



Management Consulting Services

Organizational Analysis, Fiscal Assessment and Recommendations

November, 2020

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Insights and applications for better financial management

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Project Scope

It is a privilege to work with the elected officials and staff of the City of Charlotte. Everyone involved in this process has been candid during interviews (stakeholder interview list included as [Appendix A](#)). The hospitality and willingness to share individual and collective views of the city's operation has all been professional and constructive.

In September 2020, Vettraino Consulting entered into an agreement with the City of Charlotte, Michigan to perform an Organizational Analysis and Fiscal Assessment in cooperation with city elected officials and staff and to make recommendations for improved effectiveness. The original scope of work included a deadline for the Organizational Analysis of October, 2020 and a deadline for the Fiscal Assessment of November, 2020. Prior to starting the project, the city and consultants agreed to a consistent deadline of November 2020 and for the recommendations to be delivered jointly in one report.

This engagement involved:

- Interviews with city department heads, manager, interim manager and interim clerk, the Mayor and each City Councilmember and personal observations of the department;
- A request and review of city operational and financial documents, including agreements, contracts and financial disclosures;
- The design, distribution and collection of a peer community survey; and
- Professional research regarding community data and best practices.

The consultants, Jaymes Vettraino and John Kaczor (biographies included as [Appendix B](#)), used a phased approach for this project:

Phase 1:	Preliminary Assessment and Refining of Objectives
Phase 2:	Analysis of Current Staffing and Financial Conditions, through Stakeholder Interviews and Review of Available Data
Phase 3:	Development of Additional Data, Analysis and Benchmarking
Phase 4:	Development of Organizational Analysis and Staffing Alternatives and Recommendations
Phase 5:	Presentation of Organizational and Staffing Findings
Phase 6:	Development of Financial Alternatives and Recommendations
Phase 7:	Presentation of Financial Finding

The project phases were performed consistent with the consultants' response to the request for proposal, modified slightly to meet the demands of the project.

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Executive Summary and Priority of Recommendations

There are over 50 recommendations included in this report. Each recommendation should be considered by the elected officials and staff based on Charlotte's ability and willingness to take action on the recommendation. The consultants researched, surveyed, interviewed and considered options over a three month period and have used their professional experience to develop these recommendations. Charlotte elected officials understand residents' priorities and staff has expertise in the day-to-day operations of the City; this understanding and expertise should be used by the City to consider its prioritization of the recommendations.

A risk to the City in receiving a comprehensive report, with numerous significant financial, organizational and policy recommendations, is individual stakeholders may focus on only a small number of the recommendations that impact their interest and advocate only for those particular recommendations (to be acted or not acted on). City Council must take a comprehensive view of the report and be certain that all of the larger policy recommendations and the day-to-day transactional recommendation are being considered systematically. As noted throughout the report some recommendations, [particularly those related to stabilizing the General Fund](#), are dependent on each other and must be considered together. Other recommendations should be executed in successive order.

City Council and staff cannot review, study and take action on all of the recommendations immediately. Prioritization of actions will be extremely important as the City implements the consultants' recommendations. In the consultants' opinion, recommendations related to the Administrative Office, Fire Department fund, General Fund structural deficit and underfunded pension liability are the most urgent for City Council to take action on.

The next two pages of the report provide short summaries of the recommendations included in the report. The consultants have attempted to prioritize the recommendations based on their immediacy to be addressed, but the City must also systematically review and prioritize the recommendations based on the City Council's priorities and staff's feedback.

The consultants also ***strongly recommend City Council consider appointing an Advisory Board to systematically review the recommendations***. As noted in the [Conclusion](#), the Advisory Board would spend time reviewing this report in detail and provide suggestions for action to City Council. The Advisory Board would be responsible for making sure all report recommendations are considered and for follow-up to make sure actions happen to effectuate the recommendations approved by City Council.

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Each recommendation is hyperlinked to the section where the recommendation is made:	
Financial	Organizational
Immediate Recommendations (within 1 to 6 months)	
<ol style="list-style-type: none"> 1. The General Fund has a structural deficit of \$500,000 which must be remedied. 2. Achieve 60% funding of the pension liability by 12/31/2022. 3. Move cost of trimming trees in public right-of-way to the appropriate Major/Local Street Fund 4. Bonding for Water/Sewer capital projects over the next two years and use cash designated for the projects to make additional contributions to MERS. 5. Loan \$500,000 from the LDFA Fund to the General Fund to make an additional contribution to MERS. 6. Subscribe to pension liability management software. 7. Utilize a financial forecasting tool throughout each year to evaluate changing financial conditions and make adjustments to prevent negative financial performance. 	<ol style="list-style-type: none"> 1. Restructure the administrative office. 2. Negotiate to terminate the financial services agreement early. 3. Transfer development plan review to a planning consultant. 4. Set plan review fees to match costs. 5. Transfer building inspection/enforcement to the Community Development Department. 6. Set inspection/enforcement fees closer to costs. 7. Retain a part-time code enforcement officer or contract for this service. 8. Avoid subsidization of the airport. 9. Include additional metrics for billing fire services. 10. Begin the selection process for a new Fire Chief. 11. Follow the City/RFA FSA process for Fire Chief selection. 12. Utilize a facilitator for the Fire Chief Selection process. 13. Create a separate fund for the Fire Department. 14. Establish a 10-year capital plan for Police. 15. Provide single hauler curbside refuse/recycling. 16. Consider if in-curb leaf/brush pick-up can be eliminated.

Each recommendation is hyperlinked to the section where the recommendation is made:	
Financial	Organizational
Short-Term Recommendations (within 6 to 12 months)	
<ol style="list-style-type: none"> 8. Establish fund balance policies. 9. Develop a comprehensive and broad-based cost allocation plan. 10. Consider a new credit card processing company. 11. Eliminate yard waste and recycling millage. 12. Levy a millage under the provisions of PA 359. 13. Ask voters to approve up to a 3.50 mill tax to support the cost of fire service. 14. Develop a 20-year road improvement plan. 	<ol style="list-style-type: none"> 17. Provide clear policy and service priority direction prior to budget requests. 18. Review service level expectations annually. 19. Consider a four-day, ten-hour per day, work week for the Administrative Office. 20. Require position descriptions. 21. Adopt pay ranges for all non-union positions. 22. Community Development host quarterly meetings with the Vision 2025 stakeholder group.

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Each recommendation is hyperlinked to the section where the recommendation is made:	
Financial	Organizational
Longer-Term Recommendations (12+ months)	
<p>23. <i>Develop a citywide 10-year Capital Improvement Plan.</i></p> <p>24. <i>Closely track asset purchases with useful lives in excess of one year.</i></p> <p>25. <i>Increase the capitalization threshold for infrastructure and buildings.</i></p> <p>26. <i>Require property owners to share in the cost of sidewalk repair.</i></p> <p>27. <i>Assess cost of outsourcing street-line striping.</i></p> <p>28. <i>Consider subscribing to cloud-based water/sewer rate-setting software.</i></p> <p>29. <i>Target a cash reserve for the Water/Sewer Fund of \$2.0M to \$3.0M</i></p>	<p>30. <i>Amend the general purchasing policy.</i></p> <p>31. <i>Update the Charlotte Personnel Manual.</i></p> <p>32. <i>Assess City's engagement level with LEAP.</i></p> <p>33. <i>Explore forming a regional Fire Authority.</i></p> <p>34. <i>Perform a staffing study of the Fire Department</i></p> <p>35. <i>Consider addressing the Police's flat command structure, after the General Fund is stabilized.</i></p>

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Demographics and Government Funding

A critical component of this project is to select appropriate comparable cities to compare with Charlotte. The consultants identified eleven cities¹ to review as benchmarks. After review of publicly available demographic and government funding data, the consultants identified nine cities² as the best match to send comparable city surveys. Six cities³ completed the benchmark city survey.

Below is the demographic data for the participating benchmark cities⁴:

Demographics	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
County	Eaton	Eaton	Barry	Hillsdale	Calhoun	Ingham	Lenawee	
County Seat	Yes	No	Yes	Yes	Yes	Yes	No	4/6
Distance from Charlotte	0	14.2	24.7	45.5	20.5	19	59.5	30.6
Population	9,091	7,805	7,284	8,125	7,021	8,447	8,346	7,838
Median Age	37.8	39.1	34.8	28.8	42.9	37	42.3	37.5
Average Household Size	2.36	2.13	2.33	2.45	2.22	2.35	2.27	2.3
Average Family Size	2.99	2.87	3.06	3.18	2.92	2.83	2.75	2.9
Number of Households	3,675	3,649	3,051	2,819	3,104	3,279	3,630	3,255
Median Household Income	\$46,863	\$60,930	\$50,378	\$38,934	\$50,000	\$60,661	\$54,052	\$52,493
Poverty Level	15.5%	10.5%	16.0%	24.1%	13.0%	7.0%	9.1%	13.3%
Unemployment Rate	6.0%	2.8%	8.2%	7.4%	4.9%	3.6%	3.1%	5.0%
Renter Occupied	38.7%	33.3%	36.9%	47.4%	36.9%	36.4%	31.8%	37.1%
Median Home Values	\$104,300	\$136,700	\$104,300	\$86,500	\$116,800	\$124,800	\$129,300	\$116,400

Generally, Charlotte has more population, lower household income, higher poverty and unemployment rate, and a lower median home value than the average of the surveyed cities.

Looking at the local government funding data⁵ from the same six cities:

Financials	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
Taxable Value	225,810,181	227,929,382	197,979,729	130,743,368	210,555,591	234,505,167	265,764,219	211,246,243

¹ Coldwater, Eaton Rapids, Grand Ledge, Hastings, Hillsdale, Howell, Ionia, Marshall, Mason, St.Johns, and Tecumesh

² Grand Ledge, Hastings, Hillsdale, Howell, Ionia, Marshall, Mason, St.Johns, and Tecumesh

³ Grand Ledge, Hastings, Hillsdale, Marshall, Mason, and Tecumesh

⁴ "Avg of Comps" does not include Charlotte in the calculation

⁵ Source: Michigan Treasury, 2019 F-65 Database; City of Charlotte 2019 financial statement; City of Grand Ledge 2019 financial statement

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Revenues								
General Fund	5,817,229	3,142,150	4,746,320	4,719,018	7,211,801	6,996,499	5,840,337	5,474,571
Other Gov't Funds	1,846,094	2,902,034	2,310,481	3,626,901	2,882,334	2,371,320	3,121,259	2,869,055
Expenditures								
General Fund	6,420,667	3,141,334	4,448,201	4,702,869	6,609,234	6,086,264	5,776,723	5,179,316
Other Gov't Funds	2,385,744	3,378,609	2,068,675	3,711,434	2,955,860	2,053,759	2,736,828	2,817,528
General Fund Balance	2,334,421	1,366,366	2,498,037	934,591	3,268,431	5,790,159	2,324,418	2,699,990
GF Fund Balance as % of Total Exp	36.4%	43.5%	56.2%	19.9%	49.5%	95.1%	40.2%	50.7%

Taxable value in the benchmark communities is slightly less than in Charlotte. General Funds and other governmental funds revenues and expenditures are, on average, similar. Charlotte has the second-lowest fund balance, as a percentage of expenditures.

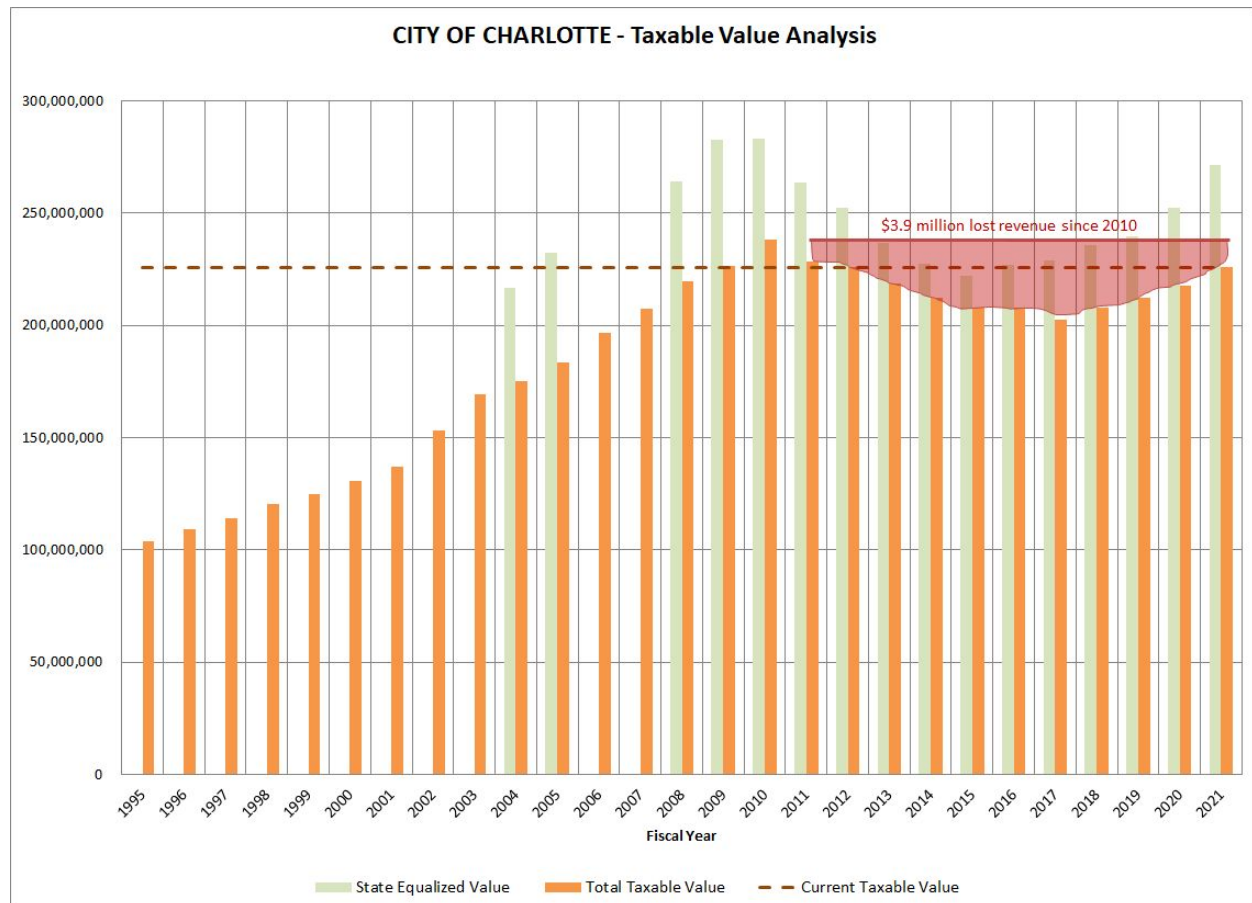
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Fiscal Assessment

Charlotte is facing a structural deficit in its General Fund. This deficit is driven in large part by lower tax revenues since the recession of 2009. As illustrated in the chart below, the City's taxable value was rising at an average annual rate of 5.7% from the passage of Proposal A in 1994 to peak value in 2010. Since 2010, average annual changes have been -0.5%. The City's tax base in FY 2021 still has not recovered from the recession. Over the past 10 years, the City has collected \$3.9 million less than it would have if taxable value had remained at 2010 levels.

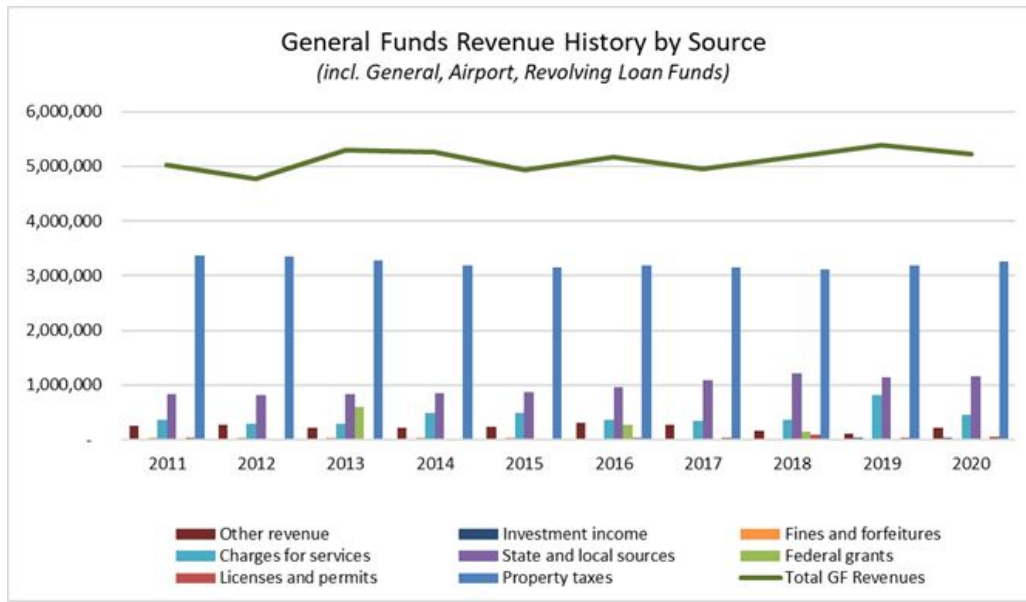


The reduction in property tax revenues has been partially offset by increases in state and local source revenues (primarily revenue sharing and the new Local Community Stabilization Share payments). However, over the past 10 years, there have been only modest increases in revenues. Excluding debt proceeds and transfers in, revenues in the General Funds have increased only 0.65% each year since 2011.

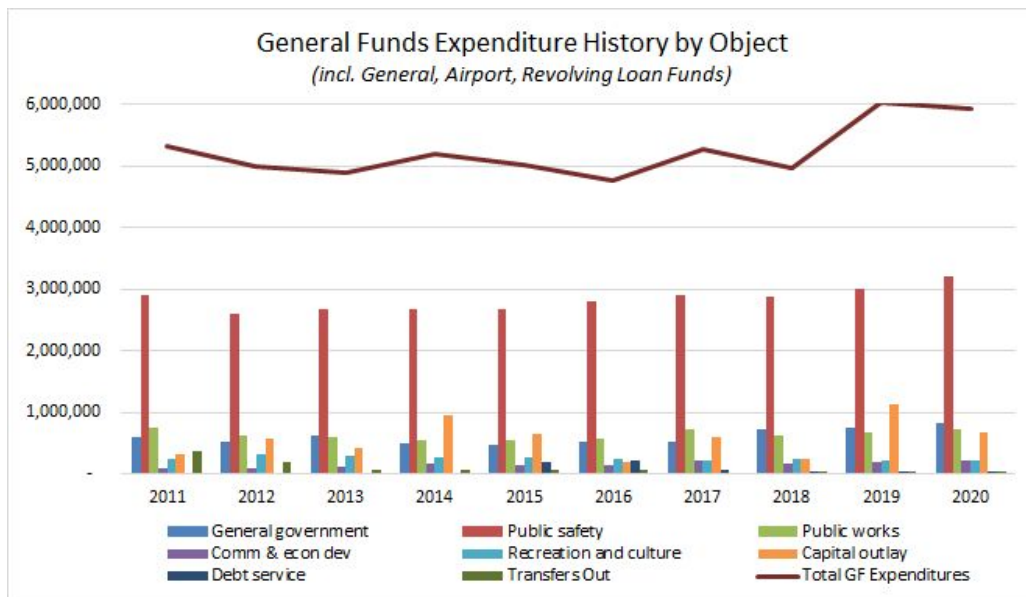
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Operating expenditures (excluding capital and transfers out) over the same 10-year period have increased 1.5% per year. If capital outlays are included, expenditures have increased nearly 2% per year.



The growing imbalance between revenues and expenditures has resulted in a structural deficit of about \$500,000 annually. **To remedy the structural deficit in the General Fund, the City needs to identify at least \$500,000 in cost reductions, revenue increases, or a combination of reduced costs and increased revenues.**

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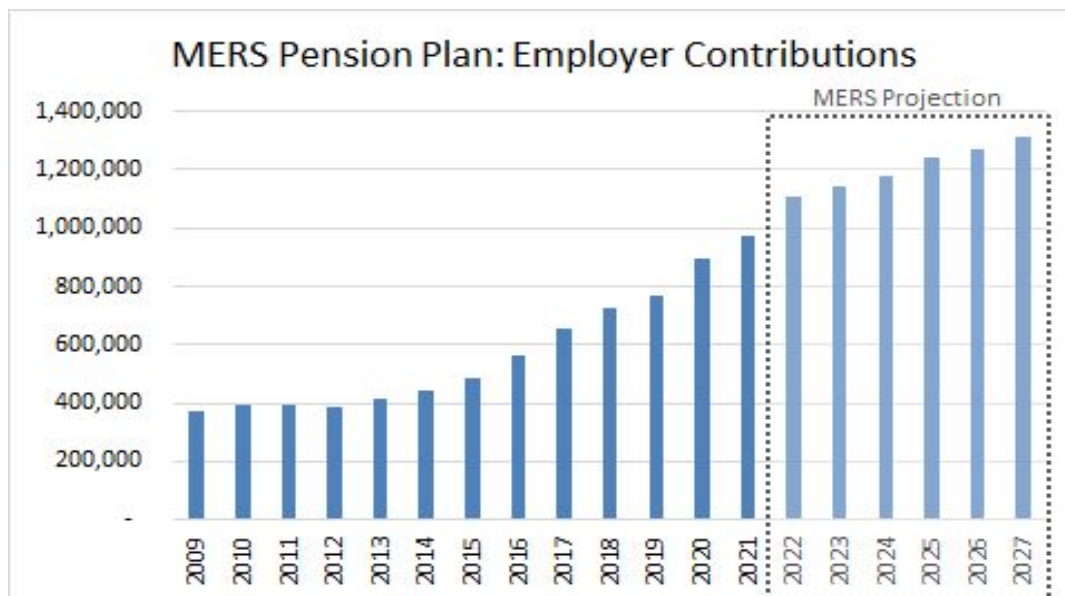
To put this in perspective, each of the following options represents approximately \$500,000 in the General Fund. (Note: These are not recommendations, they are intended to demonstrate the need for a mix of options to address the deficit as anyone of these options would likely not be practical as a single solution.)

