA fund did not capitalize certain expenditures as required and EDC was not properly accounting for gain or loss on the sale of lots for current and prior years causing the land values on the books to be understated.

This year was an unusually busy year for capital activity in both these units. Moving forward closer attention will be paid to capital items and new fiscal year-end processes will be developed so that no capital items are not missed.

2019-3 Capital outlay – Capital Improvement Fund
Internal control Finding considered a material weakness

Capital outlay expense accounts should reflect actual amounts paid for purchases and/or services. At the time of audit, the capital outlay line item for demolition of the Broad Street building showed both an expense for a check that had been written, plus an accrual for the same amount. The original check was voided after the year end had closed and a year-end accrual was also made.

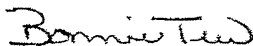
More attention will be paid during the year-end process so that these errors in reporting are eradicated.

2019-4 Distribution of property taxes to other governmental units
Compliance Finding

The City Treasurer is required to remit tax collections on a timely basis according to MCL 211.43. Tax distributions should be submitted within 10 business days after the 1st and the 15th day of each month. As of June 30, 2019, final adjustments and delivery of the total amount of tax collections were delinquent to the County of Hillsdale and the State of Michigan. Overpayments had been made to local school districts as well. The treasurer was inexperienced and did not have a good understanding of the property tax allocation scheme.

Additional training will be provided to the City Treasurer on property tax allocations and proper disbursement procedures will be developed moving forward.

Respectfully submitted:



Bonnie Tew
Finance Director

City of Hillsdale Agenda Item Summary

Meeting Date: December 2, 2019

NEW BUSINESS ITEM: MDOT Trunkline Maintenance Contract Renewal

SUBJECT: Department of Public Services

BACKGROUND PROVIDED BY: DPS Director Jake Hammel

The state contracts with local agencies to provide maintenance on state highways that run through local jurisdictions. The City of Hillsdale currently has a contract with Michigan Department of Transportation (MDOT) to perform those tasks on M-99 within the city limits. The new five (5) year contract will authorize the City to continue to perform this maintenance and receive compensation for that work. As part of the contract renewal process, MDOT requires a resolution be approved by the governing body specifying those officials authorized to sign the contract. All amounts and percentages are unchanged from the previous contract.

RECOMMENDATION:

The Department of Public Services recommends approval of the resolution, to authorize the Mayor and Clerk to sign the MDOT contract (2019-0696) on behalf of the City.

CITY OF HILLSDALE, MICHIGAN

RESOLUTION NO. _____

MICHIGAN DEPARTMENT OF TRANSPORTATION

STATE TRUNK.LINE MAINTENANCE CONTRACT 2019-0696

WHEREAS, THE City of Hillsdale has the authority to contract with the Michigan Department of Transportation for state and/or federal funds for maintenance of state trunklines and bridges within its jurisdiction; and

WHEREAS, MDOT Contract 2019-0696 describes the agreement between the Michigan Department of Transportation and the City of Hillsdale, inclusive of the terms and conditions of that agreement; and

WHEREAS, Council desires to provide the requested maintenance of state trunklines and bridges within its jurisdiction and receive payment for performing such maintenance;

NOW THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are hereby authorized to enter into and execute said contract for and on behalf of the City of Hillsdale.

PASSED IN OPEN COUNCIL MEETING THIS 2ND DAY OF DECEMBER, 2019

Adam L. Stockford, Mayor

ATTEST: _____
Katy Price, City Clerk

City of Hillsdale Agenda Item Summary

Meeting Date: December 2, 2019

Agenda Item # : New Business

SUBJECT: Housing Initiatives Division's Neighborhood Enhancement Program (NEP) Grant Chief Administrative Officer Resolution

BACKGROUND PROVIDED BY STAFF:

BACKGROUND:

The City of Hillsdale is eligible to apply for a Neighborhood Enhancement Program Grant that is available in the amount of \$30,000 from the Michigan State Housing Development Authority (MSHDA) for Housing Enhancements to owner-occupied single-family homes. Eligible activities include: single family owner occupied exterior rehabilitation/repair – accessibility improvements to driveways, porches, stairs, railings, windows, doors, etc.

