



# SPECIAL ASSESSMENT DISTRICT PRESENTATION

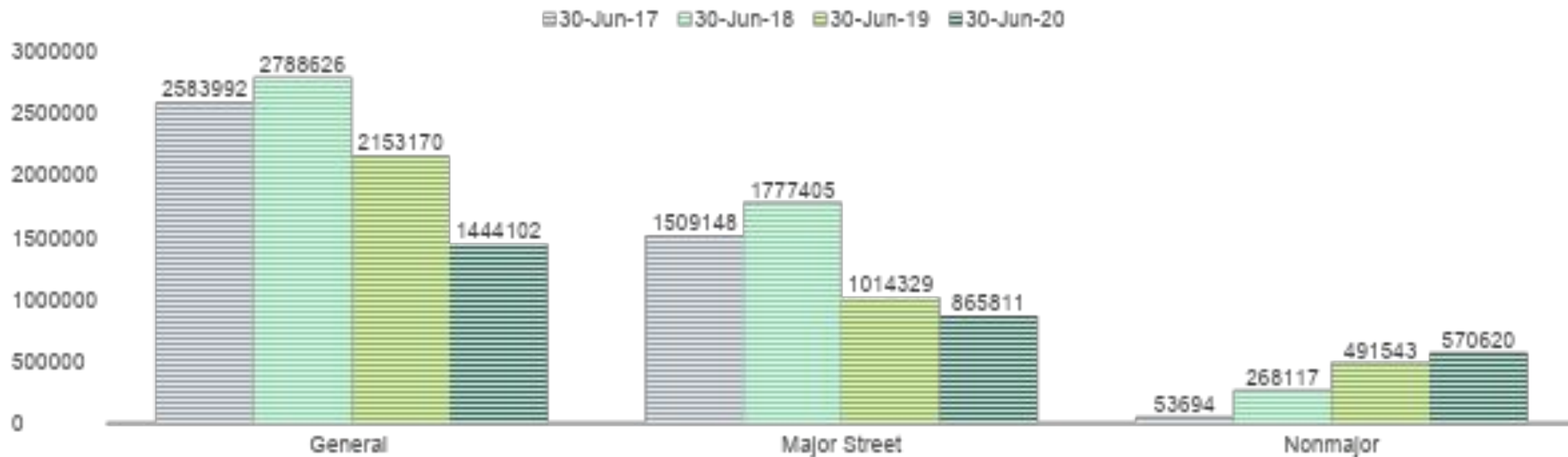
FISCAL YEAR 21-22 A YEAR OF OPPORTUNITY



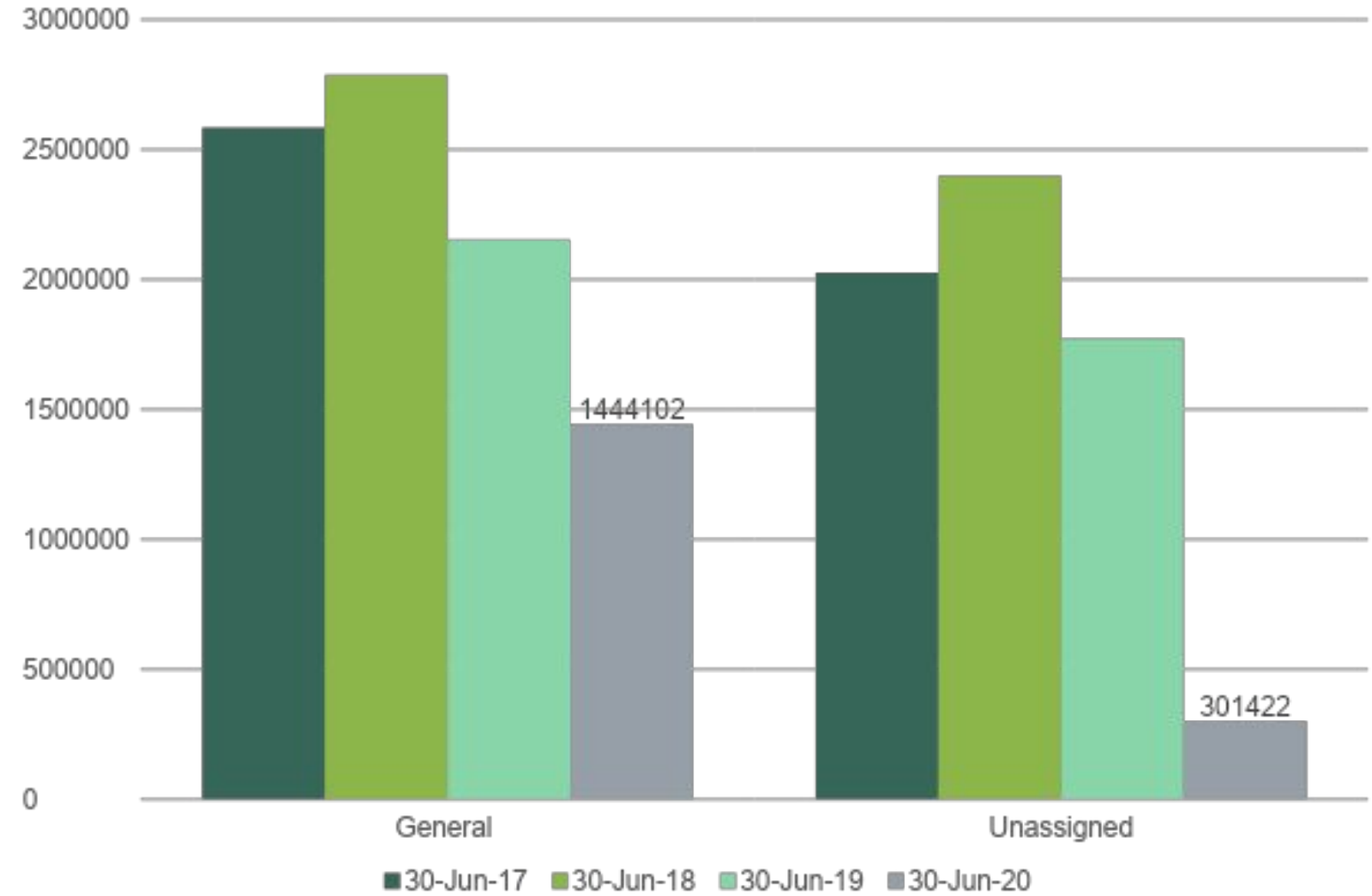
THE CITY OF  
**CHARLOTTE**  
MICHIGAN

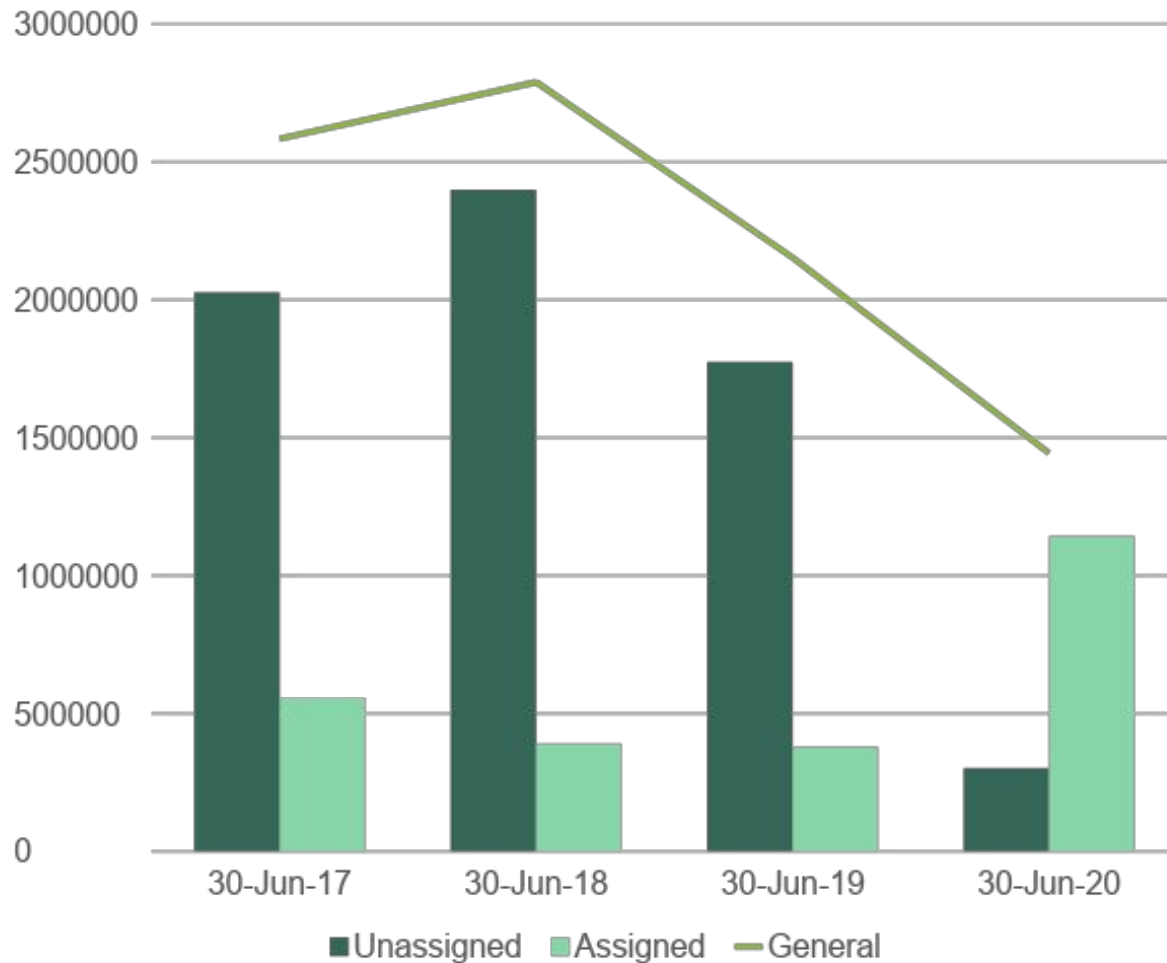
# A BRIEF LOOK BACK - GOVERNMENTAL FUNDS

## General Fund – Major streets – nonmajor



# General Fund





GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures

As of June 30, 2020

Two Months Revenue: \$865,477

Two Months Expenditure: \$980,703

Unassigned General Fund: \$301,422

# CONTRIBUTING FACTORS

## Stagnant Tax Revenues

1 Mill in 2010 approx. \$263,406.303  
adjusted for inflation = \$317,944 today

Property Tax Revenue collected as of  
June 30, 2010 = \$3,397,800

adjusted for inflation = \$4,100,056 today

\*The inflation rate in the United States between June 2010 and February 2021 was 20.67%.