- Increase property taxes by 2.25 mills
- Double the cost recovery for fire services and nearly double the revenue from permits, state grants, fines and fees, and licenses
- A 50% increase in State revenue sharing
- Eliminate 5 of the City's 10 full-time Police Officers
- Eliminate all of the City's 5 full-time Fire Lieutenants and Captains
- Eliminate all Clerk/Treasurer and Community Development staff positions, and keep the fire chief part-time
- Eliminate all capital expenditures in the GF, including the City's share of fire vehicles
- Eliminate all Mayor & Council, parking services, tree work, city hall maintenance and parks and recreation expenditures

This study has evaluated a number of other operating and financial scenarios which, when combined, could resolve the structural deficit.

MERS Pension Funding

One of the primary cost drivers in the General Fund in recent years has been the increasing annual required contribution (ARC) to the City's pension plan. The chart below illustrates the total ARC paid from 2009-2021, as well as the current projected costs for the next six years.



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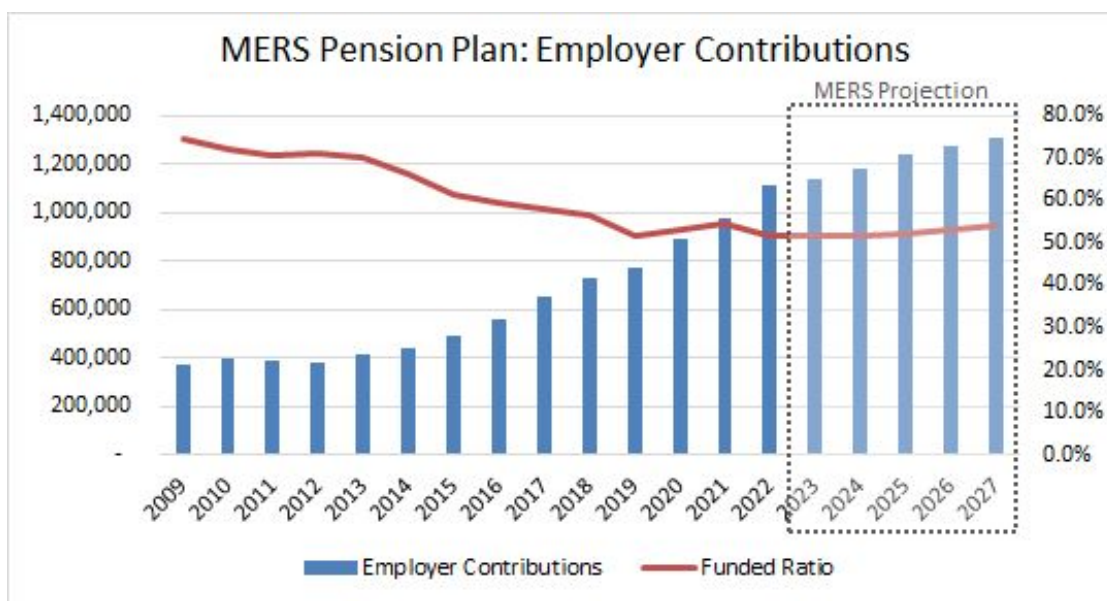
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Over the past 12 years, the City's contributions have risen from just under \$400,000 in 2009 to almost \$1M this fiscal year. MERS is forecasting the ARC will rise to over \$1.3M by 2027.

The General Fund accounts for about 73% of total pension contributions in the current year. Using this estimate, the General Funds' pension costs have risen from approximately \$272,000 in 2009 to \$710,000 this FY. This level of expenditure increased during a time when tax revenues have declined and total revenue has been flat has amplified the imbalance in the General Fund.

According to the latest pension actuarial valuation report, dated 12/31/2019, the City's pension plan is currently 53% funded⁶. This is the lowest level of funding since 2009, even though the City's contributions doubled between those years, and the City significantly reduced pension benefits for all new hires beginning in 2012⁷. The lower funded ratio is due primarily to a number of actuarial assumptions that have changed in recent years, which has resulted in a higher actuarial accrued liability. The current forecast for the ARC is expected to improve the funded ratio only slightly over the next six years (reaching 54% in FY 2027). MERS expects Charlotte will reach 60% funding between 2028-2030⁸, but this is questionable given the trends in funded ratios presented by MERS.



Meanwhile, in 2017, the State adopted Public Act 202, which requires a minimum 60% funded ratio for public pensions. Systems with a lower funded ratio must annually prepare and submit a corrective action plan to the State. The City's most recent corrective action plan indicated the following prospective actions were proposed to address the shortfall in funding:

⁶ Charlotte ranks among the lowest 25% of Michigan cities in its funded ratio (based on 2018 valuation).

⁷ Effective July 1, 2012, all defined benefit plans were closed to new hires. New hires are enrolled in hybrid plans that cap annual employer contributions.

⁸ The chart on page 7 of the City's 2019 actuarial valuation shows that the funded ratio will be 60% by fiscal year 2028.

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The City Council will consider proposing [a] millage dedicated to address the MERS unfunded accrued liability or imposing a public safety special assessment to address MERS unfunded accrued liability for police and fire pensions or a combination of the two. It is expected that action on these matters will occur prior to December 31, 2020.

Prior to moving forward with the above action(s) the City opted to first undertake a comprehensive review of the City's operations and finances to determine the best resolution to pension funding, within the larger context of City services and financial needs. This report summarizes the findings and recommendations of that study, including options for achieving 60% funded ratio within two years. **A primary recommendation of this report is for the City to take the necessary actions required to achieve 60% funding of the pension by 12/31/2022.**

Property Taxes

Compared to the benchmark communities, Charlotte has a lower total tax levy than all but two cities. The general operating millage in Charlotte is consistent with the average levy in other benchmark cities.

Property Taxes	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
Total City Tax Rate	15.4326	11.2506	16.9629	19.8962	19.4853	15.2500	16.0924	16.4896
General Operating Millage	14.2796	10.4474	15.9661	12.4337	17.1629	15.2500	14.2700	14.2550
Debt Millage	0.9000			2.9810			1.8224	
Yard Waste	0.1800				0.4882			
Recycling	0.0730							
Recreation		0.8032			0.9171			
City Cemetery			0.9968					
Public Safety Equipment, Vehicle & Capital				1.0000				
Street Improvements				2.4868				
Public Library				0.9947				
Dial-A-Ride					0.9171			

Charlotte has a Charter limit of 15 mills for its general operating levy. Due to Headlee reductions, the maximum allowable general operating levy is now 14.2798 mills. The City is currently levying all but 0.0002 mills, which equates to only \$45 in property tax income. The Michigan Constitution allows municipalities the option of resetting the millage to the Charter maximum, if approved by voters. A "Headlee override" could generate about \$162,000 more in general operating taxes, based on current taxable values in the City.

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Municipal Debt

The City carries a relatively low debt load, as seen in the benchmark data below⁹. Only one other comparable community has a lower debt per capita than Charlotte, while half of the benchmark cities have more than double the amount in Charlotte.

Citywide Debt	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
Long-term debt (million)*	\$4.93	\$11.89	\$0.87	\$8.63	\$15.36	\$7.24	\$6.04	\$8.34
Long-term debt per capita	\$542	\$1,523	\$120	\$1,062	\$2,188	\$857	\$724	\$1,079

Charlotte is well within the legal limit for municipal debt. Current outstanding debt represents only about 9% of the debt limit.

Fund Balance and Reserves

General Fund fund balance declined from \$2,334,421 at the end of FY 2019 to \$1,257,117 at the end of FY 2020. This represents a decline from 36% of expenditures to 18% of expenditures. The current budget year could see a further decline in fund balance, to \$591,000 or 10% of expenditures.

Charlotte does not have a formal fund balance policy. In conversations with elected officials in Charlotte, the majority of Council members expressed a desire to maintain a balance of 15%-20% in the General Fund. This is consistent with the policies we identified in several of the benchmark cities, including:

- Grand Ledge: *maintain an unassigned fund balance of 25% of annual budgeted GF expenditures less non-recurring capital expenditures*
- Hillsdale: *minimum General Fund balance reserve of 15%*
- Marshall: *15-20% of annual expenditures in unrestricted fund balance, OR 1.2 debt service ratio, whichever is greater*

Charlotte should establish a fund balance policy for the General Fund¹⁰ and other funds.

It is important to identify whether the policy applies to total fund balance or unassigned fund balance, and whether it includes capital expenditures or not. As a guiding principle, the

⁹ Source: MI Treasury 2019 F-65 database

¹⁰ GFOA recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for GAAP and budgetary purposes. Such a guideline should be set by the appropriate policy body and articulate a framework and process for how the government would increase or decrease the level of unrestricted fund balance over a specific time period. In particular, governments should provide broad guidance in the policy for how resources will be directed to replenish fund balance should the balance fall below the level prescribed.

<https://www.gfoa.org/materials/fund-balance-guidelines-for-the-general-fund>

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Government Finance Officers Association (GFOA) is in agreement with the Government Accounting Standards Board (GASB) in recommending “...at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months [16.67%] of regular general fund operating revenues or regular general fund operating expenditures. The choice of revenues or expenditures as a basis of comparison may be dictated by what is more predictable in a government’s particular circumstances.” (GASB Statement No. 54)

If we apply the above policy to the current General Fund budget, the City should have a minimum, unrestricted fund balance of about \$1M.

Other considerations when evaluating fund balance needs for governmental and enterprise funds might include:

- Debt service coverage
- Insurance deductibles
- Payroll and benefits
- Grant funds used to pay for recurring operating expenditures
- Accumulated liabilities for compensated absences
- Capital replacement

We will discuss reserve fund balance levels for the Water and Sewer Fund later in this report. A good example of a detailed, comprehensive fund balance policy can be found in the [City of Loveland, CO](#).

Budgeting

Charlotte prepares a traditional one-year budget for all of its funds. For the most part, personnel costs, revenues, debt service expenditures and internal service charges are prepared centrally by the City Manager, HR Director and finance staff. Department heads contribute to the budget with updated operating and capital needs, staffing requests and other small adjustments. Once compiled, the budget is reviewed by management and adjustments are made to align expenditures as closely as possible with anticipated revenues. A recommended budget is presented to Council for consideration, adjustments and approval.

This budget process is fairly typical for a city the size of Charlotte. In our conversations with elected officials, we heard a desire for the Council to be more involved with budget development. To achieve this objective without micromanaging staff, the **Council should provide clear policy and service priority direction to the City Manager and department heads, prior to departments preparing their budget requests**. This might include a minimum fund balance policy, as discussed above, as well as policies related to capital investments, debt financing, use of one-time revenues, service priorities, allowable uses of fund balance, pension funding minimums, etc. Level of service policies would include minimum staffing, frequency of

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utility billing, solid waste, recycling and yard waste removal expectations, code enforcement, community promotion, and a range of other service level considerations.

Policies and service level expectations should be reviewed, revised and affirmed early on in the annual budget process. This would help staff focus on the priorities and policies established by Council as they work through the budget process. Many cities have found an annual goal setting session or retreat, including input from department heads and the public, can be a useful format for establishing budget priorities. Examples of policies, budget priorities and goal setting strategies can be found in other communities, so the City can build off of what others have already thought through and documented.

During the annual budget process the City should review and update the Financial Forecast prepared as part of this study. The Financial Forecast should be used early in the budget process to update revenue and expenditure estimates for the current year and evaluate opportunities or limits on funding key priorities for the next fiscal year.

Capital Planning

In addition to the annual operating budget, Charlotte also prepares a five-year Capital Improvement Plan (CIP). The current plan appears to include only public works related capital items (parking lots, parks, streets, water & sewer, motor vehicle pool). Not included in the CIP are police and fire vehicles and equipment, computers and related hardware, building improvements, airport and other operations. The best practice in the area of capital planning is to prepare an organization-wide evaluation of all capital assets and document the expected remaining life, estimated replacement cost and approximate timing of the needed improvement, replacement or acquisition of capital items.

To ensure adequate capital planning, ***the City should develop a 10-year or longer comprehensive CIP and update it annually.*** This would include all city departments and operations. The plan should identify the project, why the investment is needed, estimated total project/equipment cost, the funding source(s) with amounts, and estimated year of purchase. A prioritization process could also be established to rank capital needs based on important criteria (e.g., health and safety, operational efficiency, level of service, timing of need, project funding, economic development, etc.). Annually, the plan should be updated, capital needs reevaluated, and a new CIP adopted. PA 33 of 2008 ("Michigan Planning Enabling Act") requires a minimum of a 6-year CIP and stipulates the role of the Planning Commission and legislative body in this process.

Some communities go the extra step of coordinating school, county and other bond requests and payoffs to comprehensively address the combined impact of capital and operating millages for the community.

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The recently created Revolving Loan Fund (RLF) provides an opportunity for the City to smooth the impact of costly capital projects up to 10 years. This fund should be seen as a strategic tool in the capital improvement planning process. As larger projects are identified in funds with limited cash reserves, such as the General Fund, the RLF can serve as a no-interest borrowing option. Another proactive strategy for capital financing is to set aside in a reserve fund the average annual capital needs identified in the CIP. Payment for capital items could be made from the reserve fund, which will minimize volatility in the operating fund.

Related to capital management, through our financial review, we noted the City's asset and depreciation schedules do not align with actual assets in use. This is likely due to a disconnect between operating departments and financial management at the City. Finance is not always aware of which assets have been acquired and which have been disposed throughout the year. To remedy this discrepancy, ***we recommend that inventory lists of any asset purchases with useful lives in excess of 1 year be maintained throughout the year by each department.*** The capital asset detail used for financial reporting could then be reconciled against this list at year-end (if not more regularly).

The City also could benefit from a formal capitalization policy. After conversations with the City's accountant, ***we recommend the City increase the capitalization threshold from \$5,000 to \$25,000 for infrastructure and \$10,000 for buildings and building improvements, and to keep a \$5,000 threshold for equipment.*** The capital inventory lists maintained by the City and used in financial reporting would still track purchases under the capitalization threshold.

Central Services Cost Allocation

The City provides many services through its General Fund that benefit all operations and funds. It is acceptable and appropriate to allocate these central service costs across all functions of government that benefit from them. The City has a cost allocation plan that allocates direct labor costs of key administrative personnel, some professional and contractual services (labor attorney, audit, accounting & payroll), and internet & telephone expenditures for central service departments. The allocation methods used in the plan are straightforward and simple.

We encourage the City to develop a more comprehensive and broad-based cost allocation plan that includes all central services allocated across all departments and operations of the City. The plan should include all costs associated with central services, including building use, labor, operations, direct costs and other expenditures appropriately identified as a function of each central service. This full cost account approach would help identify the true cost of all operations, which would improve transparency and policy decisions.

Financial Forecasting

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Increasingly, municipal governments are utilizing multi-year budgets and/or forecasting models to improve financial management and stability by taking a longer-range and comprehensive view of revenues, expenditures, capital needs, debt service obligations and cash reserves. As part of this study, we have developed a 10-year financial forecasting model, focused on eight primary funds:

- General Fund
- Major Streets Fund
- Local Streets Fund
- Airport Fund
- Information Technology Fund
- Revolving Loan Fund
- Motor Pool Fund
- Water and Sewer Fund

The model includes all general ledger line items in each fund, and each line item is forecasted based on assumptions assigned by the user. Primary assumptions used in the base (status quo) model include:

MASTER ASSUMPTIONS	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
General Inflation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Wage Rate Increase	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Public Utilities Rate Increase	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Healthcare Inflation	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
City Retirement Contribution	12.0%	2.9%	3.5%	5.1%	2.4%	3.2%	5.0%	5.0%	5.0%	5.0%	5.0%
Retiree Healthcare Contribution	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Gasoline & Oil Increase	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Longevity	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%
Change in Taxable Value	2.0%	2.0%	2.5%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
State-shared Revenue: Constitutional	0.0%	1.0%	2.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
State-shared Revenue: Statutory	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Administrative Fee	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Water Utility Billing	5.0%	5.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Sewer Utility Billing	5.0%	5.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
IT Fund Billing	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
MVP Equipment Rental	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Act 51 State Aid	1.5%	2.0%	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
% Fire Ops for Insp/Enf	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%
% Fire calls to Rural Fire Assoc.	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%

Additionally, we have included current debt schedules, the five-year CIP and some specific assumptions, including:

- Eliminated contributions from the General Fund to the Local Streets Fund, Police Training Fund, Recycling Fund and Airport Fund
- Increased the transfer from Major Streets to Local Streets
- Continued the County road millage revenues for all future years
- Used average capital values to estimate capital needs beyond FY 25-26
- Created a pro-forma model for funding future parking lot improvements using the Revolving Loan Fund, and estimating the repayment of the loans from the General Fund to the Revolving Loan Fund

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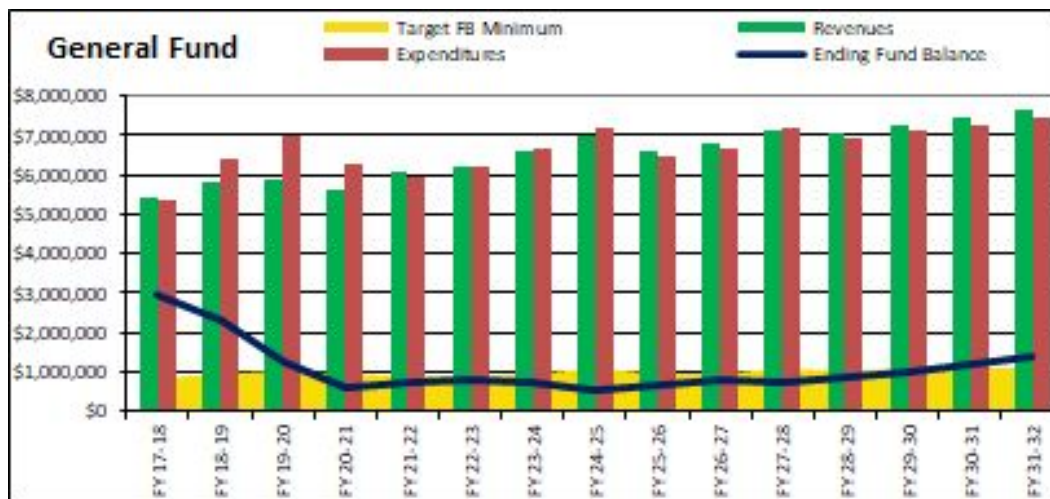
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The financial forecast resulting from this initial analysis is summarized in charts. Below is the General Fund forecast. Other funds' baseline forecasts and forecasts including the recommendations of this study are included in [Appendix C](#).



Of the eight funds forecasted, the most concerning forecast is for the General Fund. The structural deficit is clearly visible in the first chart, above. If the City can resolve the \$500,000/year structural deficit, the outlook for the General Fund changes dramatically:



The operational and financial analysis conducted in this study focused primarily on the General Fund, but we will also discuss findings and recommendations related to several other funds.

The financial model was used extensively to develop a baseline forecast, identify financial weaknesses, test capital investment capacity, evaluate different operating scenarios, explore pension funding options and more. We will reference the financial model and present updated charts based on recommendations later in the report.

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At the completion of this study, the City will be provided a working copy of the Excel spreadsheet Financial Forecast model. ***We would encourage the City to utilize a forecasting tool regularly throughout each year to evaluate changing financial conditions and make adjustments to prevent negative financial performance.*** If the City would prefer to explore a cloud-based subscription software solution to financial forecasting, we have included in [Appendix D](#) a reference to a software platform we have used for other clients.

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Operational Analysis

The operational analysis considered stakeholder interview feedback, review of City documents, results from the benchmark survey of communities and the data from the Financial Forecast.

Administrative Office

As of September/October 2020, the City had a City Manager and City Clerk-Treasurer position (filled), a vacant Deputy City Clerk position and contracted Finance/Accounting positions with Rehmann Robson. The City has adopted an Administrative Plan (2008) and had position descriptions for the positions of City Manager (pre-2008), Clerk-Treasurer (2008) and Deputy Clerk (2008). During the months of October/November 2020 the City is searching for a new City Manager and City Clerk. At the recommendation of the interim City Manager and the consultants the City Clerk position advertisement removed the "Treasurer" title from the position.

The functions of Planning, Economic Development, Code Enforcement and Building Inspection cross some responsibility with the Administrative offices, but will be addressed in the next section of this report.

Below are the city benchmarks for Administrative office positions:

Administration	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
FTEs								
<i>City Manager</i>	1	1	1	1	1	1	1	1
<i>City Clerk</i>	1	1	1.5	1	1	3	1.5	1.5
<i>Finance</i>	contracted	2	2.5	2	3	4		2.7
<i>Treasurer</i>	contracted	2	1	5	1	1	2	2
<i>HR / Payroll</i>	1 & contracted	1	0.5	1	2		1	1.1
<i>Utility billing</i>	1	1	1	4	1		0.5	1.5
<i>Assessor</i>	1 & contracted	0.5	0.5	1.5	contracted		1.75 (City also provides assessing to Twp)	1.1
<i>Administrative support</i>	1	3	0	1	1		1	1.2

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Based on the survey results, Charlotte reported 6 administrative employees, while the benchmarks reported an average of just over 10. Charlotte's decision to contract its finance operations contributes to its lower head count and lower number of employees available to perform (and provide back-up to perform) administrative duties. This low head count is detrimental to the effectiveness of the City's administrative office. The negative impacts of the lower head count may have been addressed in the recent past by long serving employees "wearing many hats" and closure of the office due to Covid-19, but with staff turnover and the need to serve the public, additional administrative employees are needed.