The attached resolution designates the City Manager, as the Chief Administrative Officer, the person authorized to sign a support letter and the person authorized to execute any additional contract and documents required to carry out and complete the grant.

RECOMMENDATION:

City staff recommends City Council adopt the resolution as presented to indicate supporting staff of making the application.

CITY OF HILLSDALE, MICHIGAN
RESOLUTION # _____

A RESOLUTION TO DESIGNATE A CHIEF ADMINISTRATIVE OFFICER FOR THE HOUSING INITIATIVES DIVISION'S NEIGHBORHOOD ENHANCEMENT PROGRAM (NEP) GRANT AND SUPPORT FOR THE GRANT

WHEREAS, the City of Hillsdale is eligible to apply for a grant from the Michigan State Housing Development Authority (MSHDA) for grant assistance up to \$30,000 for housing enhancement activities, and

WHEREAS, the City of Hillsdale must designate a Chief Administrative Officer and,

WHEREAS, the Chief Administrative Officer has the authority to sign a letter on behalf of the City of Hillsdale verifying the grant application has local community support; and

WHEREAS, the City of Hillsdale will be the actual and formal MSHDA grant applicant and recipient;

NOW, THEREFORE, BE IT RESOLVED that the City of Hillsdale hereby designates the City Manager as the Chief Administrative Officer, the person authorized to certify the MSHDA Grant Application, the person authorized to execute any additional contract and documents required to carry out and complete the grant.

This Resolution was passed and adopted at a Regular Meeting of the Hillsdale City Council held in the Council Chambers in the Hillsdale City Hall, Michigan on December 2, 2019 on the following roll call vote:

Roll call:

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of the City of Hillsdale, County of Hillsdale, Michigan, at a regular meeting held on December 2, 2019.

Adam Stockford, Mayor

Katy Price, Clerk

RECEIVED

NOV 22 2019



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? Planning Commission

Name: Elias McConnell

Address: Hillsdale 49242 Street City Zip

Phone: Home Work N/A

E-Mail

Residency is required for most Boards & Commissions.

Are you a resident of City of Hillsdale? Yes X No If so, for how long? 2.3 years

Occupation: (if retired, former occupation) self-employed, full-time student

Please check the expertise and skills you can contribute:

- Accounting, Fund Raising, Marketing, Advocacy, Human Resources, Planning, Computers, Knowledge of the Cause, Public Relations, Legal, Community Relations, Public Speaking, Finance, Management, Other

Brief Educational Background:

Graduated high school in 2012, Graduated O-level Ordnance Technician school in 2013, currently enrolled for BA in Marketing Mgmt at Hillsdale College expected graduation in 2021, spring.

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

Gathered community members to convince city council to reject PILOT program from building multi-family housing units in my neighborhood.

On what other volunteer boards/committees have you served? None.

Describe any previous activities related to government: None.

Please explain why you would be interested in serving on the council or committee: To help Hillsdale realize its full potential in its master plan.

Please explain your understanding of the City of Hillsdale:
"It's the people" is both an affectionate phrase and a warning, we love our city and want only the best for it from its residents and any who wish to join us.

Additional comments: None.

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



Applicant Signature

11/22/2019
Date



CITY OF HILLSDALE

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? Planning Commission

Name: Jacob Parker

Address: ~~89 E Hallett St~~ Hillsdale 49242
Street City Zip

Phone: Home ~~XXXXXXXX~~ Work _____

E-Mail ~~Jacob.Parker@CountryNationalBank.com~~

Residency is required for most Boards & Commissions.
Are you a resident of City of Hillsdale? Yes X No _____ If so, for how long? 24 Years

Occupation: (if retired, former occupation) Accounting Specialist at a bank

Please check the expertise and skills you can contribute:

- Accounting
- Fund Raising
- Marketing
- Advocacy
- Human Resources
- Planning
- Computers
- Knowledge of the Cause
- Public Relations
- Legal
- Community Relations
- Public Speaking
- Finance
- Management
- Other _____

Brief Educational Background:

I have an associates from Jackson College in Business Administration along with a certificate.
I've recently finished my bachelors degree in Business Administration at Trine University

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

In high school I volunteered regularly at King's Kupboard Food Pantry.
Currently I volunteer a lot through work: Junior Achievement, Hillsdale County Fair, Special Olympics, parades.