1 Mill in 2021 approx. \$234,908.197

Property Tax Revenue as of June 30, 2021  
approx. \$3,096,906

Combined effect of Headlee/Prop A reductions  
and the lack of recovery from recession

## Pension Liability

Annual Required Contributions Increasing

2017 State Law Required Minimum 60%  
funding for pension liability

Unfunded \$11 mill

60% requires ~\$2.5mill additional

Beneficiaries outnumber Active Employees

74 retirees and beneficiaries

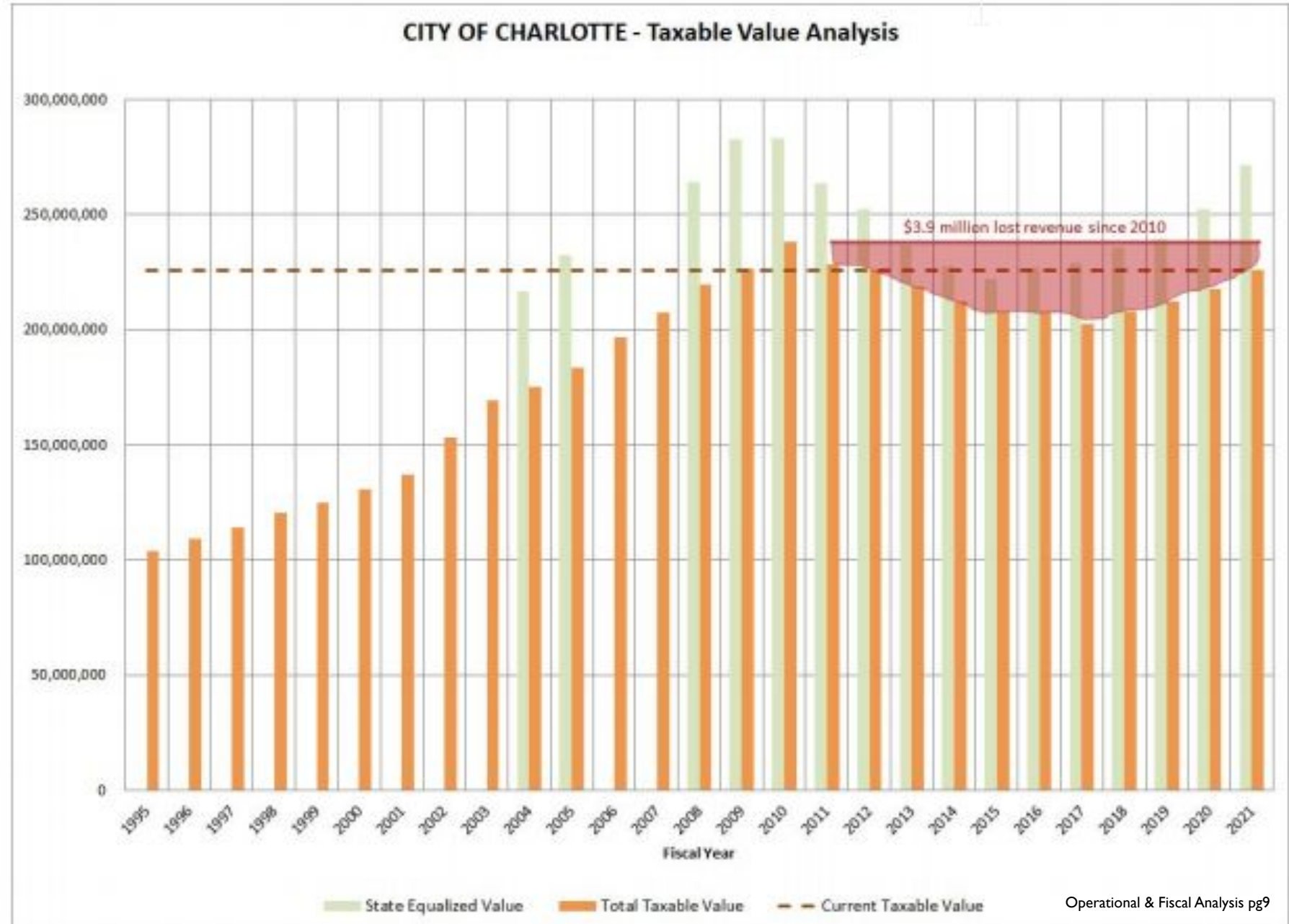
11 vested former employees

48 active employees

## Rising Costs

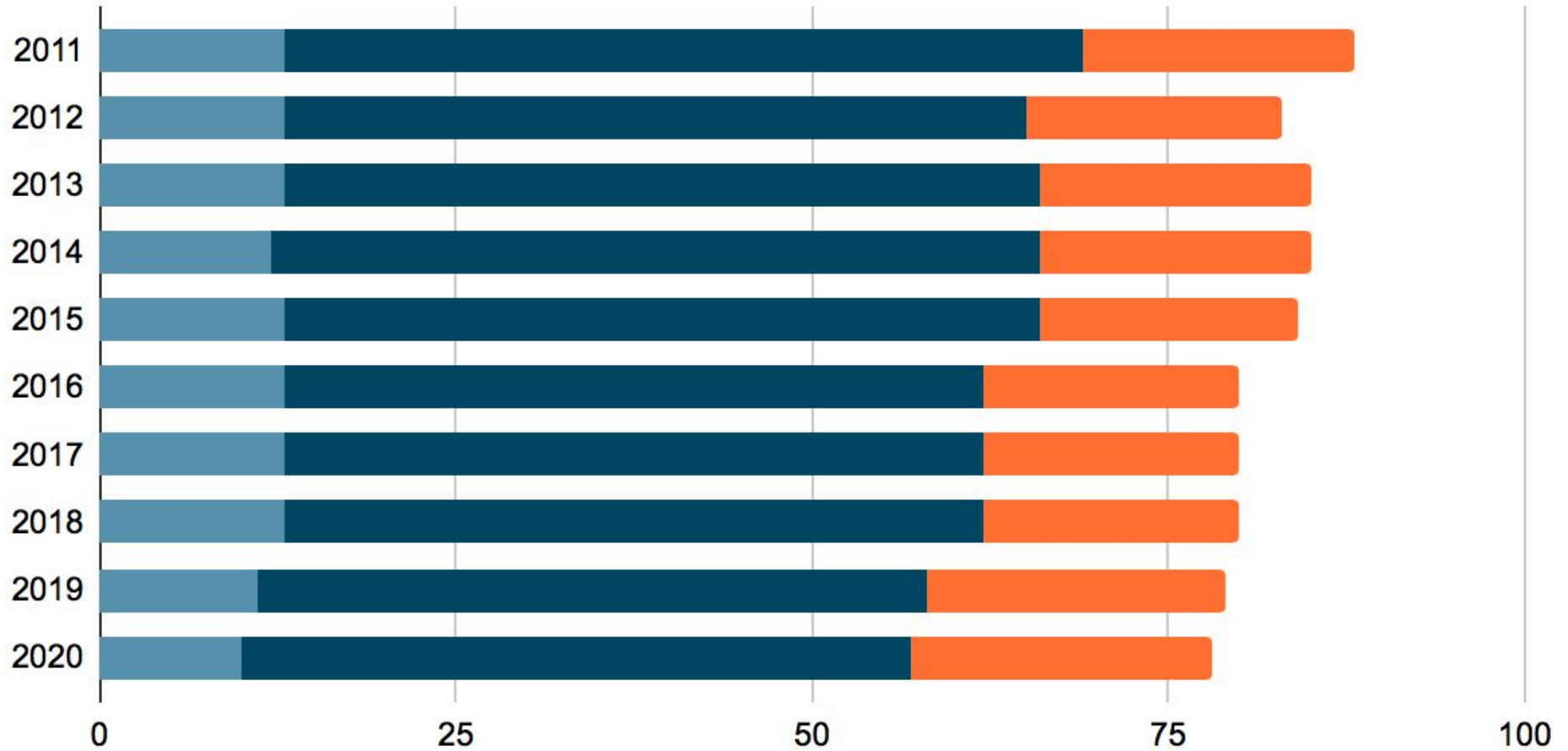
Inflationary increases in costs affects ability to  
reduce expenses without impacts to services.