Based on the documents provided by the City and stakeholder interviews¹¹, below are the major categories of duties for each of the City's current positions:

Existing Administrative Structure:¹²

Position	Major Duties
City Manager	<ul style="list-style-type: none"> • Administrative duties as described in City Charter • Budget management • Communications (community relations) • Communications (internal/elected) • IT management • Various general ledger/tax accounting • Labor relations
City Clerk-Treasurer	<ul style="list-style-type: none"> • Statutory Clerk duties • Election duties • Various Treasurer/finance accounting • Human resources • Employee benefits administration • Payroll coordination • Risk management • Purchasing • Counter coverage
Deputy Clerk	<ul style="list-style-type: none"> • Vacant (in the past has covered some of the Clerk-Treasurer duties, with a primary focus on human resources)
Contracted Finance Contracted Payroll	<ul style="list-style-type: none"> • General ledger accounting • Various treasurer/finance accounting

¹¹ When there was a conflict between the duties in the Administrative Plan, job description or stakeholder interview, the consultant's judgement was used. For example, "coordinate economic development activities" is included in the City Manager job description but is assigned the Director of Community Development in the Administrative Plan. In the stakeholder interview, it is clear that the responsibility is with the Director of Community Development.

¹² The Deputy Clerk position has been vacant since early 2020, this was possible through the long-tenured Manager and Clerk employees absorbing the duties and the office closure required by Covid-19, but the vacancy of this full-time position is not sustainable.

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(RR)	<ul style="list-style-type: none"> ● Payroll
Deputy Assessor	<ul style="list-style-type: none"> ● Assessing duties
Acct. Cust. Serv. Spec.	<ul style="list-style-type: none"> ● Utility billing ● Counter coverage

In addition, the DPW Secretary has been assigned to assist the office staff.

DPW Secretary	<ul style="list-style-type: none"> ● Accounts payable ● Counter coverage
---------------	--

While the above structure has served the City for over ten years, turnover in all three full-time administrative positions, new goals established by the Vision 2025 plan and a desire for an improved level of service, the structure needs to be updated.

The consultants recognize in a small municipality employees often have various “hats” that they must wear and segregation of duties is not as practical as in larger municipalities. However, an operation the size of Charlotte, especially with new (or yet to be hired) employees, more segregation of duties and additional positions is necessary.

With a small staff, “back-up” is not always possible, however there are key functions at the core of the City that must be maintained through any transition of personnel. The City must focus on these services and be sure to have personnel that are able to fill-in in the absence of the individual with the primary responsibility.

The City must also provide a minimum number of employees responsible for serving the public at the City Hall counter and over the phone. For Charlotte, it is recommended there be a minimum of four individuals assigned for office coverage at all times.

Recommended Administrative Structure:

The below ***recommended administrative structure reassigns the major duties and provides “back-up” duties for each position. The structure also provides for additional people responsible for counter coverage, assuring a proper number of people are available to serve the public.***

Position	Major Duties	Back-up Duties
City Manager	<ul style="list-style-type: none"> ● Administrative duties as described in City Charter ● Budget management ● Pension and OPEB funding planning 	<ul style="list-style-type: none"> ● Communications (community relations) ● Human resources

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	<ul style="list-style-type: none"> and oversight • Labor relations • Strategic planning and Vision 2025 implementation • Economic development strategy and facilitation 	
City Clerk	<ul style="list-style-type: none"> • Statutory clerk duties • Election duties • Communications (internal/elected) • Counter coverage 	<ul style="list-style-type: none"> • Various treasurer/finance accounting as needed
Assistant City Manager ¹³	<ul style="list-style-type: none"> • Communications (community relations) • Human resources • Risk management • Purchasing • IT management • Counter coverage 	<ul style="list-style-type: none"> • Budget management • Labor relations • Strategic planning and Vision 2025 implementation • Employee benefits administration
Treasurer/ Finance Director	<ul style="list-style-type: none"> • Various treasurer/finance accounting • Real estate tax related duties • General ledger accounting • Employee benefits administration • Payroll coordination • Counter coverage 	<ul style="list-style-type: none"> • Budget management • Risk management • Purchasing • IT management • Pension and OPEB funding planning and oversight
Payroll Spec. Reporting to the Treasurer/Finance Director	<ul style="list-style-type: none"> • Weekly payroll • Quarterly and year end reporting • Counter coverage 	<ul style="list-style-type: none"> • General ledger accounting • Employee benefits administration
Deputy Assessor	<ul style="list-style-type: none"> • Assessing duties 	<ul style="list-style-type: none"> • Counter coverage
Acct. Cust. Serv. Spec. Reporting to the Treasurer/Finance Director	<ul style="list-style-type: none"> • Utility billing • Refuse/Recycling billing, as needed, coordination of service • General (non-building) permitting and billing • Counter coverage 	<ul style="list-style-type: none"> • Accounts payable • General ledger accounting • Real estate tax related duties
Acct. Payable Spec. (Part Time)	<ul style="list-style-type: none"> • Accounts payable • Counter coverage 	<ul style="list-style-type: none"> • Payroll coordination • Utility billing

¹³ The Assistant City Manager (ACM) position replaces the Deputy Clerk position. Duties such as human resources, purchasing and IT management most closely align with an ACM position. Elimination of the Treasurer duties from the City Clerk position reduces the need for a Deputy Clerk position. An ACM provides the City Manager more flexibility when assigning administrative duties. Alternatively, this position should be an Assistant to the City Manager position, which would be a position of lesser responsibility and a lower wage..

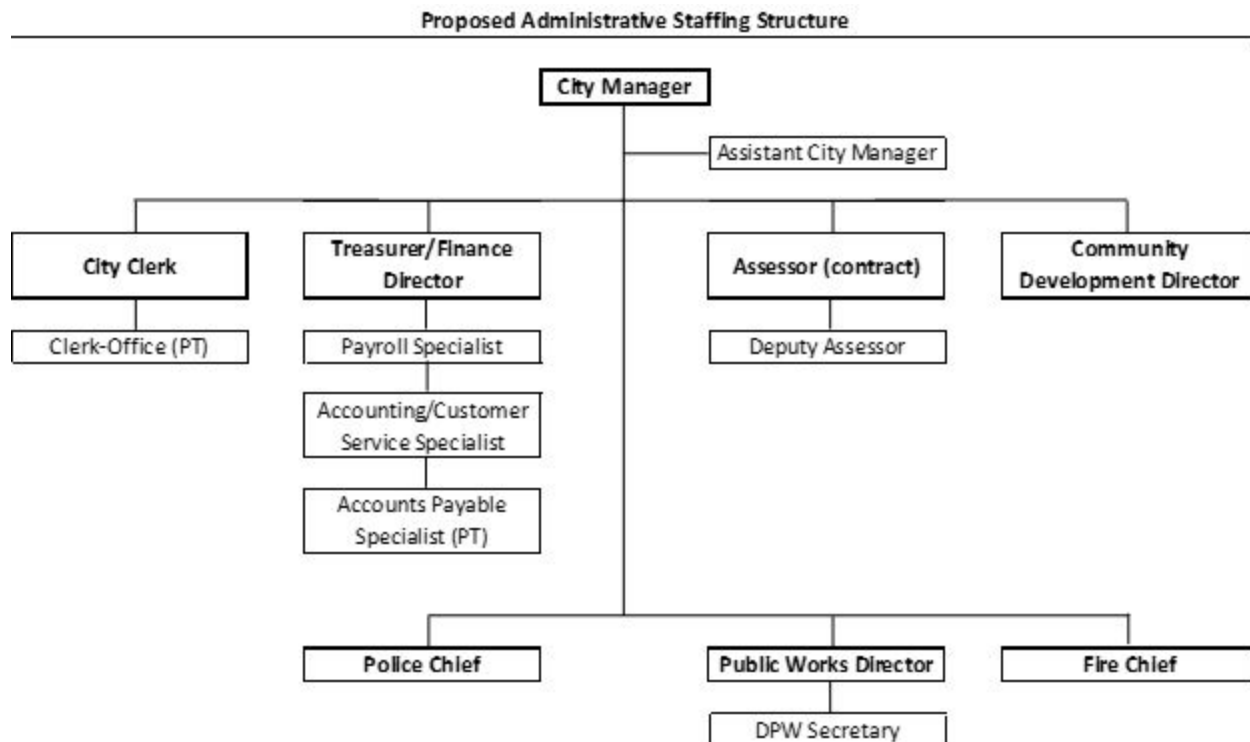
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Reporting to the Treasurer/ Finance Director		<ul style="list-style-type: none"> General (non-building) permitting and billing
Clerk Office Spec. (Part Time) Reporting to the Clerk	<ul style="list-style-type: none"> Assist with statutory clerk duties Assist with election duties Assist the Community Development office with administering public notice and meetings. Counter coverage 	<ul style="list-style-type: none"> Communications (internal/elected) Various treasurer/finance accounting
DPW Secretary	<ul style="list-style-type: none"> Assist DPW Director Counter coverage 	<ul style="list-style-type: none"> Utility billing Refuse/Recycling billing, as needed, coordination of service

The proposed administrative staffing structure is summarized in the chart below:



Based on the above recommended structure, a proposed Administrative Plan Ordinance has been drafted, [Appendix E](#). New position descriptions for City Manager, Treasurer/Finance Director, City Clerk and Assistant City Manager have been prepared as part of this report, [Appendix F](#). It is important to recognize that the above structure is recommended, but the primary and back-up duties should be adjusted based on the strengths and knowledge of the employees hired to the positions.

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The budget impact of the above changes are estimated as:

Administrative Staff	Base Pay from FY 20-12 Budget	Estimate Base Pay
	Current	Proposed
City Manager	100,006	100,000
City Clerk	83,242	78,500
Deputy Clerk	49,296	0
Assistant City Manager	0	55,000
Contracted Finance	106,500	0
Treasurer/Finance Director	0	78,500
Contracted Payroll	106,500	0
Payroll Spec.	0	41,766
Deputy Assessor	49,296	49,296
Acct. Cust. Serv. Spec.	49,296	49,296
Acct. Payable Spec.	0	18,000
Clerk Office Spec.	0	18,000
DPW Secretary	41,766	41,766
<i>Benefit est for new Payroll Spec. position</i>	0	13,052
<i>Benefit est for new Treasurer position</i>	0	24,531
TOTAL	585,902	567,707

The goal of the administrative realignment was to stay cost neutral. The above plan results in an estimated savings of \$18,195/year.

In order to implement this recommendation, the City will need to end its contracted services agreement for financial and payroll services with Rehmann Robson. The City's contract for FY 2019/2020 was a lump sum of \$213,000. It is unclear how much cost is assigned to each service, for purposes of this report it is assumed 50/50. The agreement with Rehmann Robson is for three years and has an end date of August 31, 2021, after that date the parties are required to provide 90 day notice of termination.

It is recommended the City engage in discussions with Rehmann Robson to terminate the services agreement early. If early termination is not possible, it is recommended the City ask to amend the agreement to only include payroll services from now until August 31, 2021. If renegotiations are successful, it is recommended the City develop a transition plan with Rehmann Robson and advertise for/hire a Treasurer/Finance Director.

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If the City decided to proceed with hiring the Treasurer/Finance Director position while still under contract with Rehmann Robson, the City will need to identify approximately \$8,000 per month during the transition period.

Regarding the “Payroll Specialist” position included in the recommended restructure, prior to hiring this position, the City should request proposals from payroll service providers, including Rehmann Robson, and consider keeping this a contracted service, if the cost is less than \$55,000 (the estimated full cost of a full-time employee to do this work). [Appendix D](#) includes contact information for two national payroll companies contacted by the consultants.

Additional Administrative Recommendations:

- **Consider a four-day, ten-hour per day, work week for the Administrative Office.** While this will remove one day of service for customers, ten-hour shifts will allow the City to open the office earlier and close it later to better serve customers. Four ten-hour days will also allow for efficient scheduling of part-time administrative employees (two alternating ten-hour days) and counter coverage support.
- **Consider amending §2-178 GENERAL PURCHASING POLICY of the City Code** of Ordinance to include a provision to require bidding of professional services at a minimum of every five years. Services that would be included in this policy would be auditing, assessing, airport management and legal. The City should start by bidding one of these services per year to space out the five-year cadence.
- **Consider a policy of requiring position descriptions for every position classification.** This can be an on-going project, starting with all newly-filled positions. The goal should be to have complete position descriptions for every classification and for these to be reviewed and updated at a minimum of every five years.
- **Consider adoption of pay ranges for all non-union classifications.** In order to establish appropriate pay ranges, the City should conduct a classification and compensation study. This two-part process is important for both establishing internal equity (classification) and external competitiveness (compensation).
- **Consider a review/update of the Charlotte Personnel Manual.** The last comprehensive revision to the Personnel Manual is noted as 08/09/2010. Generally, the Personnel Manual includes the necessary provisions, however, it should be comprehensively reviewed and updated at a minimum of every five years to include new employment laws, policies and/or benefit changes.
- **Review options for new credit card processing software/companies to potentially reduce fees assessed to payments.** According to bankrate.com, processing fees can vary considerably, and there may be fees and charges in addition to the processing fees (e.g., initial fees for terminals, service charges for insufficient funds, charges for

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disputes, etc.).¹⁴

Planning, Economic Development, Building, Code and Airport

Charlotte has one full-time position responsible for planning and economic development activities (including the airport), the Director of Community Development. The City utilizes its Fire Department for Building Inspection and Code Enforcement administration.

A consistent theme raised during stakeholder meetings was a strong desire to increase focus on code compliance and economic development. Similar themes are also included in the Vision 2025 plan.

The overarching recommendation of this section is to transfer building inspection and code enforcement responsibility to the Director of Community Development and for the Director to manage contracts with firms to perform most of the planning, code enforcement and building inspection duties. It is important that there be one individual that is accountable for planning, code enforcement and building inspections in order to create a cohesive plan for community maintenance and improvement.

Stakeholder feedback and the planned departure of Chief Fullerton in April 2021, strongly suggests the transfer of duties to the Community Development office and the solicitation of contracted services should be an immediate priority.

The Director of Community Development currently does not have a position description. A recommended position description is provided (Appendix F). The position description is based on the recommendations below (not current activities of the position).

Planning and Plan Review

The Director of Community Development reviews development plans, coordinates internal review by other departments and prepares reports for the Planning Commission and Zoning Board of appeals. ***It is recommended the City transfer development plan review and plan presentation/reporting to a planning consultant.*** Half of the benchmark cities contract their planning and plan review.

Plan review and meeting administration should be considered a “pass through” service funded by fees charged for the use of the service (it should not be subsidized by the General Fund). The City should develop a request for proposal for a Planning Consultant to review and present the various types of planning applications (site plan, plan review, special use review, zoning board of appeals, etc.). ***Once a firm is selected, the City should pass a fee ordinance to***

¹⁴ As an example of pricing, basic fee structures for three common credit card processing companies are: [PayPal](#), 2.9 percent + \$0.30 per transaction; [Square](#), 2.6 percent + \$0.10 per transaction; [Stripe](#), 2.9 percent + \$0.30 per transactions

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match the fees charged by the consulting firm, plus advertisement, meeting and administrative fees.

This will likely result in an increase in fees for property owners/developers, but it will match the actual cost of the City to administer the applications. For example, Charlotte's application fee for Rezoning, which requires multiple reviews and public meetings, is \$150; this is in contrast to two Michigan cities that recently updated their fees to match actual costs for Rezoning requests are at \$1,050 and \$895.

There will likely be a retainer for the Planning Consultant to attend regularly scheduled Planning Commission meetings. This fee can be a per-meeting fee or a retainer. This fee could also be recovered with the plan review fees or the City could consider it an administrative fee.

Planning consulting firms work in many communities across the State. A significant benefit of using a Planning Consultant is the City can take advantage of best practices of plan review and planning ordinance development in other communities. Another goal of this transition from in-house review to consultant review is to be able to re-allocate the Community Development Director's time to Economic Development and code/building enforcement management.

Economic Development

The Community Development Director is the economic development facilitator for the City. One of the primary duties is coordinating with community organizations on marketing, retention and attraction of business. This "City as coordinator" is a good model. The Vision 2025 plan should be used extensively to track and monitor progress toward community/economic development goals. The Vision 2025 plan is intended to be a living document, with the Community Development Director updating goals and objectives as parts of the plan are implemented, amended or abandoned. ***It is recommended the Community Development Director host, at a minimum, quarterly meetings with the Vision 2025 stakeholder group*** to monitor progress and receive critical feedback on community/economic development opportunities in the City (and broader Charlotte community).

When compared to the benchmark cities, Charlotte is taking advantage of many of the economic development tools available to it. The only tool that two of the six benchmark cities are utilizing that Charlotte is not is a Building Authority.

Service	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
Economic Development								
<i>Economic development FTEs</i>	Planning Director	City Manager	Yes	0.5	Contracted Marshall Area EDA		1.75	
DDA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	6/6
LDFA	Yes	Yes	Yes	No	Yes	Yes	Yes	5/6

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Brownfield	Yes	No	Yes	Yes	Yes	County	Yes	5/6
Building Authority	No	No	No	No	Yes	Yes	No	2/6
DDA millage	1.9427	No	No	No	1.5981	No	No	2/6

The City pays a membership fee of \$3,000 to the Lansing Economic Area Partnership (LEAP). Being part of a larger, multi-County, economic development agency can have advantages for the City. In order ***to assess if the City is receiving value from LEAP it should actively engage and receive updates from LEAP's efforts.***¹⁵

As Charlotte considers how to fund its economic development activities, keep in mind Michigan Public Act 359 of 1925 empowers local legislative bodies to levy a special tax up to 4 mills for "...advertising, exploiting and making known the industrial, commercial, educational or recreational advantages of the said city or village, and to establish recreational and educational projects for the purpose of encouraging immigration to, and increasing the trade, business and industries of the said city or village: Provided, however, that such levy shall not exceed 50,000 dollars in any 1 year."¹⁶ **The City should consider levying a millage to generate the maximum allowable revenue under the provisions of PA 359.** The levy required to produce \$50,000 in revenue would be about 0.22 mill. In the [Public Works, Recycling](#) section of this report, it is recommended to eliminate the City's recycling tax (0.253 mill), the economic development mill could replace that millage to have no impact on taxpayers.

Building and Code Inspection/Enforcement

Building inspection/enforcement should be considered a "pass through" service the City provides to property owners, it should be supported by the fees received from the applicants, and should not be subsidized by the General Fund. Depending on the program, code inspection/enforcement may be subsidized by the General Fund in order to gain compliance (rather than enforcement fines).

Over the past three fiscal years,¹⁷ the City has received an average of \$40,000 in building permit fees, while the General Fund paid on average \$187,000 for the Fire Department to perform building and code inspections/enforcement. This is not sustainable.

It is recognized that the Fire Department benefits from receiving General Funds for building/code services as a subsidy to increase the staffing available to the Fire Department; but this is extremely expensive for the General Fund. Further, the building/code service provided by the Fire Department is secondary to their primary duties, resulting in a lower than desired fire service level.

Below is a review of the benchmark cities' building inspection/enforcement data:

¹⁵ Currently, the "City of Charlotte" link on the [LEAP website](#) does not link to any information regarding the City.

¹⁶ [MCL Section 123.881](#)

¹⁷ FY 17-18, FY 18-19, FY 19-20

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Service	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
Building Inspection								
<i>Building inspection responsibility</i>	Fire Dept	Building Dept.	Clerk/ treasurer	County	Building Inspector	Comm Dev't	Dev't Services	
<i>Building FTEs</i>	Fire Dept	0.5 & contracted	contracted	0.25	1.5		1	
<i>Building permits issued in 2019</i>	119	176	122	118	109	186	401	185
<i>Trades insp (electric, mechanical, etc)</i>	County	Contracted	Contracted	County	Contracted	State	Contracted	
<i>Renter Occupied</i>	39%	33%	37%	47%	37%	36%	32%	37%
<i>Rental inspection ordinance</i>	No	No	Yes / contracted	No	No	No	No	1/6

Consistent with the benchmarks, Charlotte outsources its trades inspections, which should be continued. ***Building official duties should be managed by the Community Development office, but is recommended the actual Building Official be through a professional service contract.***

Below is a review of the benchmark cities' code inspection/enforcement data:

Service	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh
Code Enforcement							
<i>Code enforcement responsibility</i>	Fire & Comm Dev't	Zoning Admin / PD	Police	Assessing/ Zoning	Police	Comm Dev't	Dev't Services
<i>Code enforcement FTEs</i>	Fire Dept	0.5		0.5	0.75		0.5
<i>Code enforcement citations annually (est/avg)</i>	91	0, # letters sent 200+	18	250	2	All resolved voluntarily prior to citation	600

Three of the benchmark cities utilize part-time code enforcement officers, while one uses part of one person in their police department. ***It is recommended Charlotte either retain a part-time code enforcement officer or contract for this service.*** Several firms that provide building inspection services or planning services also can provide code enforcement services at an hourly rate. Regardless if the City chooses to hire a part-time enforcement officer or contract for the service, the individual should report directly to the Community Development Director and that position should manage the performance and expectations of the service.

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Through stakeholder meetings, it is understood the City would like more attention paid to the condition of housing. One tool cities use is a rental inspection ordinance. Rental inspection ordinances can vary greatly between communities. It is recommended the Community Development Director, with the assistance of a planning consultant, review several models for an ordinance that best matches the goals of Charlotte.¹⁸ Any rental inspection program should be cost neutral for the City (the fees assessed to the property owners should cover the cost of the inspection program.)