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

Describe any previous activities related to government: _____
N/A

Please explain why you would be interested in serving on the council or committee: _____
Hillsdale is home. I live here, work here and want to grow my life here. I want to do my part in helping the city
grow and flourish. I also believe that service to your community is important.

Please explain your understanding of the City of Hillsdale: _____
I see Hillsdale as a city that's had its fair share of rough years but we seem to be on the rise. There's a lot of
activity and opportunities that the city seems poised to benefit from. We're a "city" but we're still pretty small
with an interconnected community.

Additional comments: _____

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


Applicant Signature

11/21/19
Date



CITY OF HILLSDALE

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? Board of Renew
Shade Tree Advisory
Airport Advisory
2 BA

Name: Kerry Laycock

Address: Street City Hillsdale Zip 49242

Phone: Home Work

E-Mail Mobile

Residency is required for most Boards & Commissions.
Are you a resident of City of Hillsdale? Yes No If so, for how long?

Occupation: (if retired, former occupation) Management Consultant

Please check the expertise and skills you can contribute:

- Accounting, Fund Raising, Marketing, Advocacy, Human Resources, Planning, Computers, Knowledge of the Cause, Public Relations, Legal, Community Relations, Public Speaking, Finance, Management, Other

Brief Educational Background:
MS - Organization Development
BBA - General Business

What charitable or community activities have you actively participated in? Please describe any leadership role(s) you have (had) in the organization(s):
Planning Commission 6 yrs
Zoning Board of Appeals

On what other volunteer boards/committees have you served?
Many non-profit boards including State 7 most of Michigan

Describe any previous activities related to government: _____

30+ yrs of ~~state~~ Federal, State & municipal consulting

Please explain why you would be interested in serving on the council or committee: _____

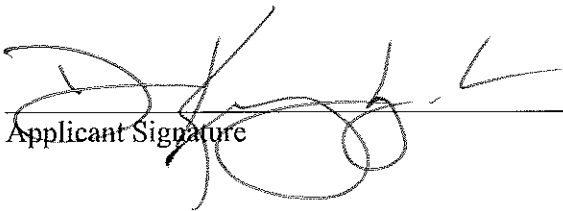
Shade Tree Advisory - Interested in preserving heritage trees
ZBA - current Planning Commission Rep - Experienced member
Airport Advisory Bd - Interest in general aviation
~~Others~~ Others as may be appropriate

Please explain your understanding of the City of Hillsdale: _____

As a planning Commission member I have gained considerable insight into the community - its needs and opportunities

Additional comments: _____

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


Applicant Signature

Nov 19, 2019
Date

RECEIVED

NOV 18 2019



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? Airport Advisory Committee

Name: Brendan Dasy

~~123456789~~ 49242
Address Phone: City Zip

Work _____

E-Mail _____

Residency is required for most Boards & Commissions.
Are you a resident of City of Hillsdale? Yes No _____ If so, for how long? 2 years

Occupation: (if retired, former occupation) Insurance Broker

Please check the expertise and skills you can contribute:

- Accounting
- Fund Raising
- Marketing
- Advocacy
- Human Resources
- Planning
- Computers
- Knowledge of the Cause
- Public Relations
- Legal
- Community Relations
- Public Speaking
- Finance
- Management
- Other _____

Brief Educational Background:

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

Civil Air Patrol - Aerospace education officer

On what other volunteer boards/committees have you served? N/A

Describe any previous activities related to government: N/A

Please explain why you would be interested in serving on the council or committee:

Helping the community and committee by offering my experience in business and aerospace is extremely important to me. As a business owner and someone who has a place in Hillsdale, I can give valuable feedback and insight to the committee.

Please explain your understanding of the City of Hillsdale:

The City of Hillsdale is home to about 8,500 people. The City has a wonderful world ~~renowned~~ renowned college. The downtown area is safe, walkable, and provides its residents a quaint midwestern feel.

Additional comments: Thank you for considering me.

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

Bruce W. Young
Applicant Signature

11/8/19
Date