■ Stagnant Tax Revenues

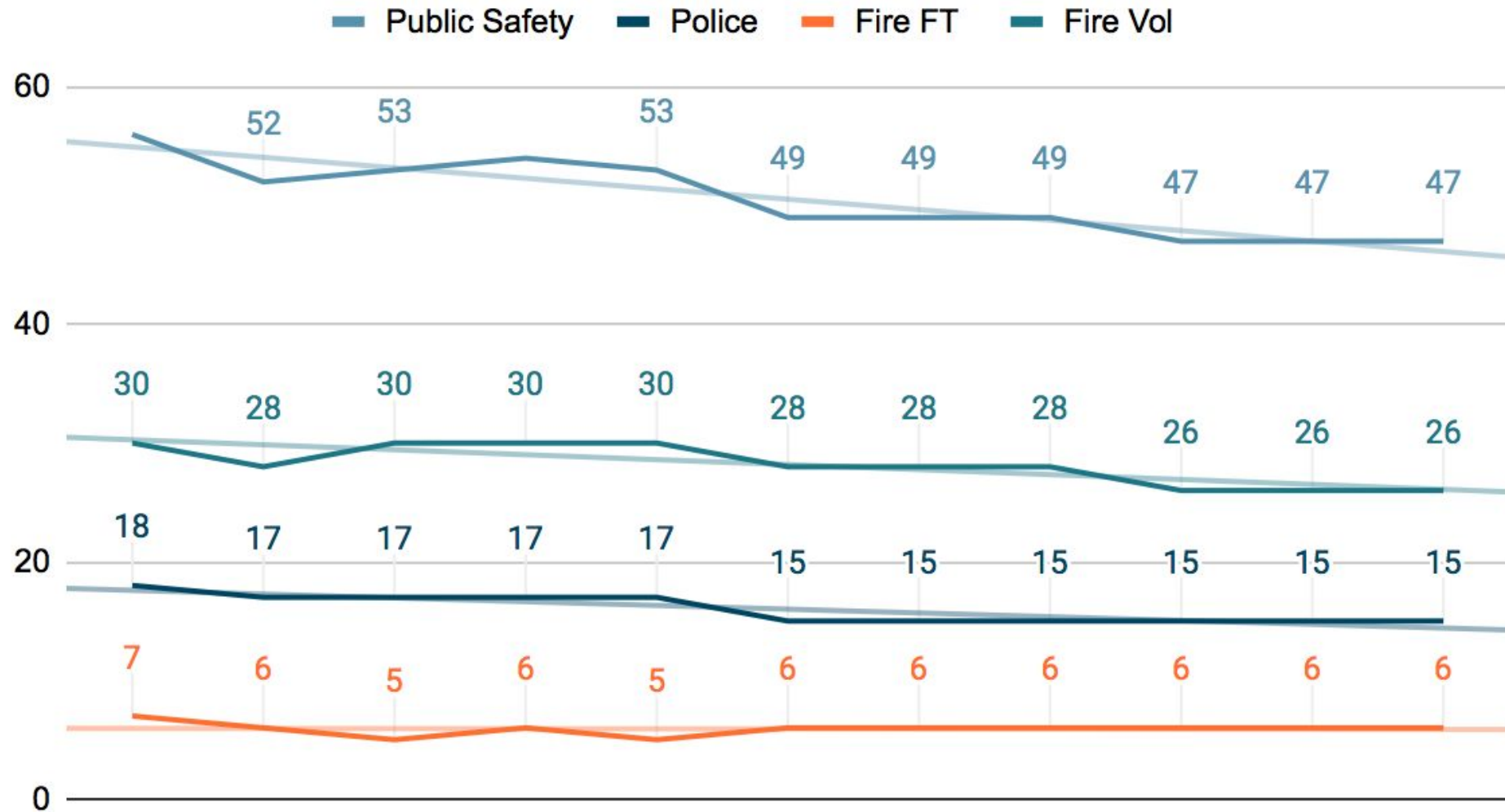


# Gen Gov and Public Safety

■ Gen Gov ■ Public Safety ■ Public Works



# Public Safety





# PUBLIC SAFETY COST COMPARISON - TEN YEARS

## General Fund Expenditures June 30, 2010

### Operating Expenditures

Public Safety	\$2,844,023
adjusted for inflation	<b>\$3,363,753</b>
 Total Gen Fund	 \$4,467,339
adjusted for inflation	<b>\$5,283,722</b>