Airport

The City operates an airport under strict regulation and unfunded requirements by the State of Michigan. As seen in the below table, like Charlotte, two of the four benchmark cities subsidize the operational costs of the airport from their General Fund.

Airport	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
<i>Community airport</i>	Yes	Yes	Yes	Yes	Yes	No	No	
<i>GF dollars to support the airport last FY</i>	\$45,000	\$0	\$0	\$148,300	\$45,000 (avg)			\$48,325
<i>Rent hangar space</i>	Yes	Yes	Yes	Yes	Yes			
<i>Hanger rental fee</i>	\$188/month avg.	\$200/month		\$75/month	\$125/month			\$147
<i>Besides GF funding & hangar rental, other sources of revenue</i>	Fuel sales, MDOT grants	National Guard	Fuel sales, donations	Fuel sales & modest landing fees	Fuel sales & Breakfast Fly-ins			

Based on a review of the City's prior analysis of options regarding the airport, there is very little the City can do to eliminate this service. Cost containment should be the priority. The City has set its hangar rental fees competitively with the benchmarks and based on the average age of the hangar. The City currently works with a Fixed Based Operator (FBO). It is understood that the City is satisfied with its relationship with the FBO. As a standard practice the City should prepare requests for proposals (RFP) for FBO services every three to five years, both to make sure their current FBO remains competitive and as an opportunity to consider how FBOs may be adjusting their services over time. By bidding the service, the City may also learn of alternative approaches to management, revenue generation and cost containment.

¹⁸ Communities to potentially review include Grand Ledge (a benchmark city), Luna Pier, Rochester and Dearborn. Each is different in the level and frequency of enforcement, Charlotte will need to draft an ordinance specific to its needs and not necessarily copy directly from any of the example communities.

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Given the significant financial challenges facing Charlotte, it is prudent to **avoid General Fund subsidies of the airport service, which has minimal direct benefit to most City taxpayers.** In our analysis, we have assumed airport revenues and expenditures would be fairly equal going forward. The current negative fund balance in the Airport Fund is assumed to remain approximately at its current level. The recommended 10-year capital plan should help identify extraordinary costs in future years. To the greatest degree possible, the City should seek funding outside of the General Fund for capital needs. Increases in operating expenditures should be offset with recurring revenues, to the greatest degree possible. Some communities legislate by ordinance that they cannot provide any subsidy to Airport operations..

Fire Services

The City and five neighboring townships have participated in regional fire services for many years. Under the existing structure the City provides service to townships (together known as the Rural Fire Association (RFA)) through a Fire Services Agreement. Recommendations in this section should be reviewed by both the City and ther RFA. The long-term relationship of the six municipalities is important and recommendations should be considered within the context of that relationship.

The City/RFA fire service structure and coverage area is different from the benchmark cities. While several of the benchmark cities provide service beyond the borders of the city, Charlotte's service area is much larger. The most comparable to Charlotte is Hastings, which has a large services area and agreements for service with surrounding Townships.

Fire	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
General Demographics								
City square miles	6.5	4	5.3	6.4	6.4	5.1	5.94	5.5
Total coverage square miles	150.5	36	135	22.5	6.4 + AMA with Twps	85	19.14	59.5

A review of the budget from the benchmark communities also shows significant variance. Two of the cities surveyed have a dedicated Public Safety millage to support fire services, including Grand Ledge, which is a member of the Grand Ledge Emergency Services Authority.

Fire	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh
Budget							
Total annual fire operations budget:	\$896,637	\$1,688,457	\$470,000	\$472,020	\$1,400,000	\$463,730	\$611,269
Dedicated fire millage	No	3 mills	No	1 mill	No	No	No

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Staffing information for the benchmark cities is shown below:

Fire	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh
Staffing							
<i>FTE Firefighters</i>	6.5	10	2	4	8	2	3
<i>Shifts of FT firefighters (hr)</i>	24	24	8	24	24	N/A	24
<i>POC or Volunteer FFs</i>	24	24	16	14	16	31	18
<i>POC or volunteer firefighters compensation</i>	Based on % of runs made during the quarter.	Per hour worked	per call + per meeting attended	Per call by the hour	12/hr train/station. 22/hr emergency resp. POC Sgt. +2/hr	varies based on rank and service provided	Hourly, semi-annually
<i>Building/ code inspection/ enforcement</i>	Building, Code and Local Ordinance		No	For use & occupancy, no enforcement	Fire inspections, no enforcement	No	Review of building plans
<i>Fire dispatch</i>	County		County	County	County	County	County
<i>Fire Unions</i>	MPFFU and IAFF		No	IAFF	IAFF	No	No

The differences and similarities can be seen above. It may be of value for Charlotte to further explore the fire services provided by Hastings. Hastings is most comparable to Charlotte for service area, but its fire services budget and staffing level is significantly less.

One area the City has performed well in is the recruitment and retention of paid-on-call/ volunteer (POC/V) firefighters. This study did not examine staffing or the POC/V management, however, the management and motivation of POC/V firefighters seems to be good, based on the total number of POC/V and the annual cost of \$48,000. POC/V firefighters are extremely important to contain costs and provide a high level of service and should be recognized for their efforts.

Below is service data from the benchmark cities:

Fire	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
Service								
<i>Total annual calls responded</i>	772	2600	657	1555	925	235	1018	1165
<i>Annual calls w/in city boundary</i>	467	1450	285	1550	900	113	884	864

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<i>Bill for medical or accident calls</i>	No		No	No	No	non-resident only	No	
<i>Number of fire stations</i>	2		1	1	1	1	1	
<i>FTs assigned to stations daily</i>	1 in each		-	1	2	N/A	2	1.7

Despite Charlotte having a substantially larger service area (square miles), it responds to fewer calls for service and fewer calls for service within its own boundaries. These are very important considerations when designing the management, operations and financial agreement between the City and RFA.

The City/RFA agreement bases its billing on the percentage of calls in the City and RFA area. Based on the benchmark survey, the City/RFA split is 60/40 which is consistent with the City/RFA agreement.

Fire Service	Charlotte rate of calls in city	Avg of Comps rate of calls in city
<i>Annual calls w/in city boundary</i>	60.5%	74%

A large service area requires labor time and equipment expense to extend over larger distances to provide service. On average, it is more costly to respond to a call that is further from the fire stations than one that is closer.

Fire Service	Charlotte calls per square mile	Avg of Comps calls per square mile
<i>Total annual calls responded</i>	5	20

It is recommended that future City/RFA agreements consider additional metrics for billing, beyond just calls for service¹⁹, and specifically consider the cost to cover calls that are more distant from the fire stations. While this might increase the complexity of the billing agreement, it would more appropriately allocate costs.

Charlotte and the RFA members have provided a very high level of service for the coverage area and should be recognized for their multi-jurisdictional cooperation and innovative fire services agreement. The recommendations below are rooted in the observation that the Charlotte/RFA department truly is a 150 square mile regional service provider, not just a

¹⁹ Examples of other metrics may include population, square miles of service area and taxable value.

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department of the City. The finances, operations and management of the department should reflect a cooperative regional service.

Recruitment of a Fire Chief

Charlotte's long serving (both as an employee and then contracted) Fire Chief service to the department will end in April 2021. The generous advance notice the Chief has provided, through his service contract and clear statements, is an opportunity for the City to consider a well planned transition.

It is recommended Charlotte and the RFA begin the selection process for a new Fire Chief as soon as possible. Due to the cooperative reliance the RFA has on the Charlotte department, the unionization of the fire staff and perceived discontentment within the fire service (as perceived through stakeholder meetings), it is extremely important to appoint a new Fire Chief through a structured and facilitative process. A professional hiring process takes approximately four months, an enhanced hiring process (recommended below) can take from five to six months. A new Fire Chief will be vital to the success of the recommendations of this report.

Provided the importance of the City/RFA relationship it is important to have this position appointment done through a facilitated hiring process that engages multiple stakeholders in the process. The Charlotte Charter and the Fire Services Agreement²⁰ (FSA) provides guidance for the selection of a Fire Chief. Consistent with the recommendation to engage stakeholders in the process, ***it is recommended the City initiate a process following the FSA process first then following the Charter process.***²¹

Section E of the FSA provides a structure that involves several stakeholders in the Fire Chief selection. The process of establishing a Fire Chief Selection Committee should be initiated by the City. As stated in the FSA the Committee shall include a total of seven members:

- Charlotte City Manager;
- Two Charlotte Department Chairs;
- A fire chief from another Michigan municipality;
- A representative of the Rural Fire Association,
- A volunteer from the Fire Department
- A citizen member from the City or one of the Rural members.

By involving multiple stakeholders at the outset of the process, rather than just the City Council and Fire Department as stated in the City Charter, the Fire Chief Selection Committee can work together for consensus among broader constituency groups.

²⁰ Fire Service Agreement between the City of Charlotte and the Rural Fire Association dated December 2006

²¹ The City Attorney should review with proposed process to affirm if it is consistent with their interpretation of both the City Charter and the Fire Services Agreement

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The City should engage with a professional recruiting firm to facilitate the work of the Fire Chief Selection Committee. In addition, the recruiter should engage in even broader stakeholder engagement than is provided in the FSA, including interviews with all Rural members, all City department heads, all City elected officials and several members of the Fire Department; reporting findings from the stakeholder meetings to the Fire Chief Selection Committee.

Once the Fire Chief Selection Committee has completed its work and chosen a preferred candidate, the City will follow Section 6.12 of the City Charter. The preferred candidate will be presented to the Fire Department for recommendation. If the Fire Department members recommend/approve of the preferred candidate, then City Council may choose to appoint the preferred candidate by a majority vote. If the Fire Department members do not recommend/approve of the preferred candidate, then City Council may choose to appoint the preferred candidate by a super majority (5/7) vote.

Create a Separate Fund for the Fire Department

The City/RFA Agreement defines the relationship and outlines the cost sharing; specifically, the City provides fire services and the cost for those services are shared by the RFA. In order to assess the services provided and billed for, it is essential the City properly account for, and segregate out, all fire service related costs. In the past this has been done through an attempt to “back out” cost for services the Fire Department provides the City (building/code enforcement, ambulance services and building maintenance).

In order to more accurately assign cost for fire services and prepare for the City to consider forming a Fire Authority with the member Townships of the Rural Fire Association (in the longer-term) it is recommended the City set-up a separate fund to fully account for all costs associated with the joint fire services. The goal is to isolate the Fire Department budget to include only those costs that will be split between the City and the Rural Fire Association. ***The creation of a separate fund for the Fire Department should be implemented as soon as possible*** (with the FY 21-22 budget).

As recommended above, building and code enforcement costs will be shifted out of the Fire Department and be placed with Community Development. Other non-fire services costs including building maintenance and ambulance services will be removed from the Fire Department budget. Costs associated with administrative overhead (finance, management, etc.) based on the City’s cost allocation plan will be added, in an effort to fully account for the cost of the fire services operation.

Personnel costs associated with Fire Department employees doing building/code inspection/enforcement may or may not be able to be eliminated from the Fire Department budget, based on the personnel/staffing needs of the Department. This report did not complete a staffing analysis of the Department. It is recommended the Fire Department review the new

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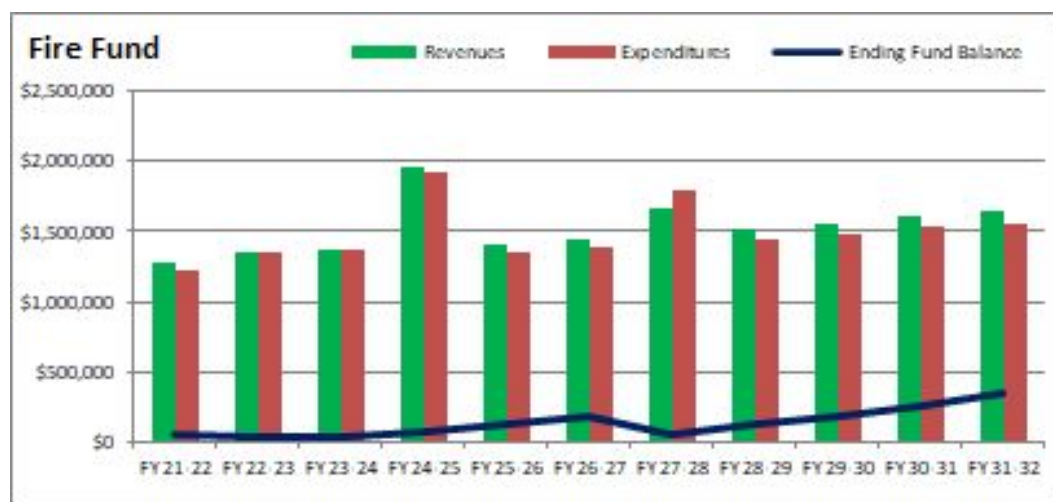
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staffing structure, without building/code inspection/enforcement and determine if the number of full-time firefighters can be reduced.

It is recommended the City Council consider asking voters to support a 3.50 mill, 10-year renewable Public Safety tax to support the cost of the City of Charlotte fire service. The City has a structural deficit in the General Fund; this tax will allow the City to close the deficit and allow for the reallocation of General Fund spending on priorities identified by the City and included in this report. The impact of a 3.5 mill levy on the average residential property owner with a taxable value of \$80,000, would be \$0.78/day or \$23.33/month or \$280/year. The required millage may be less if the current Fire Service Agreement is renegotiated using different metrics for cost sharing.

A Public Safety tax to support fire services aligns with the recognition that the Charlotte fire service should be accounted for and paid for independent of the other City functions. The voter supported millage would fund the needs of the department, without the use of General Fund resources. In addition, a dedicated millage would align with the City's potential consideration of a Fire Authority (discussed in the next section of this report). If a Fire Authority is formed, the City Public Safety tax would be amended based on the multi-jurisdictional Fire Authority millage.

The proposed Fire Fund financial forecast is summarized in the following chart. Revenues are assumed to include 3.5 mills of City property tax, 38% of operating costs reimbursed by the RFA and 50% of vehicle expenditures reimbursed by the RFA. All staffing and other operating costs are assumed to be consistent with the current budget, increased each year to reflect inflation. Major vehicle expenditures are anticipated in FY 24-25 and FY 27-28, based on the current equipment replacement schedule. A new central service cost recovery charge is estimated to be about \$30,000. The forecasted fund balance is estimated to be relatively low. The City will be required to subsidize any shortfalls in the Fire Fund from General Fund resources, so it will be important to contain costs to avoid the need for future subsidies. This constraint on expenditures will also help control costs allocated to the RFA.



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Consider Creation of a Public Safety (Fire) Authority

The City and five neighboring townships have participated in regional fire services for many years. ***A multi-jurisdictional service model should be maintained and the parties should explore the feasibility of forming a regional Public Safety Authority (Fire Authority).*** The State of Michigan has established law for multi-jurisdictional fire service, Public Act 57 of 1988, MCL 124.601. Through this act the incorporating municipalities would create an Authority. The Authority would be its own separate legal entity. The governing board would be appointed by the elected bodies of the incorporating member municipalities. The Authority would have its own taxing authority and set a uniform millage for all member municipalities for fire services.

The Act provides for a relatively straight-forward process for the creation of an Authority. All incorporating member municipalities would have to approve an ordinance to create the Authority and appoint governing board members. The governing board would determine a millage rate and ballot language to be considered by the voters of the incorporating municipalities. It is estimated this process would take twelve to eighteen months, depending on election scheduling.

The above recommendations for the City to create a separate fund to account for only fire service costs and hiring of a Chief through a facilitated stakeholder engagement process are an important first steps in the parties considering an Authority. These recommendations should be pursued immediately, regardless if the parties decide to explore creation of a Fire Authority.

Benefits of an Authority, for both the City and the townships, include the Authority managing the fire department independent of any one community and equivalent service would be provided to all member communities. The consultants have identified some initial areas where clarification will be needed, including the tax base of the township areas covered by the fire service, determining the appropriate millage rate for all communities and transfer of ownership of assets. During consideration of an Authority, the City and townships will need to consider several legal and policy questions, and it is highly recommended that an attorney familiar with Public Act 57 of 1988 be retained to help guide the process.

Additional Administrative Recommendations:

- As noted, this study did not include a staffing study. ***It is recommended the City consider a staffing study of the Fire Department,*** which would include a review of the personnel count, scheduling, duties, number and location of fire stations, call volumes and types, and the service area. The staffing study would assist the department in determining the number of full-time firefighters needed and the necessity of two stations.
- The Fire Department should continue to explore mutual aid partnerships with surrounding departments, including the Mutual Aid Box Alarm System (MABAS). Due to the large geographic size of the Charlotte service area, the far-from fire station areas of

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the service area may be best served, in cases of urgent need, by a nearby department. It is best to have a clear understanding of these relationships before service is provided.

Police Services

The Charlotte Police Department serves the city and a few very small surrounding areas. The Department has a clear schedule and command structure, twelve-hour patrol shift (a total of four different patrol shifts) with one Sergeant leading each shift. The Chief is the only non-union management position in the department.

Below is the population and full-time sworn officers data from the benchmark cities. As noted in the demographic section of the report, all of the benchmarks are also County Seats, except Grand Ledge and Tecumseh.

Police	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
General Demographics								
Population	9,091	7,805	7,284	8,125	7,021	8,447	8,346	7,838
Total FT sworn officers	15	15	16	13	15	12	14	14

Staffing of the benchmark departments is shown below:

Police	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
Staffing								
Total FT sworn officers	15	15	16	13	15	12	14	14
Command:	5	4	3	6	6	3	1	4
Patrol:	10	11	13	7	9	9	13	10
Total non-sworn FTEs	1	0	2.5	2	0.5	1	1	1
Min officer per shift req	2	2	2	2	None	2	2	2
Shift config (hours)	12	10	8	12	8	8	12	
Police dispatch	County	County	County	Central	Central	County	County	
Police Unions	FOP, POLC	COAM, CCLP	POLC	POAM	POLC	FOP	POLC	

Police services can be benchmarked in several ways, a common way to equalize departments for comparison purposes are “rate per 1,000 population.” Looking at the number of FT sworn offices per 1,000 population:

Police	Charlotte rate per 1,000 pop	Avg of Comps rate per 1,000 population
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Staffing		
Total FT sworn officers	1.6	1.8
Command:	0.5	0.5
Patrol:	1.1	1.3

Charlotte has slightly fewer Patrol officers per 1,000 population than the average benchmark.

Looking at the police budget for the benchmark cities:

Police	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
Budget								
Total annual police operational budget:	2,306,307	1,561,683	1,875,000	1,622,005	2,024,970	1,368,200	1,643,729	1,682,598
Total annual police capital budget:	81,500	N/A	67,500	None	48,547	140,200	47,000	75,812
Avg. overtime expenditure in the PD	108,000	25,000	80,000	47,500	82,875	29,367	55,000	53,290
Dedicated police millage	No	No	No	No	No	No	No	

When equalized by per 1,000 population:

Police	Charlotte rate per 1,000 pop	Avg of Comps rate per 1,000 population
Budget		
Total annual police operational budget:	253,691	214,672
Total annual police capital budget:	8,965	9,672
Avg. overtime expenditure in the PD	11,879.88	6,798.97

Charlotte has slightly fewer officers per 1,000 population, but spends 15% more per 1,000 population. This next table should be reviewed within the context of the service being provided:

Police	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
Service								
Avg. total calls per year?	8500	7000	7000	6181	11000	2500	6200	6647
Offenses Known to Law Enforcement	203	97	169	151	91	101	93	117
# of Property Offenses	175	92	151	128	81	82	78	102

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# of Violent Offenses	28	5	18	23	10	19	15	15
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For comparison purposes we have added a second benchmark equalization of “rate per sworn officer.”

Police Service	Charlotte rate per 1,000 pop	Avg of Comps rate per 1,000 population	Charlotte rate per sworn officer	Avg of Comps rate per sworn officer
Avg. total calls per year?	935	848	567	469
Offenses Known to Law Enforcement	22.3	14.9	13.5	8.3
# of Property Offenses	19.2	13.0	11.7	7.2
# of Violent Offenses	3.1	1.9	1.9	1.1

Charlotte answers 10% more calls per year per 1,000 population and 20% more per sworn officer than the average of the benchmark cities. They respond to significantly more property offenses per 1,000 population (48%) and per sworn officer (62%) than the benchmarks and more violent offenses per 1,000 population (61%) and per sworn officer (76%) than the cities surveyed.

In summary, per 1,000 population, in comparison to the average of the benchmark cities, Charlotte:

- Has slightly fewer officers
- Spends 15% more
- Answers 10% more total calls
- Answers significantly more property and violent offense calls
- and each officer is responding to more calls than the average benchmark department

This study was not a staffing/services study of the Police Department, but based on the data received from the benchmark cities, the Charlotte Police Department is operating efficiently.

Flat Command Structure

The Department’s command structure is very flat: Chief and four Sergeants. This is an efficient and effective structure, but does not provide for a clear second in command or another non-union sworn officer for the Chief to plan and coordinate personnel, policy and budget matters. Succession planning can also be negatively impacted by flat organizational structures.

Of the benchmark departments, four have two positions above Sergeant and two do not.

Police	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh
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Command Staff							
Command positions and ranks	Chief, Sgt(4), Det	Chief, Lt, Sgt(2)	Chief, Dep Chief, Sgt	Chief, Lt, Sgt(3), Det	Dir, Chief, Sgt(4)	Chief, Sgt(2)	Chief

To address the flat structure, the addition of a Lieutenant position could be considered, however the General Fund budget cannot support the additional cost of a new position.

The department is currently operating and will need to continue with its current structure until additional funds are available in the General fund.

Capital Budget

The Police Department does not have a 10-year capital plan. The Chief indicated a desire to replace two vehicles per year, in addition to miscellaneous capital items such as vests and tasers. The Department has six vehicles: five SUVs and one detective car. Three of the vehicles are less than two years old, one four-year old vehicle, one nine-year old vehicle and a twelve-year old car.

It is recommended the City establish a 10-year capital plan for the Police Department and allocate \$100,000 per year for Police capital outlay. The Chief should be given the flexibility to plan capital purchases, including planning for larger or smaller capital outlay years. This flexibility will provide the Department with a more predictable vehicle replacement schedule.

Below is an example of a 10-year capital plan that allows for year end (YE) balances and the residual value of sold vehicles to be rolled forward for use in future years.

Example		FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Police Capital Budget		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Tahoe	2020					56,000				60,000
Tahoe	2020					56,000				60,000
Tahoe	2019				55,000				59,000	
Explorer	2016		53,000					58,000		
Expedition	2011	52,000					57,000			
Impala	2008			40,000				44,000		
Other Capital	n/a	40,000	40,000	40,000	40,000	35,000	40,000	35,000	40,000	35,000
Sale of Vehicle		4,000	8,000	2,000	9,000	19,000	10,000	18,500	11,000	23,000
YE Balance		12,000	15,000	22,000	14,000	(28,000)	13,000	(18,500)	12,000	(32,000)
Rolling Balance		12,000	27,000	49,000	63,000	35,000	48,000	29,500	41,500	9,500

As shown, a \$100,000 annual Police capital budget would allow for four years between car replacement for the next few years, but eventually provide enough funding for three years

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between replacement . Other capital needs (i.e vests, cameras) will need to be planned and balanced with the Department's desire to purchase new vehicles. Also shown above, residual value from police vehicles sold should be allocated to the Police capital budget. If the city is not currently using [MITN Surplus Auction](#) to sell its used vehicles and equipment, it is recommended.

During any budget year the City may need to adjust capital expended from the General Fund, which could result in lower funding, but a planned 10-year approach would be preferred to the current budget-by-budget decisions that have resulted in three new vehicles, one four year-old vehicle and two vehicles over nine years-old.

Public Works

Staffing

Staffing of the public works department can be difficult to compare between cities, because cities tend to vary greatly in the level of public service (including water and sewer services) offered to residents and the specific services they provide in-house vs. contracted. Below is the benchmark city data for public works staffing and an equalization calculation of full-time (FT) employees per road mile.

Public Works	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
Staffing								
FT Public Works Employees	20	18	15	12	20	18	15	16
Total road miles	38	31	48	48	45	32	45	41
FT employee per road mile	0.53	0.59	0.31	0.25	0.44	0.56	0.33	0.41

Charlotte's public works department has more employees per road mile than the average of all of the benchmark cities. The variance between two groups of benchmarks is quite large, with Charlotte, Grand Ledge, Marshall and Mason averaging about the same number of employees (19) and Hastings, Hillsdale and Tecumseh averaging about the same (14). Of the group of cities with more public works employees, Charlotte falls right at the average of upper-end benchmark departments for full-time employees per road mile (0.53).

The City's public works department provides a high level of service and performs more tasks in-house than other cities its size. The Director, as a professional engineer (PE), is performing duties other communities subcontract to engineering firms which saves the city money, improves planning and can improve operational efficiency. This section provides for some

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recommendations regarding outsourcing services, but the department's staffing level seems appropriate for the level of service provided.

Road maintenance and reconstruction is addressed in the [Streets Infrastructure Investment](#) section of this report.

As noted in the Administrative Office section, the public works secretary position has recently been assigned non-public works duties. The Administrative Office restructuring includes a significant reduction of non-public works duties assigned to this position and a resumption of more public works duties associated with assisting the Director.

Based on stakeholder interviews, the City's water and sewer utilities are staffed efficiently and provide proper service to its customers. Below is information regarding water and sewer treatment plants and capacities.²²

Public Works	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh
Water and Sewer Plants							
<i>Water plant treatment</i>	wells-feed only Cl, F, Phosphate	Iron removal	D-2 water treatment plant	Chemical	Iron removal	Hydrous manganese oxide	Chlorine & Poly phosphate
<i>Water plant size (gallons per day)</i>	0.85	2.00	4.00	1.50	0.76	0.88	2.40
<i>Sewer plant treatment</i>	primary, secondary clarifiers; trickling filters, UV disinfection; sludge land applied	Activated sludge	Activated Sludge	[Aeration] + Digester	Secondary	N/A	Tertiary
<i>Sewer plant size (gallons per day)</i>	0.88	1.50	2.00	1.00	1.50		1.60

Water and sewer rates are addressed in the [Water and Sewer Utility Rates](#) section of this report.

Refuse and Recycling

²² The "gallons per day" measure might not have been answered consistently by the survey respondents (for example responders may have provided average GPD, maximum GPD or design GPD). If the City is interested in this data it is recommended this be clarified with the benchmark cities.

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The benchmark cities are split with regard to providing curbside refuse and recycling services. Three communities (including Charlotte) do not provide the service, three currently provide the service, and one currently does not provide but is actively considering providing the service:

Public Works	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh
Refuse /Recycling							
Curbside refuse	No	No	No	contracted \$10.50/mo	No, Council Consideration in Dec.	contracted \$174.31/yr	contracted, no added fee
Curbside recycling	No	No	No	contracted \$3.50/mo	No, Council Consideration in Dec.	included	included

It is recommended Charlotte provide single hauler curbside refuse and recycling services for the following reasons:

- Costs for residents generally are lower for City bid, awarded and centrally administered refuse and recycling services. In reviewing the Hillsdale and Mason rates this will likely hold true for Charlotte.
- The City could add commingled curbside recycling services, which would substantially increase the city's recycling rate.
- Model requests for proposals can be provided by the consultants for the DPW Director to consider/review
- Fees for the service are recommended to be billed to property owners on the City's water/sewer bills.
- The fee set for the service should be the cost provided by a contractor, plus an administrative fee and (if continued by the City) cost of City provided curbside leaf/brush pick-up.
- ***Eliminate 0.18 mill yard waste levy and 0.073 mill recycling millage (total of 0.253 mill)***, since the cost of the curbside yard waste and recycling service will be billed directly to property owners. (These levies could be replaced by a levy for community promotion, described in the narrative related to [Economic Development](#) earlier in the report.)
- Coordination of day-to-day service should be assigned to the DPW Secretary and part of this position's cost should be collected by the fee set by the City for the service.
- Though not reported as a current problem for the City, curbside recycling, provided to all residential properties in the City can reduce the incentive for residents to illegally dump on their own or other properties.

In addition, the impact of heavy trash hauler trucks on the City's road infrastructure would be up to 80% less than the current system. Approximately five trash haulers serve the City; each needing to go on the City streets to collect refuse from properties throughout the City. With centralized collection, only one trash hauler would need to be on the City streets.

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Currently, Charlotte is only one of two cities surveyed providing a City funded recycling center.

Public Works	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh
City recycling drop-off center							
Hours	Tu 8-12 Thu 2-6 Sat 8-12	Wed: 3-7 Sat: 8-4	No	M-F 8-4 Sat 8-12	No	No	No
Annual Est Cost	\$63,000		N/A	contracted \$2.00/bag	N/A	N/A	N/A

With the addition of curbside recycling, ***it is recommended the City close its recycling drop-off center.*** Curbside service is more convenient, will improve recycling participation rates, increase the tonnage of materials removed from the refuse stream; it will be more cost effective for residents, and save the City the money (and labor) currently being spent to maintain the recycling center. With the decline of recycled material prices, the Recycling Fund is unable to fully cover operating costs without a General Fund subsidy or increase in the millage rate to keep the fund solvent.

Once phased out, the City will need to consider how to repurpose the recycling center property. This could include a market rate sale or conversion of the property for another public good, preferably with grant support. Other than keeping the property safe and secure, the City should eliminate all costs associated with the property.

If curbside recycling is provided, the service generally includes collection of seasonal leaf/brush in recyclable paper bags. The City currently provides an “in-curb” leaf/brush pick-up at a cost less than the three responding benchmark cities. In-curb leaf/brush pick-up is often more convenient for residents than recyclable paper bag service. ***It is recommended the City have a policy discussion if in-curb leaf/brush pick-up can be eliminated when recyclable paper bag service is added.***

Public Works	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
Curbside leaf/brush pick-up								
In-house	Yes	Yes	2 x per year	brush 3x/yr	Yes	No	No	
Contracted				Leaves 3x/yr		included	included	
Annual Est Cost	\$28,000		\$65,000	\$41,500	\$43,000	included	included	\$49,833

Tree Trimming

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An area the City is significantly different from the benchmark cities is the reported investment in tree trimming of city owned trees.

Public Works	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
Tree trimming (city owned trees)								
In-house	Yes	Yes	Yes	Yes	Yes		Yes	
Contracted	If crane needed	Yes	Yes	Yes		Yes		
Annual Cost (estimate)	\$125,000		\$45,000	\$21,900	\$27,000	\$29,770	Variable	\$30,918

As noted above, with the exception of Mason, all of the benchmark cities perform this service through a mix of in-house and contracted labor. Charlotte reports spending four-times more annually on tree trimming than the average of the cities in the benchmark survey.

This service is provided from the General Fund. ***A recommendation for the FY 21-22 budget is for the cost of trimming trees in the public right-of-way to be allocated to the appropriate Major or Local Street Fund.*** The Department of Public Works will need to estimate the percentage of tree work that is in streets vs. parks, but for purposes of this report, the consultants have assumed \$75,000 cost is associated with trees in the public right-of-way and \$50,000 is associated with trees in parks and other city owned property.

The priority of maintaining the City's tree canopy can vary from city-to-city and Charlotte may wish to continue to prioritize this service, but it is an area where Charlotte reported as an outlier from the benchmark cities. ***It is recommended the City have a policy discussion if tree trimming should remain at its current high level of service.***

Additional Recommendations:

- The City currently funds 100% of sidewalk repairs throughout the community. The City is in the process of applying for a \$1.3 million Safe Routes to School grant to fund sidewalk construction. In the short-term, the City should focus on the grant funded project. In the long-term, ***the City may consider an ordinance requiring property owners to share in the cost of sidewalk repair.*** The ordinance can specify if this will be done on an individual property assessment or community-wide assessment. There are pros to a resident funded sidewalk program (reduced cost by the City general fund) and cons (property owner complaints, enforcement) the City would need to consider if it considers this recommendation.
- The City performs street striping in-house. This can be an expensive service to provide in-house because of the required investment in equipment and labor for traffic control. If not done recently, the ***DPW should perform an internal/external cost study to determine if in-house performance of this service should continue.***

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Financial Recommendations - Infrastructure and Unfunded Liabilities

Street Infrastructure Investment

Road networks in Michigan are rated on a Pavement Surface Evaluation and Rating (PASER) scale. PASER is a system for visually rating the surface condition of pavement from a scale of 1 to 10, with 1 being a pavement in a failed condition and 10 being pavement in excellent condition (see [Appendix G](#) for an outline of the rating system). The Michigan Transportation Asset Management Council has selected the rating system as the statewide standard. An important concept of the PASER study is the overall condition of the pavement network represented by a weighted average "Overall Condition Index" (OCI) rating (also referred to as the Average PASER Rating). As of April 2019, the City's 35.244 of centerlain road mileage OCI rating was a 3.756 (Charlotte PASER rating map, [Appendix H](#)).

When compared to its comparable cities, Charlotte has the lowest OCI rating.

Public Works	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
Road Condition								
Total road miles	37.93	30.67	48	48	45	32.03	45.22	41.49
Rate the overall condition of city streets. If available, provide a PASER rating.	3.756	5	4	4.09	5.2	5.4	5	4.78
		Answered "Good" consultant assumed 5	Answered "Fair" consultant assumed 4				Answered "Good" consultant assumed 5	

Engineers opine that an OCI of 5.7 to 6.0 is a critical point on the deterioration curve. If the City can keep its OCI above this level it can efficiently maintain the condition of its roads at a satisfactory level.

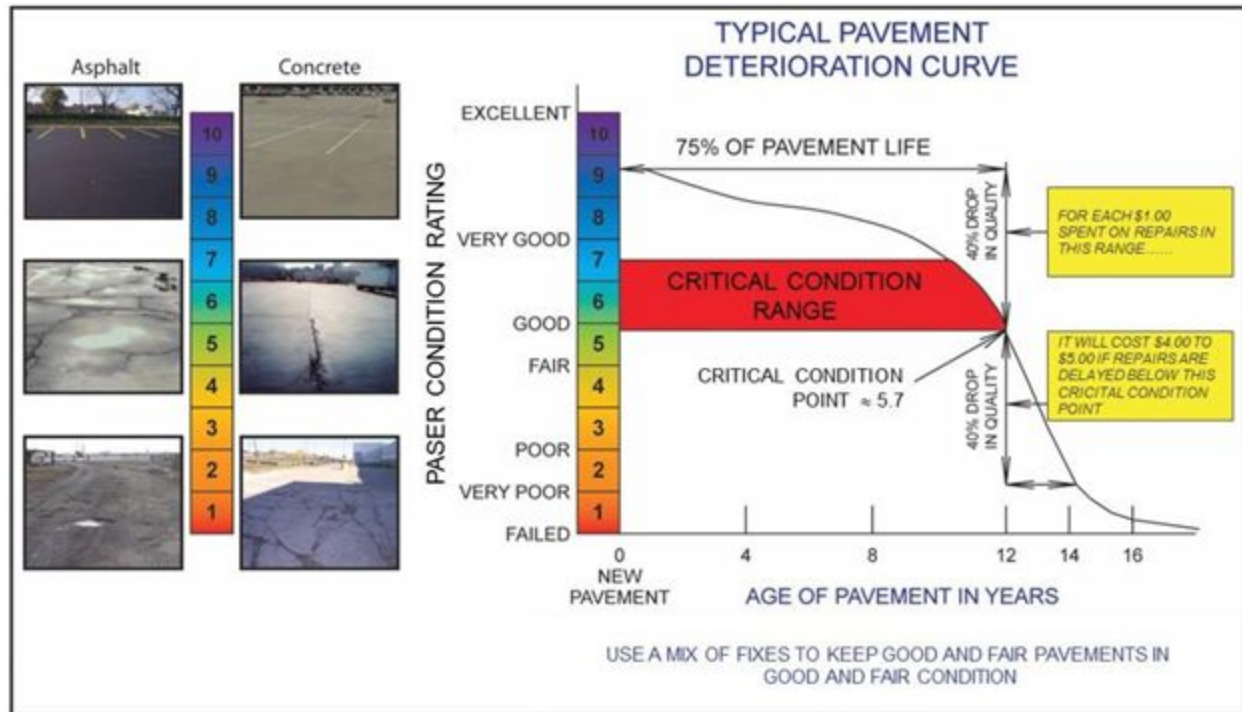
Below is a graphical representation of the critical point of determination.²³ Note the curve slope at approximately 5.70 and the cost estimates of repairs on the right side of the graphic. At the point of approximately 5.70 the rate of deterioration accelerates. If maintenance activities can be performed before the critical point it slows the deterioration rate and roads can be maintained more efficiently (for each \$1.00 spent on road maintenance to prevent a road from deteriorating beyond a condition of 5.70, it will cost \$4-\$5 to perform significantly heavier repairs or reconstruction on a road that falls into disrepair below 5.70).

²³ Graph created by Spalding DeDecker, Rochester Hills, MI

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It is recommended the City develop a 20-year road improvement plan, with a focus on increasing its OCI PASER rating to above a 6.0. This can be accomplished through an infusion of funds (either through a debt millage, a street improvement millage or increased funding from the General Fund) and dedicated annual spending on a “mix of fixes” for pre-determined roads.

In recent years Charlotte has spent an average of \$785,000 annually on road reconstruction and maintenance. Looking forward, the City is expected to have about \$600,000/year available for street maintenance/improvements from Act 51 and the County road millage. Dedicating this amount of funding may be enough to maintain the roads in their current condition, however, the City will likely need an infusion of work in the next three years to hit a target OCI of 6.0 within twenty years. A more detailed study will need to be performed to identify the specific level of funding needed, but based on the consultants’ work with communities with similar road networks/OCI ratings, the City should expect the initial investment to be in the range of \$5M.²⁴

A \$5M infusion could only happen with either a road millage or a debt millage. In the short-term, the City should try to allocate more General Fund money to street improvement. Later in this report we will present an option which could provide a recurring revenue stream for street improvements, but the revenue available in the first three years would amount to only \$900,000. Combined with currently available funding, the City could have \$2.7M to invest in street

²⁴ NOTE: \$5 million is based on a review of road condition and comparison with prior work of the consultants. A 20-year road study must be completed to validate both the initial investment and the on-going road maintenance budget requirements. As important, the 20-year road study will identify the required investment by road and type of maintenance for each year of the plan.

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improvements over the next three years. The 10-year potential for street investments under this approach would amount to \$11.7M, including all available funding under that scenario.

Two important facts about Charlotte's OCI rating that support the need for a 20-year plan:

- (1) *Significant number of failed roads.* 57% of its roads are rated as either poor, very poor or failed (PASER rating of 1, 2 or 3) indicating that maintenance activities are not possible and reconstruction will be required. This will require, at some point, an infusion of cash dedicated to reconstruction, followed by a systematic plan to maintain the newly reconstructed roads over the next 20+ years. The goal for Charlotte will be to reconstruct a road, getting it from a 1/2/3 rating to a 10/9 rating and then maintain it at a 7/6/5 for as long as possible.
- (2) *Decision-making regarding which road to fund.* Charlotte has made decisions in recent years to allocate a disproportionate amount of its road funding to improve Major Roads, while providing much less funding for Local Roads. This investment strategy has resulted in an OCI rating for Major Roads of 5.041 and 3.134 of Local Roads. It is understandable for communities to sometimes prioritize certain, more heavily traveled or politically visible roads over less visible roads. A strategic 20-year road plan can help local officials remove the emotion from year-to-year road funding decisions. Local officials will always have the opportunity to veer from the plan in order to meet pressing needs, but the plan provides a foundation for the community to understand the long-term objective of the City.

Another important consideration of street repairs is coordination with utility improvements beneath the streets. Some water, sanitary or storm sewer projects will require complete excavation of significant portions of streets to repair, replace or upgrade mains. It is vital that street and utility projects be coordinated to minimize traffic and homeowner disruptions, charge appropriate street repair costs to the utility fund and avoid tearing up recently paved streets to do utility work.

Water and Sewer Utility Rates

The City recently passed increases to its water and sewer rates, driven by significant capital investment needs. Many public utilities in Michigan are developing asset management plans and discovering utility assets that must be replaced, repaired, upgraded or better maintained. As a result, many communities in recent years have seen large increases in rates to support the capital needs of the utilities.

Our survey of rates in the benchmark cities revealed Charlotte has the highest rates for sewer among the cities surveyed. It has the third-highest water rates. It is possible other cities on this list will be facing rate increases in the near future to fund their capital needs as well.

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Water & Sewer Rates	Units	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
Water Rates									
Commodity	5000 gallons	\$16.65	\$34.15	\$14.70	\$20.05	\$18.86	\$36.10	\$13.25	\$22.85
Fixed (5/8" or 3/4")	quarterly	\$49.21	\$43.47	\$29.16	\$36.00	\$62.58	\$7.26	\$22.08	\$33.43
Total Qtrly Water Bill		\$65.86	\$77.62	\$43.86	\$56.05	\$81.44	\$43.36	\$35.33	\$56.28
Sewer Rates									
Commodity	5000 gallons	\$29.05	\$46.20	\$24.46	\$35.45	\$27.61	\$33.90	\$24.95	\$32.09
Fixed (5/8" or 3/4")	quarterly	\$88.38	\$30.12	\$46.44	\$42.00	\$52.32	\$11.82	\$59.31	\$40.34
Total Qtrly Sewer Bill		\$117.43	\$76.32	\$70.90	\$77.45	\$79.93	\$45.72	\$84.26	\$72.43

- Water rates in Charlotte are approximately 1.2 times the average of surveyed cities
- Sewer rates in Charlotte are approximately 1.6 times the average

The current rates appear to be adequate to meet the operations, maintenance, capital and debt needs of the Water and Sewer Fund. As the City nears its final payment on its single outstanding utility debt, it can expect rate increases to moderate within the next few years. Our high-level review of utility finances suggests the City will need to increase rates 5% each year for the next two years, after which rate increases are expected to be much lower. The City should evaluate its capital plan in relation to its expected revenues to ensure rates are managed appropriately and unnecessary rate increases are avoided.

The City has been utilizing an Excel spreadsheet originally prepared by the Rural Water Association some years ago, to calculate rates each year. The spreadsheet is challenging to work with, has limited reporting capabilities, is difficult to maintain and lacks adequate dynamic capabilities to quickly see the impact of changing financial forecasts, customer data, capital needs and other variables.

We would encourage the City to consider subscribing to a cloud-based rate-setting software solution that is much easier to work with, provides dynamic and instantaneous data visualizations, can run and compare multiple scenarios quickly, and allows users to test different rate structures. [Appendix D](#) contains information about a software solution the consultants have used and found effective. The cost of the subscription is affordable and should be charged fully to the Water and Sewer Fund.

A critical component of utility financial management is determining and maintaining adequate cash reserves. **An analysis of Charlotte's Water and Sewer Fund suggests the City should target a cash reserve of \$2.0M to \$3.0M.** Specific reserves include \$1.0M in operating reserves (about 90 days O&M costs), \$1.0M in capital reserves (3% of the original value of the utilities), and close to \$500,000 for debt service reserve (one year of debt service).