## General Fund Expenditures June 30, 2020

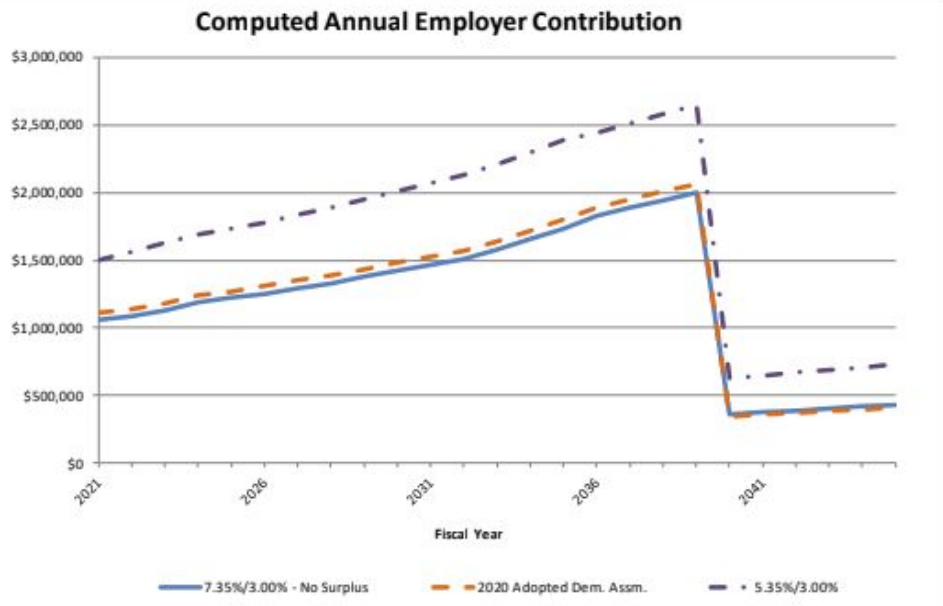
### Operating Expenditures

Public Safety	\$3,196,649
 Total Gen Fund	 \$5,180,180

Inflation Rate: 10 year 20.67%; 20 year 49.39%; 30 year 95.4%

Value of a dollar: 1991 \$1; 2001 \$1.49; 2011 \$1.68; 2021 \$1.95

# PENSION REQUIRED CONTRIBUTIONS



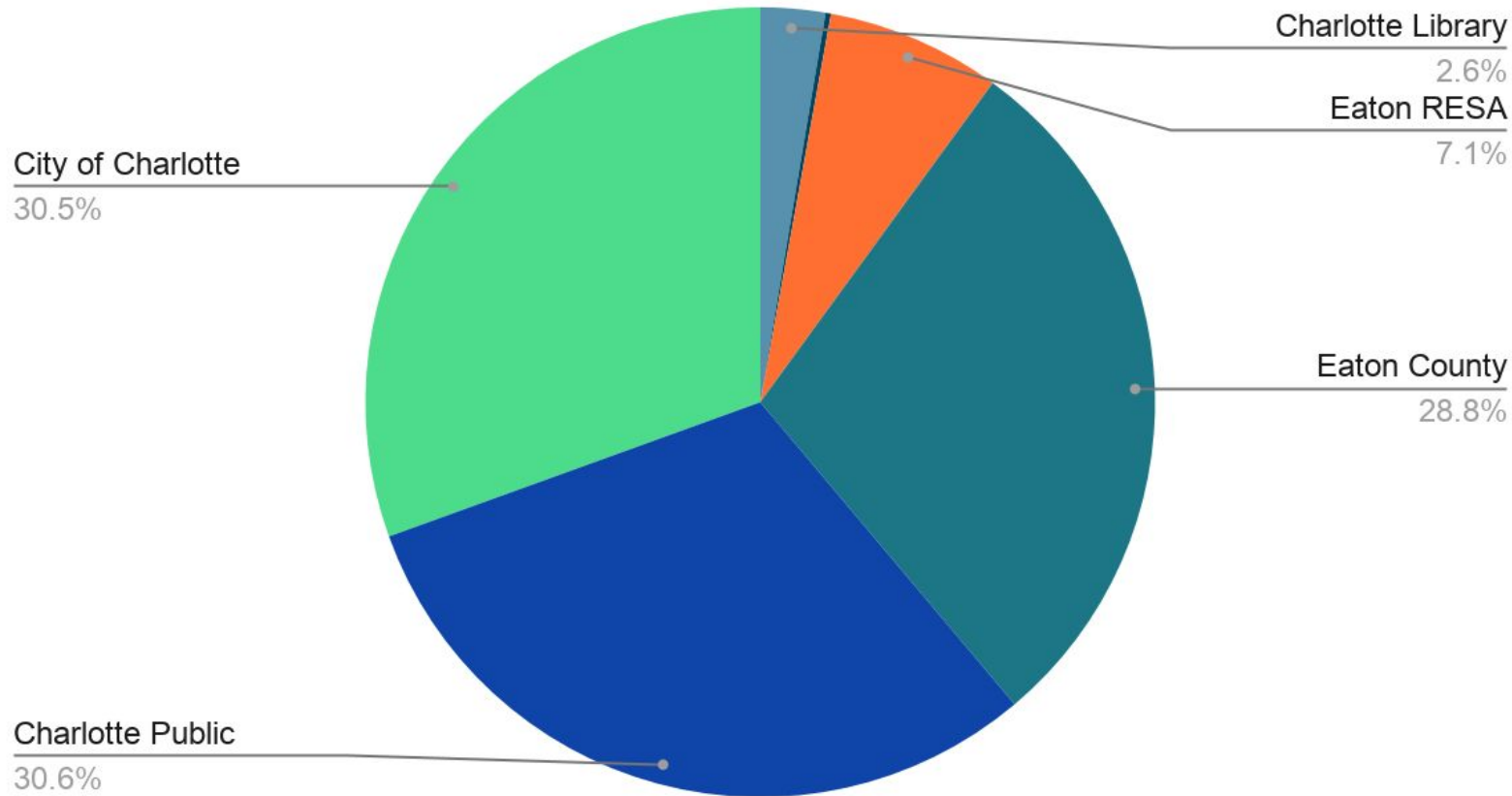
Valuation Year Ending 12/31	Fiscal Year Beginning 7/1	Actuarial Accrued Liability	Valuation Assets <sup>2</sup>	Funded Percentage	Computed Annual Employer Contribution
<b>7.35%<sup>1</sup>/3.00% - Current Demographic Assumptions</b>					
<b>NO 5-YEAR PHASE-IN</b>					
2019	2021	\$ 24,025,327	\$ 12,746,492	53%	\$ 1,055,640
2020	2022	\$ 24,300,000	\$ 12,800,000	53%	\$ 1,090,000
2021	2023	\$ 24,500,000	\$ 13,000,000	53%	\$ 1,130,000
2022	2024	\$ 24,800,000	\$ 13,200,000	53%	\$ 1,190,000
2023	2025	\$ 25,100,000	\$ 13,600,000	54%	\$ 1,220,000