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Pension & OPEB Funding

As discussed earlier in this report, Charlotte's pension plan is underfunded by over \$11M. The annual required contribution (ARC) has risen significantly over the past 15 years, and it is expected to continue to rise. Despite the increases in annual contributions, the unfunded liability has grown substantially in recent years. As seen below, Charlotte has a higher unfunded actuarial accrued pension liability (UAAL) than all but one benchmark city. The per capita UAAL is also higher than five of the six surveyed cities.

The City's OPEB liability is currently just under \$2M. This is less than two of the five surveyed cities that offer this benefit. While the average funded ratio in the benchmark cities is 65%, Charlotte is 0% funded. Instead of establishing a trust to accrue assets against this liability, Charlotte funds OPEB costs on a pay-as-you-go basis. At this point in time, the City does not consider OPEB a critical liability to fund, although the City will be required to submit an annual corrective action plan any year the funded ratio is below 40%.

Pension & OPEB	Charlotte	Grand Ledge	Hastings	Hillsdale	Marshall	Mason	Tecumseh	Avg of Comps
Percentage funding of defined benefit pension plan	53%	62%	47%	77%	59%	65%	81%	65%
Outstanding UAAL of pension (millions)	\$11.279	\$1.360	\$8.500	\$5.888	\$15.515	\$7.094	\$5.927	\$7.381
Unfunded Pension Liability per capita	\$1,241	\$174	\$1,167	\$725	\$2,210	\$840	\$710	\$971
Percentage funding of OPEB plan	0%	183%	6%		13%	50%	73%	65%
Outstanding UAAL of OPEB (millions)	\$1.973	-\$0.302	\$9.200		\$8.110	\$0.904	\$0.484	\$3.679
Unfunded OPEB Liability per capita	\$217	-\$39	\$1,263		\$1,155	\$107	\$58	\$509
Has your city bonded to fund any pension or OPEB UAAL?	No	No	No	NA	No	No	No	
Do you currently levy any taxes or special assessments to fund pension or OPEB?	No	No	No	No	No	No	No	

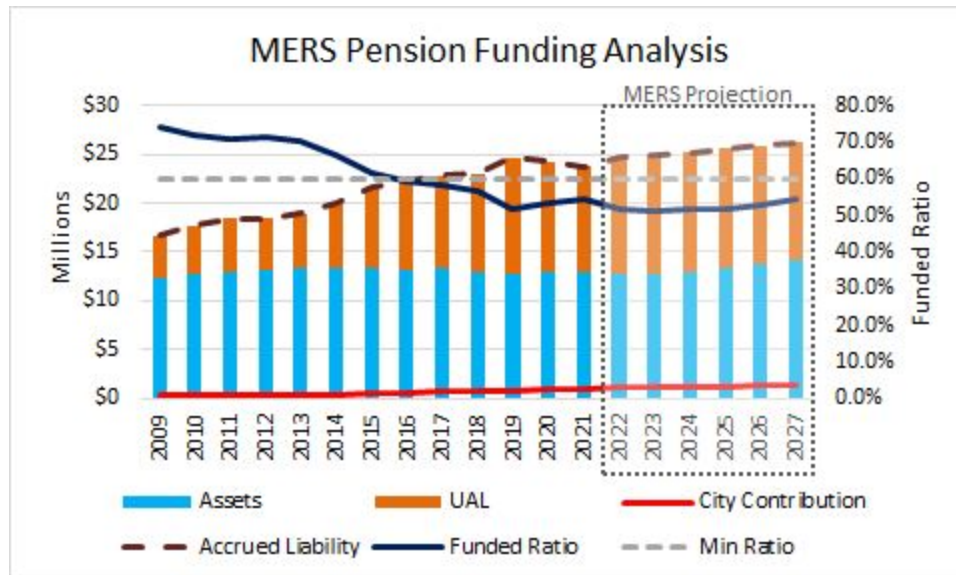
The option of bonding or levying a tax or special assessment to fund pension and OPEB liabilities has not been pursued by any city in our survey. Bonding requires a pension or OPEB plan be closed to new members and meet minimum funding thresholds, which Charlotte currently does not meet. Taxes require voter approval, and special assessments are generally not favored due to a lack of voter participation in the approval process.

The following chart illustrates the pension funding trends and MERS forecast for Charlotte. Clearly, the MERS funding plan does not significantly improve the funded ratio of the plan.

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The City's leadership has indicated it would like to achieve at least 60% funded ratio in the pension plan in the shortest time possible. Achieving the target of 60% will require about \$2.5M in additional contributions.

The City's overall UAAL of 53% includes all employee groups, and the City allocates pension costs by employee to the funds they support. Based on the most recent actuarial valuation report and personnel cost allocation worksheet, the unfunded liability allocable to the Water and Sewer Fund is approximately \$2.5M. This includes employees in the MERS Division 1 (SEIU, DPW, WWTP) and Division 10 (Non union).

A strategy the consultants considered is funding the Water/Sewer Fund pension liability at a rate higher than the MERS funding plan calls for, using available cash. This will decrease the overall UAAL for the plan immediately. MERS would track the employee group funding and the Water/Sewer employee future funding requirements would be substantially less. Essentially, the City could make extra contributions to fully fund the UAAL of the Water/Sewer Fund. This option is discussed in more detail, below.

The following three scenarios illustrate how the Water and Sewer Fund would be impacted by accelerated pension funding. The first scenario (Option 1: Status Quo) illustrates the Fund forecast without any additional pension funding. The City's 5-year capital plan is included in this scenario, and for later years we have assumed a similar level of capital funding. In this scenario, we have estimated the City will require a 5% increase in revenue from rates for FYs 21-22 and 22-23. After that, revenue required from rates is expected to increase closer to 1% per year.

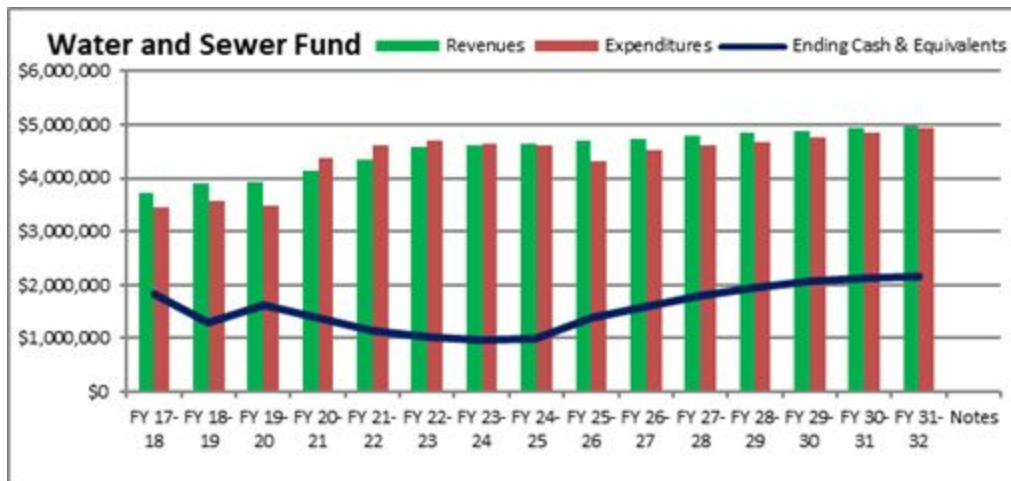
In this scenario, the City can expect lower cash reserves for several years, before rebuilding reserves once the existing debt has been paid off in FY 23-24.

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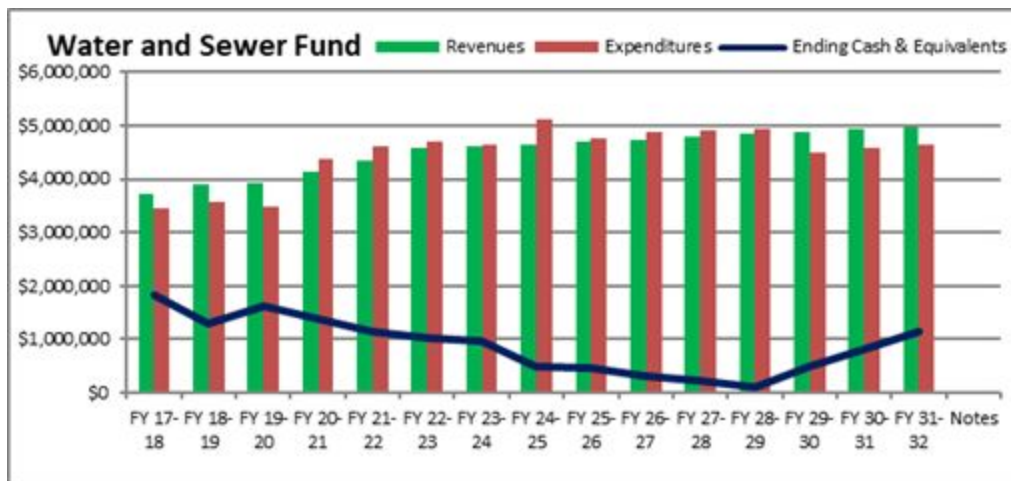
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OPTION 1: STATUS QUO



The second scenario we considered was waiting to fund the Water and Sewer Fund's UAAL until after the existing debt is fully paid in FY 23-24. We assumed the City would contribute an amount similar to the debt service payment (\$500,000) to the pension plan for five years. This scenario is illustrated in Option 2, below:

OPTION 2: INCREASE PENSION FUNDING WHEN CURRENT DEBT IS PAID



This option would require waiting until FY 24-25 to begin extra contributions to reduce the Water and Sewer Funds' UAAL. An additional five years or more would be required to fully fund the UAAL for Water and Sewer.

The third scenario provides an option for accelerating pension funding to achieve a 60% funded ratio for the plan within 2 years, by fully funding the UAAL of the Water and Sewer Fund. The mechanism that could be followed to enable this strategy is:

- The City could issue \$2.5M in capital bonds to fund the next two years of capital improvements in the Water/Sewer Fund. This would free up cash that was going to be spent on capital, and instead the City could use the cash to fund the WS Fund's UAAL

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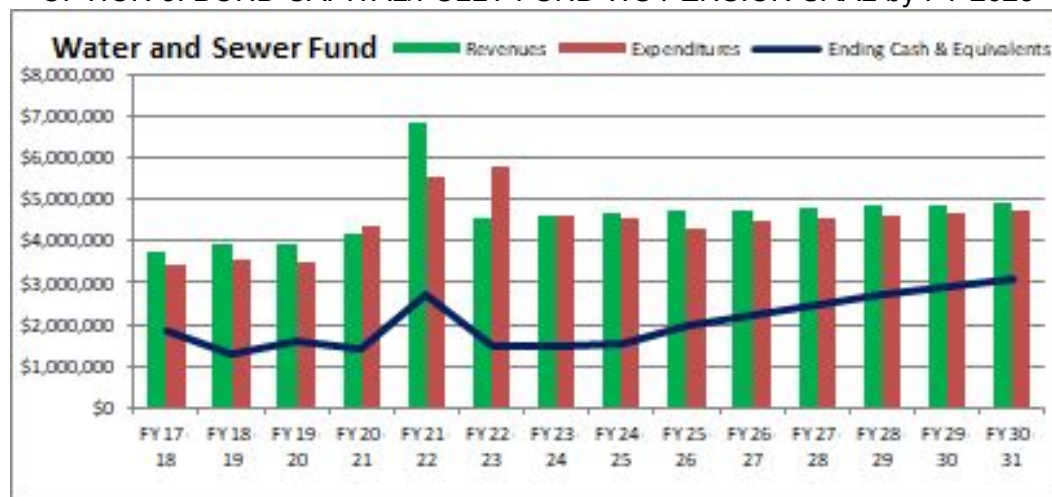
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(estimated to be about \$2.5M). The resulting lower annual pension cost could be used to pay the debt service on the \$2.5M bond.

The third scenario considers the pension funding strategy discussed above. In this scenario, we have assumed \$2.5M in bond proceeds in FY 21-22. The debt service payment for this bond is estimated to be \$168,000/year for 20 years. After fully funding the Water and Sewer Fund's outstanding UAAL (\$1.125M in FY 21-22 and \$1.125M in FY 22-23, consistent with the current capital plan), we estimated the pension cost in the Water/Sewer Fund would be reduced from \$230,000 to \$45,000/year, beginning in FY 22-23. This would be a reduction of about \$185,000 per year in pension costs for the Fund. The estimated savings in pension contributions could offset the debt service from the capital bond. All other assumptions, including capital investments and revenue requirements, remain the same.

OPTION 3: BOND CAPITAL/FULLY FUND WS PENSION UAAL by FY 2023



In this option, the City may be able to reduce the UAAL of the pension plan to achieve the minimum 60% funded ratio by 12/31/23. **We recommend the City further investigate bonding for Water and Sewer capital and using cash that was to be spent on capital over the next two years to make additional contributions to MERS.**

Before executing this option, the City should confirm with MERS the necessary contribution needed to reach a 60% funded ratio within 2 years. Additionally, MERS will need to confirm the proposed strategy would achieve the desired funding level. The City should also confirm the UAAL associated with the WS Fund, to fully understand the impact of \$2.5M in additional contributions over the next two years.

If the City needs more than \$2.5M to achieve 60% funding, the General Fund could borrow from the LDFA and make an additional contribution to MERS. A \$500,000 loan, repaid over 10 years at 2% interest, would result in a loan payment of \$55,660/year. **The City should evaluate how an additional \$500,000 contribution to the pension would impact the annual required contribution (ARC) from the General Fund in future years.** It is possible the reduction in the ARC would largely offset the debt payment to the LDFA Fund.

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Ideally, the City would have tools at its disposal to readily evaluate funding options and test different strategies. MERS can require weeks or months to run alternative scenarios.

As part of this study, the consultants ***recommend the City consider subscribing to a pension software*** tool that would mirror all of the actuarial assumptions and methods used by MERS. With this software, the City could run dozens of scenarios in a matter of minutes. The software could also be used to regularly monitor pension funding, test the cost implication of different benefit levels during labor negotiations, and create effective communications regarding the City's pension position. The annual cost for the software is in the neighborhood of \$5,000-\$7,000. This cost is justifiable due to the significant importance of addressing the pension funding challenges faced by Charlotte. Information about the software can be found in [Appendix D](#).

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Financial Analysis of General Fund Recommendations

As noted previously, this study included the preparation of a comprehensive financial forecasting model of the General Fund and other key funds in Charlotte. The focus of this study has been on the General Fund, due to its central role in City service delivery and its significant structural deficit. Throughout the study, the financial forecasting model has been used to evaluate budgets, test different operating, capital and debt scenarios, and understand the long-term impact of different recommendations. In this section, we will combine the primary financial recommendations and illustrate the impact on the General Fund if these changes were implemented.

A key objective of this study was to identify operational and financial opportunities that could provide a framework for financial stability while also addressing several major challenges facing the City, including:

- An unsustainable imbalance in the General Fund
- Insufficient funding for street improvements
- Inadequate pension funding and rising pension contributions
- High administrative staff demands

Additionally, a range of miscellaneous concerns and questions were raised, which exposed additional challenges and opportunities for Charlotte.

In our quest to understand and offer recommendations for improvement, we have evaluated many options for improving operational efficiency through changes to staffing levels, reassignment of duties, contracting certain services to be paid for with user fees, rebidding services for lower cost, and other options.

Below is a 10-year summary of the primary financial challenges and our recommendations solutions:

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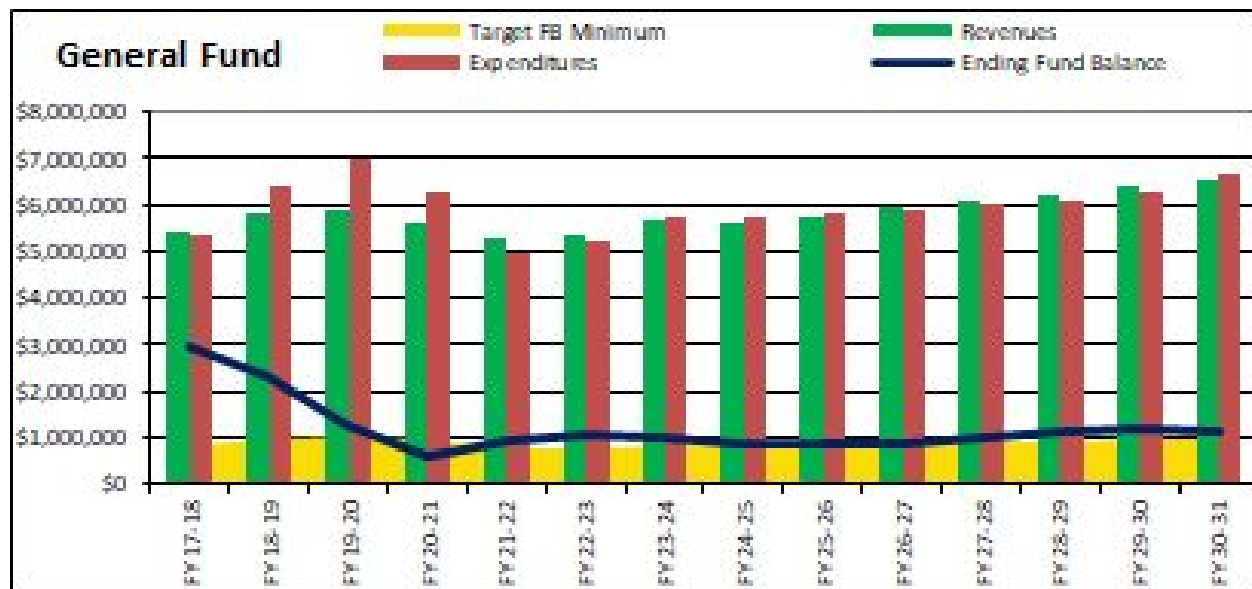
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Challenge	Recommendation	Est. 10-yr \$ Impact on General Fund (GF)	
Resolve structural deficit and identify funding for pension & streets	Remove fire department from GF; seek separate millage funding	10,070,000	
	Increase administrative cost recovery from other funds	383,000	
	Utilize PA 359 to support community promotion	500,000	
	Allocate public right-of-way tree trimming to street funds	75,000	
	Budget interest income at appropriate level & allocate Revolving Loan Fund interest to GF	200,000	
	Limit Police capital to \$100,000/yr, on average (baseline model assumed \$120,000/yr)	200,000	
	Reduce Police rental expense by \$12,000/yr	120,000	
	Reduce Prof Svc expenditures by \$5,000/yr	50,000	
	Admin staff reconfiguration	199,000	
	Resolve structural deficit	-5,020,000	
	NET GF SAVINGS (available for other uses)		6,777,000
Low pension funding	Fully fund Water/Sewer UAL	0	
	Short-term loan from LDFA to boost GF contribution (repay over 10 yrs)	-557,000	
	Increase MERS contribution \$100,000/yr	-1,000,000	
	GF PENSION FUNDING INCREASE (use of available funding)		-1,557,000
Funding for street improvements	Dedicate a portion of GF resources to street improvements	-4,700,000	
	TOTAL STREET FUNDING FROM GF (use of available funding)		-4,700,000
Increase GF fund balance	NET 10-YR GENERAL FUND IMPACT	520,000	
	GF Fund Balance Ending FY 2021	590,000	
	ENDING FUND BALANCE FY 2031		1,110,000

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After applying these changes in the financial forecasting model, the outlook for the General Fund is much improved:



The solution outlined above relies heavily on gaining community support for a dedicated Public Safety (fire services) levy of 3.5 mills. This change would provide much needed relief for the General Fund and appropriately segregate fire services as a regional service, different from the other services provided by the General Fund. Some challenges which cannot be fully resolved with this approach include:

- Street improvements** - Until the City has a comprehensive assessment of improvement costs, the investment required to bring the average OCI to 6 or better cannot be known. The proposed strategy would provide about \$11.7M for street improvements over the next 10 years, including \$3.3M from Act 51, \$3.7M from the County road millage and \$4.7M from the General Fund. If additional resources are needed to fund the City's street improvement plan, the City should consider bonding or asking voters to approve a limited special millage for this specific purpose.
- MERS pension funding** - As noted, the City could achieve a 60% funded ratio of the pension by fully funding the Water and Sewer Fund's portion of the UAL, and by borrowing funds from the LDFA. The plan outlined above would allow the City to contribute an additional \$1M towards the General Fund's pension liability, above the amount MERS has already projected will be required. These added contributions would help address the approximately \$9M UAAL incurred by the General Fund, but it will not fully resolve the underfunding. If the City desires to further reduce or eliminate the UAAL, resources would have to be diverted from another source, or the City would have to seek voter approval for additional revenues.

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Other millage strategies to generate General Fund revenues, besides a Public Safety millage to fund fire services, include:

- Parks & Rec millage
 - 0.8 mill would fully fund all P&R expenditures and free up nearly \$1.8M over next 10 years
- Public safety capital millage
 - 1 mill needed to fund average annual capital needs in police and fire
 - Due to volatility of capital spending, the city would likely have to borrow funds in some years to pay for capital needs, then repay the loan from millage proceeds over time
 - Over 10 years, about \$2.5M GF dollars could be freed up
- Headlee override
 - 0.72 mills would generate about \$162,000/yr in additional GF dollars
 - This translates to close to \$2M over 10 years
- Pension millage
 - A levy of 3.2 mills would be required to generate adequate revenues to pay the current General Fund portion of the pension
 - This would free up about \$710,000 in the General Fund for other uses, such as closing the structural deficit and increasing contributions to street improvements
- Public safety millage (police)
 - Police services cost the City about \$2.2M/year
 - A millage in any amount could be dedicated to funding a portion of the Police budget
 - As noted above, 3.5 mills would provide a great deal of benefit to the City
 - With a dedicated millage for Police, the City would have to set up a special revenue fund for this tax and allocate costs between General Fund and the new special revenue fund

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Conclusion

Although the City of Charlotte is facing significant operational and financial challenges, it has a number of opportunities available to remedy the challenges. This study has evaluated a wide range of staffing, operational, budgeting and financial management options to provide a framework for setting the City on a firm foundation to continue providing quality municipal services and avoiding further financial decline.

The City is encouraged to carefully consider each of the recommendations in this report from policy, operational and financial positions. Given the complexity and breadth of the options presented, the Council may wish to ***create an Advisory Board to prioritize recommendations, seek community stakeholder opinion, offer guidance on appropriate actions, draft policy statements and maintain accountability***. Similar to the Vision 2025 Committee, participation of elected officials, employees and the public would ensure well-rounded consideration of each recommendation.

Presentation of this report to the City Council during a public meeting is the right first step for its consideration. After the presentation an Advisory Board would be able to spend significant time reviewing and considering each of the recommendations and provide feedback to the City Council regarding implementation. Employees are also encouraged to consider the recommendations made to their operations not a criticism for what has been done in the past, but rather as they are intended: suggestions for improvement based on the information reviewed by the consultants.

The consultants engaged for this study are available to discuss any questions that may arise as the City moves forward with the recommendations of this report. It has been a pleasure working with the City of Charlotte on this important project.

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A. Stakeholder Interviews

The consultants hosted stakeholder meetings early in the process with the elected officials and staff. The individuals interviewed included:

Elected Officials

Michael Armitage, Mayor
Branden Dyer, Mayor Pro Tem
Daryl Baker, Council member
Liz Hoogstra, Council member
Brett McRae, Council member
Nathaniel VanStee, Council member
Tammy Weissenborn, Council member

Staff

Tom Archer, Public Works Foreman
Paul Brentar, Police Chief
Kevin Fullerton, Fire Chief
Amy Gilson, Public Works Director
Matt Griffith, Utilities Superintendent
Gregg Guetschow, City Manager (former)
Randy Jewell, Assessor
Darwin McClary, Interim City Clerk (former)
Bryan Myrkle, Community Development Director
Ginger Terpstra, City Clerk (former)
Thomas Thomas, Interim City Manager

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B. Consultant Biographies



P.O. Box 82202 ~ Rochester, MI 48308 ~ 248-379-8923 ~ VettrainoConsulting@gmail.com

Jaymes Vettraino, MBA

Jaymes Vettraino provides municipal management consulting services to communities. His focus is on assisting with facilitation, operational management, community relations, and financial planning. In addition, through a partnership with GovHR USA, Jaymes provides executive recruitment and employee class and compensation study services.

Prior to starting his consulting service, Jaymes spent 17 years as a City Manager, most recently as the City Manager of Rochester, MI. In Rochester, he had the opportunity to lead a dynamic management team to simultaneously reduce expenses and increase the level of community service during years of the “great recession.”

Since 2015, Vettraino Consulting, LLC has grown to provide services to municipalities across the State of Michigan and has gained a reputation as a trusted partner to the elected officials and public employees it serves.

Over his career Jaymes has been recognized by his peers and public service agencies, including being selected as one of “Oakland County’s Elite 40 Under 40,” recognized by the Rochester Regional Chamber of Commerce with an “Advocacy Award,” and honored by the Michigan Municipal League with its “Outstanding Service Award.”

Professional Education

- Master of Business Administration degree in Management, Lehigh University, Bethlehem, PA
- Bachelor’s degree in Political Science, Michigan State University, East Lansing, MI

University Instruction

- Assistant Professor, School of Business, Rochester University, Rochester, MI
- Adjunct Professor, Masters in Public Administration, Oakland University, Rochester, MI
- Adjunct Professor, School of Business, Alvernia College, Reading, PA

Memberships and Affiliations (current and prior)

- International City and County Managers Association
- Michigan Local Government Management Association
- Leadership Oakland County
- Pennsylvania Association of Municipal Managers
- American Public Power Association

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John F. Kaczor, MPP
Municipal Financial Strategist &
Analytics Specialist

Knowledgeable municipal management consultant with over 25 years of professional consulting experience. Trained in utility financial management and ratemaking, public policy analysis, financial evaluation, budget forecasting model development and cost allocation. Experienced in working with local governments and public entities of all sizes. Motivated to find the most appropriate solution for the given problem, and to provide local managers with the tools necessary to improve analysis and decision-making on an on-going basis.

Areas of Consulting Expertise

Fiscal Management – Reviewed and recommended improvements to financial policies including budgeting, cash management, investments, financial controls and fund reserves. Evaluated employee training and record keeping to improve information reporting required by management and policy makers. Conducted indirect central service cost allocation studies, in compliance with Federal guidelines. Developed comprehensive capital improvement plans, equipment replacement schedules and associated policies.

Financial Modeling – Developed numerous spreadsheet-based financial models for municipalities that simulate the interaction within and between a variety of governmental and proprietary funds. Produced comprehensive revenue and expenditure estimates for future years and analyzed multi-year financial implications of various assumptions and economic conditions.

Utility Rate Setting – Calculated appropriate water and sewer rates for small and large utility systems. Estimated revenue requirements using the cash needs-basis and the utility-basis for cost of service ratemaking. Recommended rate structures, financial policies and implementation strategies. Created multi-year, interactive spreadsheets that simplify annual rate recalculations.

Economic and Tax Analysis – Conducted feasibility studies of local income tax and public safety funding options. Evaluated the impact of proposed major commercial developments on the local and state economies. Identified alternatives to traditional economic development approaches for municipalities. Educated elected officials and managers in the complexities of Michigan's property taxation system. Evaluated municipal consolidation, shared services and public-private partnerships.

Employee Compensation and Human Resources – Performed comprehensive analyses of employee classifications and compensation systems. Developed position descriptions and performance evaluation tools. Evaluated the scope and value of employee benefits. Designed comprehensive compensation systems based on detailed analyses of the labor market and internal equity considerations. Developed employer-specific personnel policies manuals and workplace safety manuals.

Operational Reviews – Evaluated the structure and operations of municipal functions including public safety, human services, utility billing, motor pool, utility operations and public works. Developed recommendations for improved service provision, customer focus and operational efficiency. Researched appropriate benchmarks and measured performance of operations.

Data Collection and Analysis – Designed complex, project-specific data collection and analysis tools involving research methodology, statistical evaluation and data interpretation. Synthesized diverse information for management decision-making.

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Summary of Consulting Expertise

- Financial Forecasting & Five-year Financial Models
- Utility Rate Setting Analysis
- City Income Tax Feasibility Studies
- Administrative Cost Allocation Plan Development
- Municipal Budget Analysis
- Personnel Cost Modeling & Forecasting
- Shared Services Feasibility Studies
- User Fee Studies
- Capital Improvement Planning
- Municipal Operational Analysis

Other Local Government Experience

- City of New York: corrective action team, Adult Protective Svc
- City of Ann Arbor: management intern
- GFOA: budget reviewer
- Michigan Municipal League: consultant

Education

University of Michigan - Master of Public Policy Studies, 1995

Western Michigan University - Bachelor of Arts (Economics and Sociology), 1989

Years of Relevant Experience: 25

Registrations and Certifications

American Water Works Association Cost of Service Utility Ratemaking and Financial Management

Certified Analytics Partner with Forecast5 Analytics

Professional Affiliations

International City/County Management Association

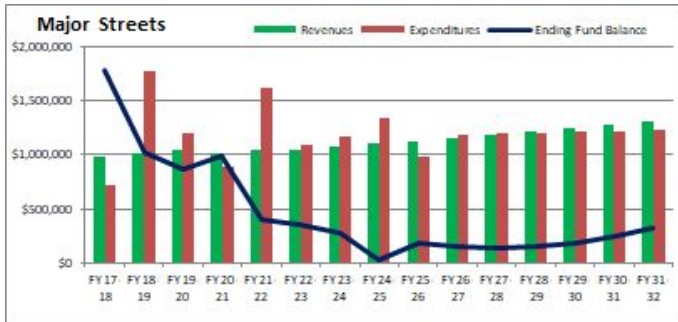
American Water Works Association

Water for People

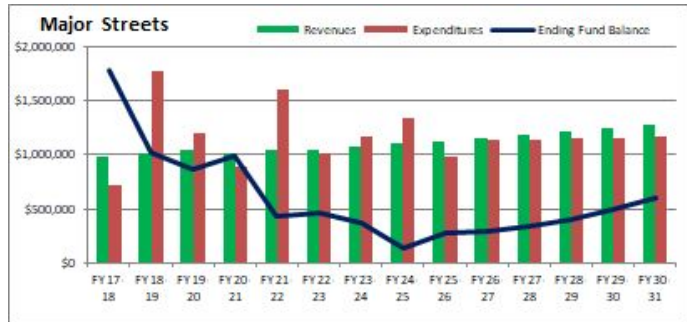
Energy Reduction Coalition

C. Other Funds' Baseline Financial Forecasts and Forecasts with Recommendations

BASELINE FORECAST

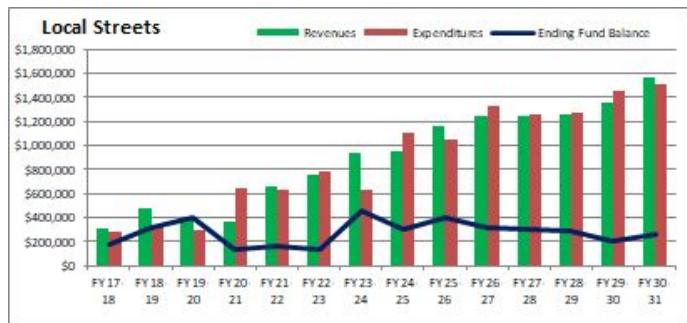
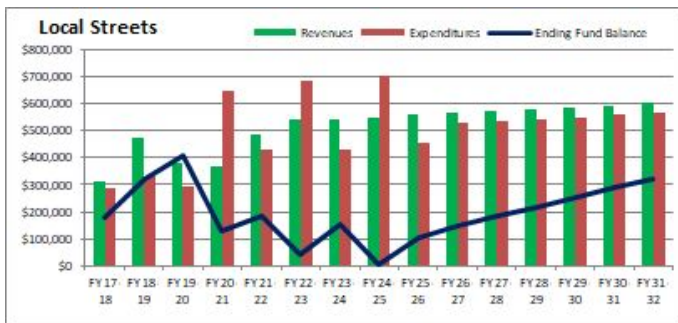


FORECAST WITH RECOMMENDATIONS



Major Streets Fund strategies evaluated:

1. Increase transfer from Major to Local Streets to maximum allowable, since Major Streets are generally in good condition
2. Increase total funds available for street improvements by freeing up GF resources and increasing contributions from GF to Major & Local Streets funds



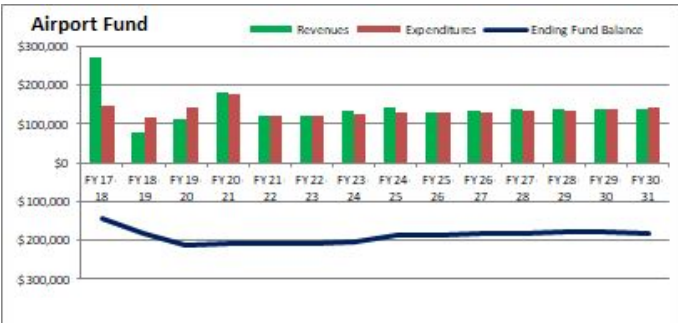
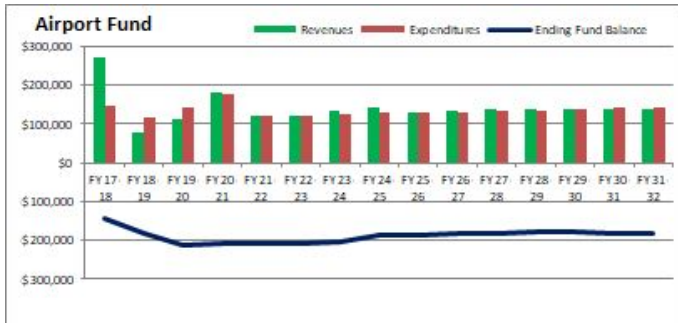
Local Streets Fund strategies evaluated:

1. Increase transfer from Major to Local Streets to maximum allowable, since Local Streets are in greater need of investment
2. Increase total funds available for street improvements by freeing up GF resources and increasing contributions from GF to Major & Local Streets funds
3. Significantly increase spending on Local Street improvements

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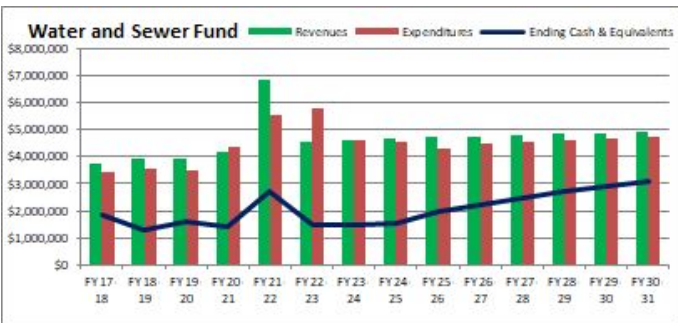
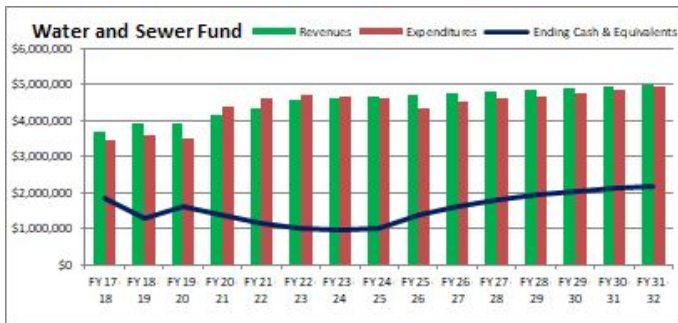
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Airport Fund strategies evaluated:

1. Eliminate GF support of Airport Fund
2. Keep Airport expenditures in line with revenues



Water and Sewer Fund strategies evaluated:

1. Issue \$2.5M in capital bonds in FY 21-22.
2. Use cash that would have been spent on capital over next two years to instead make extra contributions to the MERS pension plan
3. Once WS Fund has fully eliminated its pension UAAL, the pension ARC will be much lower
4. The reduced pension contribution requirement may be sufficient to fully or largely cover the debt service payments on the capital bond

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D. Software & Service Solutions for Consideration

Financial Forecasting Software

Forecast5 Analytics: <https://www.forecast5analytics.com/customers/localgovernments>

- Full general ledger forecast for all municipal funds
- Data can be analyzed at any level (line item detail, source, object, department, activity, etc.)
- Dashboards, downloadable reports in customizable format
- Dedicated municipal finance expert support

Pension Costing and Analytics Software

GovInvest: <https://govinvest.com/>

- Developed and supported by licensed actuaries
- Pension tools replicate MERS assumptions, employee and plan specifics
- Instantly test alternative funding options, benefit levels, interest rates and more
- Unlimited access to test scenarios; one fixed subscription fee

Water and Sewer Rate Analysis and Development Software

Waterworth: <https://waterworth.net/>

- Cloud-based software solution to simplify utility financial analysis and rate setting
- Fully supported by experienced rate consultants
- Fixed annual subscription fee for unlimited access and scenario testing
- Excellent data visualization to simplify transparency and communication
- Drag and drop data uploading

Payroll Services

Paychex: <http://paychex.com>

- Can manage any or all aspects of payroll administration
- Acquiring a cost quotation requires providing a range of data
- For more information, contact Jason Lynn, 989-529-5093; jilynn@paychex.com

ADP: <https://www.adp.com/>

- Can manage any or all aspects of payroll administration
- Acquiring a cost quotation requires providing a range of data
- For more information, contact Nick Riccardi, 941-613-4267; nick.riccardi@adp.com

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E. Draft Amendment to Administrative Ordinance**Introduced: DATE****Adopted: DATE****Effective: DATE****ORDINANCE NO. XXXX-XX**

**AN ORDINANCE TO AMEND DIVISION 1. ADMINISTRATIVE CODE OF ARTICLE III.
OFFICERS AND EMPLOYEES OF CHAPTER 2: ADMINISTRATION BY AMENDING
SECTION 2-51, 2-52, 2-53, 2-54, 2-55, 2-56, 2-57, 2-58, 2-59, 2-60 AND AND RENUMBERING
2-61 WITHIN THE CODE OF ORDINANCES OF THE CITY OF CHARLOTTE**

THE CITY OF CHARLOTTE ORAINS:

Section 1. Division 1. Administrative Code of Article III. Officers and Employees of Chapter 2: Administration of the Code of Ordinances shall be amended to read as follows:

§ 2.51 DIVISION OF THE ADMINISTRATIVE SERVICE.

The administrative service of the City shall be under the supervision and direction of the City Manager, except as provided by the City Charter, and shall be divided into the following offices and departments, each of which shall be the responsibility of and under the control of an administrative officer or department director, as listed below opposite such office or department:

Office or Department	Officer or Director
Assessor's Office	City Assessor
Attorney's Office	City Attorney
Clerk's Office	City Clerk
Treasurer's Office	Treasurer
Fire Department	Fire Chief
Manager's Office	City Manager
Police Department	Police Chief
Public Works Department	Director of Public Works

§ 2.52 ADMINISTRATIVE OFFICERS.**Quick Links:**[Table of Contents](#)[Recommendations Summary](#)

The administrative officers of the City shall be the City Assessor, City Attorney, City Clerk, Treasurer, City Clerk-Treasurer, Fire Chief, City Manager, Police Chief and the Director of Public Works.

§ 2-53 ASSESSOR'S OFFICE.

The assessor's office shall be under the direction of the City Assessor, who may be an employee of the City or whose services may be provided pursuant to contract, and who shall have the duties and responsibilities detailed for such office in the City Charter, this code and state statutes.

§ 2-54 ATTORNEY'S OFFICE.

The attorney's office shall be under the direction of the City Assessor, who may be an employee of the City or whose services may be provided pursuant to contract, and who shall have the duties and responsibilities detailed for such office in the City Charter, this code and state statutes.

§ 2-55 CLERK-TREASURER'S OFFICE.

(A) The clerk-treasurer's office shall be under the direction of the City Clerk Treasurer, who shall have the duties and responsibilities detailed for the offices of City Clerk and City Treasurer in the City Charter, this code and state statutes. In addition he or she shall act as clerk for the Planning Commission and the Zoning Board of Appeals. In addition, the duties and responsibilities enumerated in the Clerk Position Description shall be incorporated in this section by reference.

and shall be responsible for reconciliation of the City's bank accounts, for preparation of bills and the receipt of payments of utility and other services rendered by city departments and for payroll and related functions for city employees.

(B) There is hereby established within the clerk-treasurer's office, the human resources office. This office shall be charged with development of personnel policies, assisting officers and departments head in the development of work rules applicable to their departments, negotiation of collective bargaining agreements, overseeing the process of recruiting, hiring, disciplining and terminating employees, the development and implementation of employee training programs, the preparation and administration of pay plans, and the administration of employee benefit programs.

(C) Pursuant to § 6.5 (F) of the City Charter, the City Clerk-Treasurer shall perform the duties of City Auditor. Such duties shall be performed under the supervision and with the assistance of the City Manager and may be carried out by the City Clerk-Treasurer himself or herself, through the use of contractual services or through a combination of the two.

§ 2-556 TREASURER'S OFFICE.

(A) The treasurer's office shall be under the direction of the Treasurer/Finance Director, who shall have duties and responsibilities detailed for the officers of the City Auditor, of which

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duties may be contracted to a qualified third party, and City Treasurer in the City Charter, this code and state statutes. In addition, the duties and responsibilities enumerated in the Treasurer/Finance Director Position Description shall be incorporated in this section by reference.

§ 2-567 FIRE DEPARTMENT.

(A) The Fire Department shall be under the direction of the Fire Chief, who shall have the duties and responsibilities detailed for such office in the City Charter, this code and state statutes. In addition, the duties and responsibilities enumerated in the Fire Chief Position Description shall be incorporated in this section by reference. In addition, the Fire Chief shall have the responsibility for supervising the work of such other employees or contractors employed by the city for the purpose of providing building, and property maintenance inspection services.

(B) There is hereby established within the Fire Department a building division, which shall have the responsibility of providing, with Fire Department employees and/or through the use of contractors, building and property maintenance inspection services.

§ 2-578 MANAGER'S OFFICE.

(A) The manager's office shall be under the direction of the City Manager, who may be an employee of the City or whose duties may be provided by contract, and who shall have the duties and responsibilities for such office in the City Charter, this code and state statutes, and such additional duties and responsibilities assigned to him or her from time to time by the City Council. The City Manager shall see that all laws, ordinances, rules and regulations adopted by the City Council and the provisions of this code are properly enforced. In addition, the duties and responsibilities enumerated in the City Manager Position Description shall be incorporated in this section by reference.

(B) There is hereby established within the manager's office, the community development office. The community development office shall be under the direction of the Director of Community Development. He or she shall have responsibility for activities related to a general program of community and economic development., including, but not limited to, providing assistance to city boards and commission engaged in community and economic development activities, representing the City with other organizations in the community engaged in community and economic development, representing the City with business enterprises, overseeing the City's cable television governmental programming, and such other duties as are assigned to him or her from time to time by the City Manager. In addition, the Director of Community Development shall have the responsibility for administering the zoning ordinance, shall function as the primary staff person assigned to assist the Planning Commission and the Zoning Board of Appeals in carrying out their duties under said ordinance, and shall perform such other duties as are assigned under said ordinance to the building office. In addition, the duties and responsibilities enumerated in the Community Development Director Position Description shall be incorporated in this section by reference.