2024	2026	\$ 25,300,000	\$ 14,000,000	55%	\$ 1,250,000
<b>7.35%<sup>1</sup>/3.00% - Adopted 2020 Demographic Assumptions</b>					
<b>NO 5-YEAR PHASE-IN</b>					
2019	2021	\$ 24,629,340	\$ 12,746,492	52%	\$ 1,108,008
2020	2022	\$ 24,900,000	\$ 12,800,000	52%	\$ 1,140,000
2021	2023	\$ 25,200,000	\$ 13,000,000	52%	\$ 1,180,000
2022	2024	\$ 25,600,000	\$ 13,300,000	52%	\$ 1,240,000
2023	2025	\$ 25,900,000	\$ 13,700,000	53%	\$ 1,270,000
2024	2026	\$ 26,200,000	\$ 14,200,000	54%	\$ 1,310,000
<b>5.35%<sup>1</sup>/3.00% - Current Demographic Assumptions</b>					
<b>NO 5-YEAR PHASE-IN</b>					
2019	2021	\$ 29,884,985	\$ 12,746,492	43%	\$ 1,500,660
2020	2022	\$ 30,200,000	\$ 12,600,000	42%	\$ 1,560,000
2021	2023	\$ 30,500,000	\$ 12,800,000	42%	\$ 1,630,000
2022	2024	\$ 30,800,000	\$ 13,100,000	43%	\$ 1,690,000
2023	2025	\$ 31,100,000	\$ 13,800,000	44%	\$ 1,730,000
2024	2026	\$ 31,400,000	\$ 14,500,000	46%	\$ 1,780,000

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2005	\$ 13,679,913	\$ 10,699,124	78%	\$ 2,980,789
2006	14,521,558	11,297,810	78%	3,223,748
2007	15,255,703	11,935,577	78%	3,320,126
2008	16,351,826	12,157,694	74%	4,194,132
2009	16,698,529	12,393,669	74%	4,304,860
2010	17,697,293	12,722,907	72%	4,974,386
2011	18,428,684	13,031,499	71%	5,397,185
2012	18,390,180	13,101,512	71%	5,288,668
2013	18,921,858	13,246,058	70%	5,675,800
2014	20,093,324	13,308,558	66%	6,784,766
2015	21,576,863	13,246,871	61%	8,329,992
2016	22,299,124	13,187,412	59%	9,111,712
2017	22,812,781	13,257,997	58%	9,554,784
2018	23,006,322	12,974,707	56%	10,031,615
2019	24,025,327	12,746,492	53%	11,278,835

Notes: Actuarial assumptions were revised for the 2008, 2009, 2010, 2011, 2012, 2015 and 2019 actuarial valuations.

# Where do our tax dollars go?

## Tax Expenditures by Entity



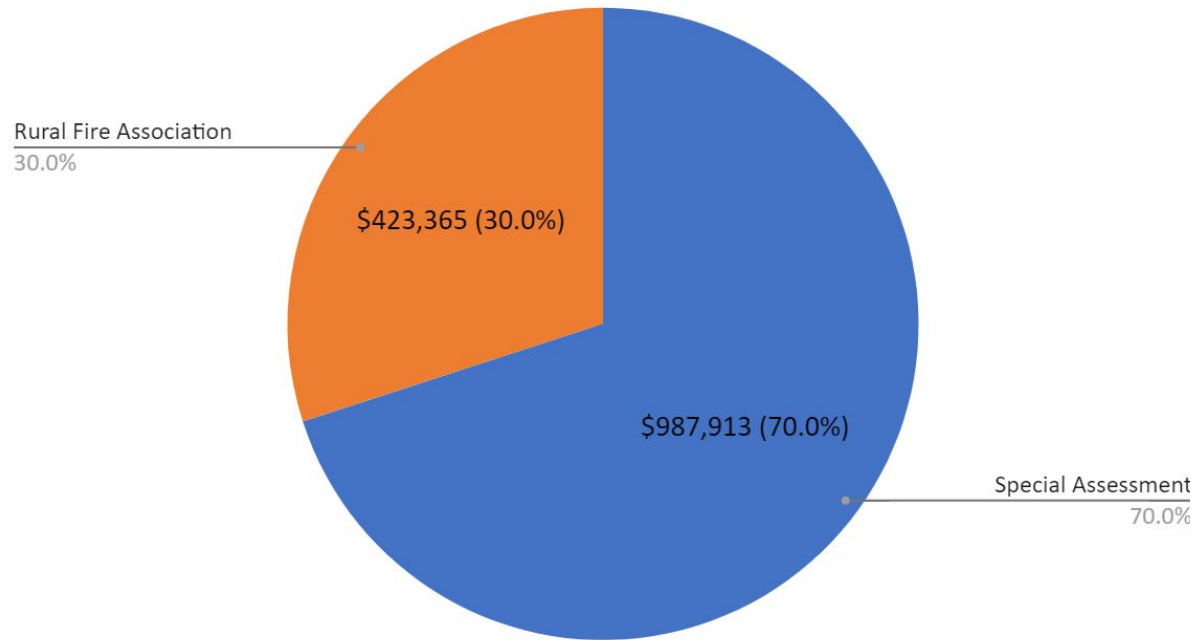
One Dollar



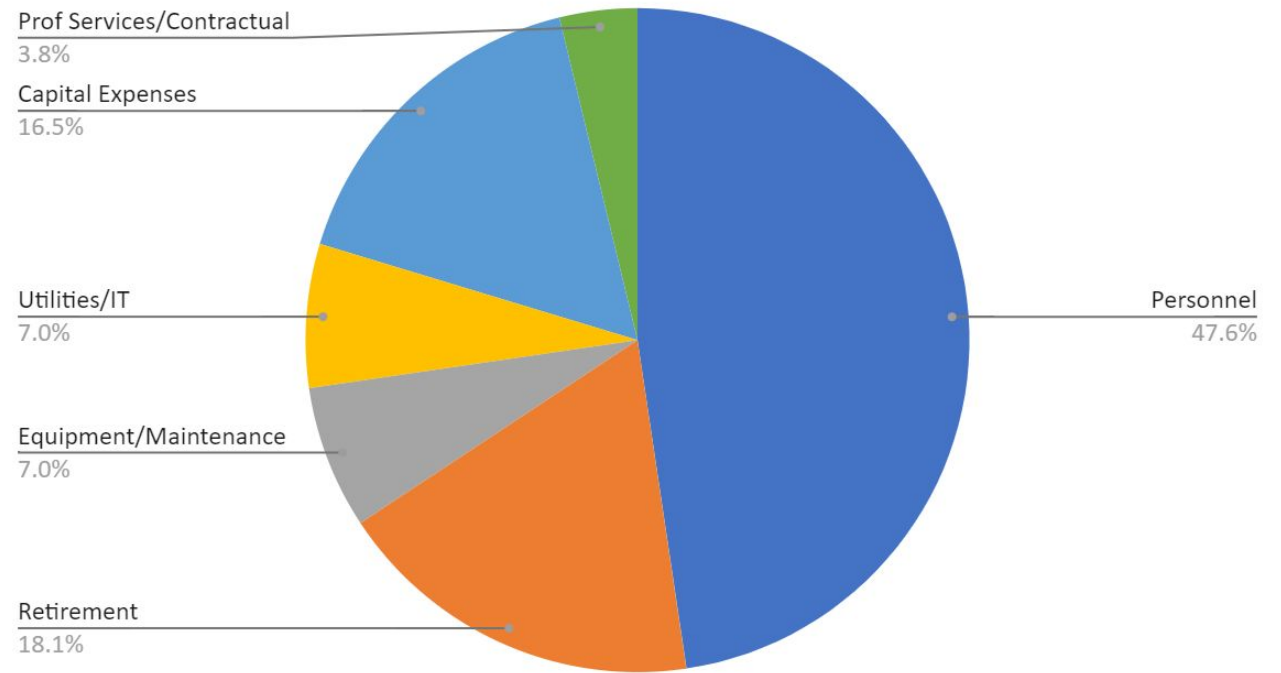
City of Charlotte	30.52 cents
Charlotte Public Schools	30.62 cents
Eaton RESA	7.15 cents
Eaton County	28.84 cents
Charlotte Library	2.65 cents
State of Michigan	.02 cents

# SPECIAL ASSESSMENT DISTRICT FIRE PROTECTION FUND

Fire Dept Revenues



Fire Dept Expenditures



Revenues less expenditures: **\$46,090**

Taxable Value (half market value)	Cost per Year 3.75 Mill	Cost per Month 3.75 Mill
30,000	\$112.50	\$9.38
44,000 (avg taxable value in Charlotte)	\$165	\$13.75
75,000	\$281.25	\$23.44
100,000	\$375	\$31.25

Taxable Value (half market value)	Cost per Year 4.5 Mill	Cost per Month 4.5 Mill
30,000	\$135	\$11.25
44,000 (avg taxable value in Charlotte)	\$198	\$16.50
75,000	\$337.50	\$28.13
100,000	\$450	\$37.50

## Cost for Special Assessment for Fire Protection

Funds will remain in Charlotte and can only be used for fire department operations and capital expenses

# REQUIRED REDUCTIONS - 3.75 MILL

## OPERATIONAL

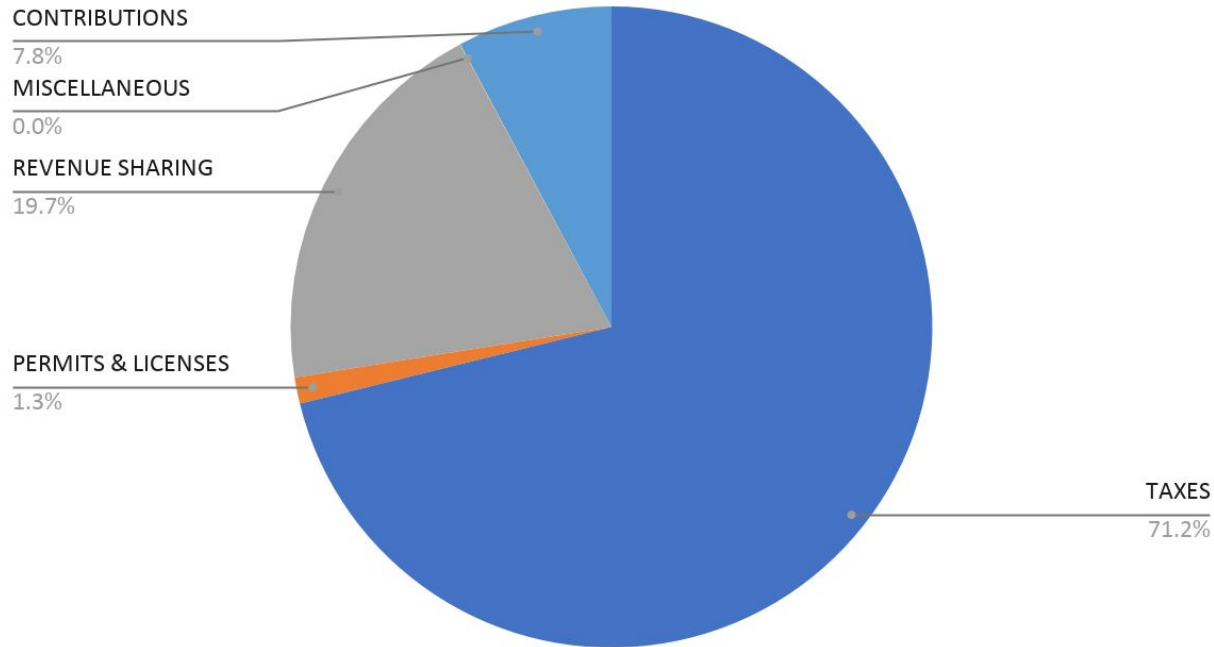
- LAY OFF TWO FIREFIGHTERS
- CONSIDER PART-TIME FIRE CHIEF
- CLOSURE OF ONE STATION OR STAFF P/T

## CAPITAL

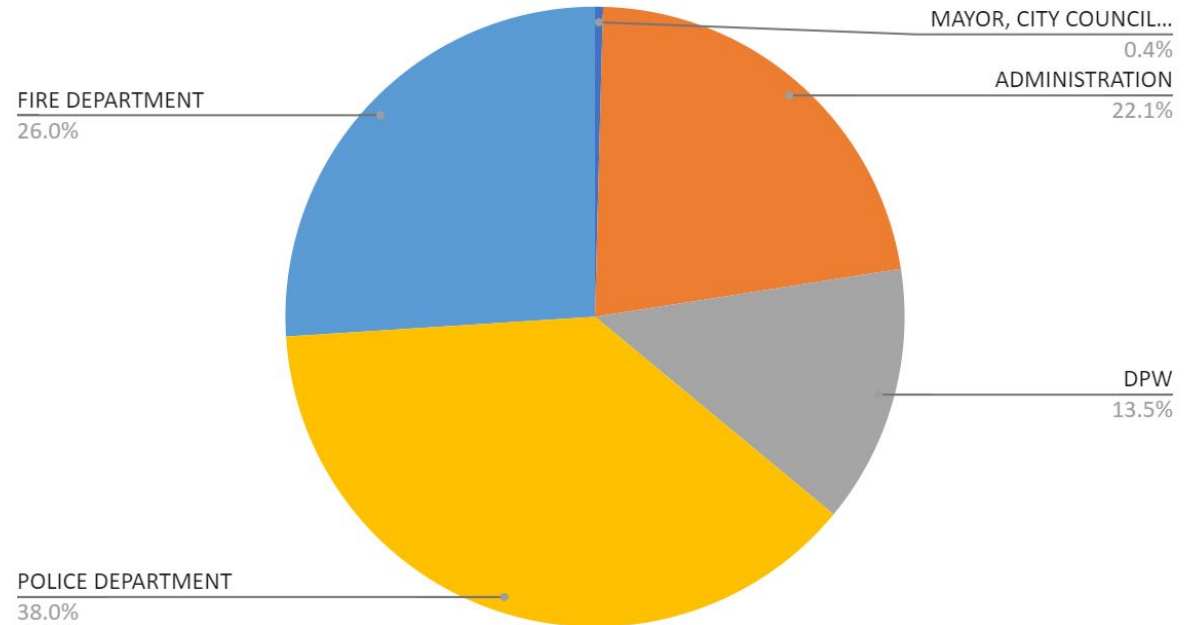
- DELAY PURCHASE OF MINI-PUMPER
- REDUCE EQUIPMENT REPLACEMENT

# GENERAL FUND FISCAL YEAR 21-22

## GENERAL FUND REVENUE BREAKDOWN FY 21-22



## GENERAL FUND FY 21-22 PROJECTED EXPENSES



Revenues less Expenditures: **-\$999,414**



# GENERAL FUND – COST CONTAINMENT

OPERATING EXPENSES ONLY		2021-22
	DEPARTMENT	BUDGET
	MAYOR, CITY COUNCIL & BOARDS	\$27,150
	ADMINISTRATION	\$1,300,602
	DPW	\$835,193
	POLICE DEPARTMENT	\$2,289,245
	FIRE DEPARTMENT	\$1,365,188
	<b>TOTAL APPROPRIATIONS</b>	<b>\$5,817,378</b>
	Revenue	\$5,291,086
<b>NET OF REVENUES/APPROPRIATIONS - FUND 101</b>		<b>-\$526,292</b>

# CITY-WIDE IMPACTS

## ADDITIONAL CUTS TO OTHER CITY DEPARTMENTS

- LAY OFF POLICE OFFICERS (LOWERED RESPONSE TIMES/PRIORITIZATION OF CALLS)
- REDUCE PARKS MAINTENANCE
- ELIMINATE PARKS EQUIPMENT REPLACEMENT
- ELIMINATE TREE MAINTENANCE (EMERGENCY RESPONSE ONLY)
- REDUCE PARKING LOT MAINTENANCE