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(C) The City Manager is authorized to adopt such administrative regulations in addition to, but not inconsistent with, the City Charter and this code, as he or she shall deem necessary and proper to provide for the adequate functioning of all departments. Such regulations shall comprise the administrative manual.

§ 2-589 POLICE DEPARTMENT.

The Police Department shall be under the direction of the Police Chief, who shall have the duties and responsibilities detailed for such office in the City Charter, this code and state statutes. In addition, the duties and responsibilities enumerated in the Police Chief Position Description shall be incorporated in this section by reference.

§ 2-6059 PUBLIC WORKS DEPARTMENT.

The Public Works Department shall be under the direction of the Director of Public Works, who shall have the duties and responsibilities detailed for such office in the City Charter, this code and state statutes, including duties and responsibilities associated with the City's parks and recreation properties and facilities. In addition, the duties and responsibilities enumerated in the Public Works Director Position Description shall be incorporated in this section by reference. In addition, he or she shall have the responsibility for overseeing the operations of the recycling center.

§§ 2-601 – 2-65 RESERVED.

Section 2. This ordinance shall become effective 20 days after adoption.

F. New Draft Position Descriptions

This Appendix includes position descriptions the City can use as models. The consultants have drafted the models based on the recommendations on this report. The City should review and modify the models based on the final expectations established for the positions.

Position Descriptions for:

[CITY MANAGER](#)

[TREASURER/FINANCE DIRECTOR](#)

[CITY CLERK](#)

[ASSISTANT CITY MANAGER](#)

[DIRECTOR OF COMMUNITY DEVELOPMENT](#)

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CITY MANAGER POSITION DESCRIPTION

POSITION:

TITLE: City Manager
PAY STATUS: Full-Time Salaried Position
EMPLOYMENT STATUS: At-Will
FLSA STATUS: Exempt

REPORTS TO:

City Council.

PURPOSE OF THE POSITION:

Acts as the chief administrative officer appointed by and receiving policy direction from the City Council. Plans, develops and implements diverse City services to meet policy requirements and address community needs. Oversees the organization and direction of all City departments and ensures compliance with contractual and regulatory obligations.

The appointee interacts in a consistently pleasant and helpful manner with fellow employees, visitors, business owners, potential business owners, outside agencies and citizens of the City and demonstrates the highest standards of internal and external customer service.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

1. All duties and responsibilities as described in the City Charter.
2. Oversees the operations of the City's Departments and activities. Assesses and monitors operations to ensure quality services are provided in an efficient, cost-effective and timely manner.
3. Attends City Council meetings, performs research and recommends policies and programs as requested. Implements policies, ordinances, and programs set forth by the Council. Attends meetings of various committees, boards, authorities, and commissions frequently.
4. Supervises all City employees, directly or through staff. Administers personnel systems and bargaining agreements.
5. Prepares the annual budget, administers fiscal policy, and oversees financial activities. Ensures the proper administration of the budget, and keeps the City Council apprised of the City's financial condition and future needs. Presents budgetary reports and information to

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the City Council.

6. Represents the City to the media and at meetings and conferences. Presents the official City position on a variety of issues and acts as spokesperson for the City.
7. Establishes a proactive approach to public relations through contacts with citizens and community groups and participation in civic activities. Responds to inquiries, resolves citizen complaints and recommends remedial action.
8. Coordinates City operations with other governmental agencies to reduce duplication of effort, increase efficiency and maximize the availability of services.
9. Reviews and approves contracts and agreements negotiated on behalf of the City. Enforces the terms and conditions of all contracts to which the City is a party. Supervises special projects and ensures work is completed according to specifications.
10. Manages, supervises, and coordinates overall long range planning, strategic plans, public improvements, and general operations to achieve established goals for community development, economic growth, land use and related issues.
11. Serves as liaison to the City's various Boards and Commissions as necessary.
12. Responds courteously and tactfully to the public in answering questions, explaining City and department policies, and handling complaints. Resolves complex and sensitive customer service issues, either personally, by telephone or in writing.
13. Manages various confidential documents and records pertaining to City affairs.
14. Establishes and maintains effective working relationships with elected officials, staff, community organizations, other agencies and the general public.
15. Complies with and enforces all City policies and procedures. Performs all duties in accordance with safety policies and procedures, work rules and regulations and security standards as established.
16. Performs related work as required by the City Charter, City Council, or operational needs.
17. Performs other work-related duties as assigned.

TO DO THIS TYPE OF WORK, YOU MUST BE ABLE TO:

Meet the following criteria: minimum qualifications, physical demands, environmental conditions, language skills, education, vocational preparation, and/or experience requirements that may be needed to perform successfully the tasks described within this position description.

MINIMUM QUALIFICATIONS:

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1. Possess general knowledge of the theories and principles of effective public administration and have the ability to quickly grasp specific local government functions, practices and organization.
2. Ability to prepare accurate written reports and meet firm deadlines.
3. Ability to assemble multifaceted programs and funding to achieve goals.
4. Skill in the use and maintenance of automated office equipment, including computers and related software.
5. Ability to work effectively under stress, changes in work priorities, with frequent interruptions and in emergencies.
6. Possess advanced knowledge and experience with PC applications and operating systems, such as Windows and Microsoft Office applications, including but not limited to Word, Excel, and Outlook. Possess general knowledge of web based programs and GIS applications.
7. Thorough knowledge of the laws, ordinances, and related legislation pertaining to municipal operations, budgeting, authority, and public information.
8. Thorough knowledge of the professional principles and procedures of public administration.
9. Considerable knowledge of municipal financial and personnel management, labor negotiations and economic development techniques.
10. Knowledge of public relations practices and marketing.
11. Skill in compiling and evaluating complex data, and formulating policy and service recommendations.
12. Skill in managing diverse programs, services, and personnel.
13. Ability to maintain accurate records and prepare comprehensive reports.
14. Ability to effectively communicate and present ideas and concepts orally and in writing, and make formal presentations in a public setting.
15. Ability to establish effective working relationships and use good judgment, initiative and resourcefulness when dealing with citizens, elected officials, employees, other governmental agencies, and other professionals.

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16. Must be careful, orderly and detail-oriented in order to avoid making errors and recognize errors made by others.

TOTAL EDUCATION, VOCATIONAL PREPARATION, AND/OR EXPERIENCE REQUIREMENTS:

1. Graduation from an accredited four-year college or university with a degree in public administration, business administration, planning, economics or a closely related field; and
2. Five or more years of progressively more responsible municipal management experience, preferably as an Assistant and/or City Manager; or
3. At the City's discretion any equivalent combination of education and experience, with additional education or experience substituting on a year for year basis for the required education or experience.
4. Masters degree preferred.

PHYSICAL DEMANDS:

The following demands are representative of the physical requirements necessary to perform the various duties and responsibilities of this position.

1. Work is performed primarily in an office setting. Performs assigned work with dexterity. While performing the duties of this job, the employee is frequently required to use hands to finger, handle, feel or operate objects, tools, or controls; and reach with hands and arms. The employee is occasionally required to climb or balance, stoop, kneel, crouch, or crawl.
2. The employee is required to walk and stand, as well as sit, talk, and hear.
3. The employee must occasionally lift and/or move up to 25 pounds.
5. Specific vision abilities required include close and distance vision, color vision, peripheral vision, depth perception and the ability to adjust focus.
5. The employee must be able and willing to work irregular and/or extra hours, as required.

ENVIRONMENTAL CONDITIONS:

The work environment characteristics described here are representative of the conditions an employee encounters while performing the essential functions of this job.

1. The noise level in the work environment is usually quiet to moderate.

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2. Employee is responsible to use all safety equipment properly as prescribed by the City.

LANGUAGE SKILLS:

1. Must have excellent communications skills in English.
2. Must have thorough knowledge of English grammar, spelling and punctuation and must be able to write sentences, complete forms, prepare professional written correspondence and prepare reports.
3. Must be able to conduct phone and face-to-face communications, meet with the public and present information in a professional manner.

OTHER SPECIAL REQUIREMENTS:

1. Must possess or acquire prior to employment a valid driver's license. If applicable, must acquire a valid MI Driver's License within sixty (60) days of employment.
2. The willingness, ability, and desire to keep abreast of changing technology through attending seminars, enrollment/and active participation in one or more of the agencies/associations affiliated with local government.
3. Must pass a criminal background check, physical examination, drug screening, reference and employment history checks, and oral interviews.

ADDITIONAL EMPLOYMENT CRITERIA

The duties and responsibilities listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of work-related duties and responsibilities does not preclude them.

The position description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change. The individual employed by the City for this position is an "employee at will" and can be terminated from employment from the City at any time, with or without cause, with or without notice, within the terms and conditions as established by federal and state law, the City Code of Ordinances and the City Charter.

PRE-EMPLOYMENT/POST-OFFER REQUIREMENTS

Any offer of employment is contingent upon taking and passing a criminal background check, physical examination, drug screening, reference and employment history checks, and oral interviews. Any offer of employment is also contingent upon successfully passing an interview process.

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Applicants who refuse to submit to testing or who do not pass all tests or provide required documents will not be hired or retained in employment.

CREATED/UPDATED

On _____, by _____

Administrative approval by: _____

**CERTIFICATION THAT THE EMPLOYEE HAS RECEIVED AND AGREES TO THE
TERMS AND CONDITIONS OF THIS POSITION DESCRIPTION**

Employee Name (Print)

Employee Signature

Date

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TREASURER/FINANCE DIRECTOR POSITION DESCRIPTION

POSITION:

TITLE: Treasurer/Finance Director
PAY STATUS: Full-Time Salaried Position
EMPLOYMENT STATUS: At-Will
FLSA STATUS: Exempt

REPORTS TO:

City Manager or his/her designee.

PURPOSE OF THE POSITION:

Under the direction of the City Manager, plans and directs the financial accounting and treasury functions of the City. Ensures accurate accounting of all City funds, responsible for the preparation of the annual budget, monitors expenditures, oversees collection of taxes and other receivables, administers accounts payable, and oversees cash management and investing. Performs financial analysis, prepares required reports and assures that all financial systems meet governmental audit standards.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

1. All duties and responsibilities as described in the City Charter.
2. Maintains all financial records and monitors all accounts of the City. Plans, organizes and administers the financial activities of the City in accordance with accepted fiscal practices, and federal and state regulations. Responsible for preparation of the annual financial statements.
3. Supervises personnel involved in financial activities including payroll and benefits, accounts receivable, accounts payable and general ledger maintenance. Evaluates performance, and oversees training and professional development. Takes disciplinary action according to established procedures.
4. Coordinates development and administration of the City's annual budget. Works with the City's departments in developing budget requests and revenue and expense projections. Provides guidance on accounting and reporting procedures, account discrepancies, tax regulations, and City fiscal policies.

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5. Oversees the collection of taxes, enterprise receivables, and other payments to the City. Manages systems for tax reconciliation, settlement, legal processes for delinquent accounts and other requirements.
6. Reconciles all bank accounts and transfers funds as directed. Invests funds in accordance with investment policies. Handles maintenance of City insurance records, workers compensation and employee benefits programs. Maintains personnel files for employees and retirees.
7. Works closely with the independent auditors to ensure accuracy of financial reporting. Supervises the year-end closing of financial records and is responsible for preparation of the annual financial statements.
8. Acts as department spokesperson, establishing and maintaining effective relationships with citizens, City officials, employees, and other interests. Responds to public inquiries and investigates any complaints regarding the financial system.
9. Advises and assists the City Manager and City Council regarding financial issues including researching and advising regarding cash balances, revenue and expenditure trends, utility rates and other financial concerns. Attends Council meetings, and other meetings as required.
10. Prepares various financial reports required by state and federal agencies such as the F65 and ACT 51 reports, Workers' Compensation audit, any required grant reporting, and all other required documentation. Prepares budget, investment and other reports for the City Council and City Manager.
11. Become familiar with duties and responsibilities of specific office personnel, as assigned by the City, to be able to perform the functions of the office personnel in their absence.
12. Become familiar with duties and responsibilities of office personnel in general and, when required, perform the general duties of other office personnel.
13. Keeps abreast of professional developments and technological advances in finance and treasury through continued education and professional growth. Attends conferences, workshops, and seminars as appropriate.
14. Works cooperatively with other City Hall employees as one member of an administrative team. Answers phones, responds to inquiries, takes complaints, routes messages and voicemails, works the front counter and performs other administrative tasks pertaining to serving the public.
15. Performs related work as required.

TO DO THIS TYPE OF WORK, YOU MUST BE ABLE TO:

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Meet the following criteria: minimum qualifications, physical demands, environmental conditions, language skills, education, vocational preparation, and/or experience requirements that may be needed to perform successfully the tasks described within this position description.

MINIMUM QUALIFICATIONS:

1. Bachelor's Degree in accounting, finance or a similar discipline.
2. Five or more years in professional accounting or financial management in a municipal setting.
3. Thorough knowledge of the principles, practices and legal regulations of municipal finance, budgeting, accounting, investing and financial reporting.
4. Working knowledge of budgetary, accounting and reporting systems, GAAFR, GAAP, GASB and IRS regulations, and skill in applying related principles and requirements.
5. Skill in responding to public inquiries and internal requests with a high degree of diplomacy and professionalism.
6. Skill in assembling and analyzing financial data, developing operating and capital budgets, and preparing comprehensive and accurate reports.
7. Skill in effectively communicating ideas and concepts orally and in writing, and in making presentations in public forums.
8. Skill in the use of office equipment and technology, including Microsoft Suite applications and specialized financial software; and the ability to master new technologies.
9. Ability to critically assess situations and solve problems, and to work effectively under stress, within deadlines and changing work priorities.
10. Ability to establish effective working relationships and use good judgment, initiative and resourcefulness when dealing with employees, elected officials, the media, professional contacts, and the public.

TOTAL EDUCATION, VOCATIONAL PREPARATION, AND/OR EXPERIENCE REQUIREMENTS:

1. Graduation from an accredited four-year college or university with a degree in public administration, business administration, accounting, finance or a closely related field; and
2. Two years experience in the field; or

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3. At the City's discretion any equivalent combination of education and experience, with additional education or experience substituting on a year for year basis for the required education or experience.
4. Masters degree preferred.

PHYSICAL DEMANDS:

The following demands are representative of the physical requirements necessary to perform the various duties and responsibilities of this position.

1. Work is performed predominantly in an office setting. Hand-eye coordination is necessary to operate computers and various pieces of office equipment.
2. While performing the duties of this job, the employee is frequently required to walk, sit, stand, talk and hear.
3. The employee is occasionally required to use hands to finger, handle, feel or operate objects, tools, or controls; and reach with hands and arms.
4. The employee is occasionally required to climb or balance, stoop, kneel, crouch or crawl.
5. The employee must occasionally lift and/or move up to 30 pounds
6. Specific vision abilities required include close and distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.
7. The Employee must be able and willing to work irregular and/or extra hours, as required.

ENVIRONMENTAL CONDITIONS:

The work environment characteristics described here are representative of the conditions an employee encounters while performing the essential functions of this job.

1. The noise level in the work environment is typically of normal conversation amplitude.

LANGUAGE SKILLS:

1. Must have developed language skills to the extent of being able to communicate effectively with co-workers and the general public; read instructions, rules, etc.; and be capable to look up unfamiliar words in a dictionary for meaning, spelling, and pronunciation.
2. Thorough knowledge of English grammar, spelling and punctuation.

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3. Be able to compose letters, prepare reports, write complete sentences and use proper punctuation.

OTHER SPECIAL REQUIREMENTS:

1. Must possess or acquire prior to employment a valid driver's license. If applicable, must acquire a valid MI Driver's License within sixty (60) days of employment.
2. The willingness, ability, and desire to keep abreast of changing technology through attending seminars, enrollment/and active participation in one or more of the agencies/associations affiliated with local government.
3. Must pass a criminal background check, physical examination, drug screening, reference and employment history checks, and oral interviews.

ADDITIONAL EMPLOYMENT CRITERIA

The duties and responsibilities listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of work-related duties and responsibilities does not preclude them.

The position description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change. The individual employed by the City for this position is an "employee at will" and can be terminated from employment from the City at any time, with or without cause, with or without notice, within the terms and conditions as established by federal and state law, the City Code of Ordinances and the City Charter.

PRE-EMPLOYMENT/POST-OFFER REQUIREMENTS

Any offer of employment is contingent upon taking and passing a criminal background check, physical examination, drug screening, reference and employment history checks, and oral interviews. Any offer of employment is also contingent upon successfully passing an interview process.

Applicants who refuse to submit to testing or who do not pass all tests or provide required documents will not be hired or retained in employment.

CREATED/UPDATED

On _____, by _____

Administrative approval by: _____

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**CERTIFICATION THAT THE EMPLOYEE HAS RECEIVED AND AGREES TO THE
TERMS AND CONDITIONS OF THIS POSITION DESCRIPTION**

Employee Name (Print)

Employee Signature

Date

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CITY CLERK POSITION DESCRIPTION

POSITION:

TITLE: City Clerk
PAY STATUS: Full-Time Salaried Position
EMPLOYMENT STATUS: At-Will
FLSA STATUS: Exempt

REPORTS TO:

City Manager or his/her designee.

PURPOSE OF THE POSITION:

Under the general supervision of the City Council and City Manager, conducts elections, maintains all official City records, documents, and ordinances, and supervises voter registration.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

1. Serves as official custodian for the safekeeping and management of all City records and papers, including all actions of the City Council, ordinances, and licenses. Indexes, files, and otherwise maintains complex record keeping systems for all official City documents.
2. Oversees the registration of voters, the preparation of voter identification cards, and the maintenance of voter records.
3. Conducts all elections held in the City according to established procedures, records and verifies results. Prepares legal notices, absentee ballots, and voting equipment.
4. Prepares agenda items, takes meeting minutes and maintains records for City Council, Planning Commission, Zoning Board of Appeals, and other boards and commissions as required. Oversees the publication of all legal notices as required by law.
5. Plans and organizes workloads and staff assignments. Oversees the hiring, training, supervision and evaluation of departmental employees and election workers.
6. Responds to citizen inquiries regarding election processes, Council or board meeting issues, administrative policies and Freedom of Information requests.
7. Develops drafts of new ordinances, ordinance amendments and City policies for review. Recommends changes to City policies or operating practices as appropriate.
8. Researches and prepares reports on a variety of subjects.

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9. Develops and administers the department's budget, plans for capital improvements, manages departmental inventory and purchasing, and oversees equipment maintenance.
10. Assists the Finance Department as needed.
11. Become familiar with duties and responsibilities of specific office personnel, as assigned by the City, to be able to perform the functions of the office personnel in their absence.
12. Become familiar with duties and responsibilities of office personnel in general and, when required, perform the general duties of other office personnel.
13. Keeps abreast of professional developments and technological advances in finance and treasury through continued education and professional growth. Attends conferences, workshops, and seminars as appropriate.
14. Works cooperatively with other City Hall employees as one member of an administrative team. Answers phones, responds to inquiries, takes complaints, routes messages and voicemails, works the front counter and performs other administrative tasks pertaining to serving the public.
15. Performs related work as required.

TO DO THIS TYPE OF WORK, YOU MUST BE ABLE TO:

Meet the following criteria: minimum qualifications, physical demands, environmental conditions, language skills, education, vocational preparation, and/or experience requirements that may be needed to perform successfully the tasks described within this position description.

MINIMUM QUALIFICATIONS:

- Experience requirements include five years of progressively more responsible experience in office management or related field, preferably in a municipal setting.
- Thorough knowledge of the laws, ordinances and related legislation pertaining to records management, elections, voter registration, and issuance of permits and licenses.
- Thorough knowledge of modern office procedures and practices, and skill in applying them.
- Good knowledge of the City Charter, related ordinances, and the policies, procedures, and regulations governing municipal government.
- Good knowledge of the structure of municipal government and the functions of various departments.

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- Skill in preparing, maintaining and updating records and documents.
- Skill in operating basic office equipment including computers with word processing and specialized software.
- Ability to establish effective working relationships and use good judgement, initiative and resourcefulness when dealing with citizens, elected officials, employees, other governmental agencies and municipal professionals.
- Ability to effectively communicate and present ideas and concepts orally and in writing, and to work effectively under stress and changes in work priorities.
- Ability to attend meetings scheduled at night or at times other than regular business hours, and skill in recording meeting minutes.
- Ability to maintain complex record-keeping systems and prepare comprehensive reports.
- Ability to train and supervise the work of others.

TOTAL EDUCATION, VOCATIONAL PREPARATION, AND/OR EXPERIENCE REQUIREMENTS:

1. Graduation from an accredited four-year college or university with a degree in public administration or a closely related field; and
2. Two years experience in the field; or
3. At the City's discretion any equivalent combination of education and experience, with additional education or experience substituting on a year for year basis for the required education or experience.

PHYSICAL DEMANDS:

The following demands are representative of the physical requirements necessary to perform the various duties and responsibilities of this position.

1. Work is performed predominately in an office setting. Hand-eye coordination is necessary to operate computers and various pieces of office equipment.
2. While performing the duties of this job, the employee is frequently required to walk, sit, stand, talk and hear.
3. The employee is occasionally required to use hands to finger, handle, feel or operate objects, tools, or controls; and reach with hands and arms.
4. The employee is occasionally required to climb or balance, stoop, kneel, crouch or crawl.

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5. The employee must occasionally lift and/or move up to 30 pounds
6. Specific vision abilities required include close and distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.
7. The Employee must be able and willing to work irregular and/or extra hours, as required.

ENVIRONMENTAL CONDITIONS:

The work environment characteristics described here are representative of the conditions an employee encounters while performing the essential functions of this job.

1. The noise level in the work environment is typically of normal conversation amplitude.

LANGUAGE SKILLS:

1. Must have developed language skills to the extent of being able to communicate effectively with co-workers and the general public; read instructions, rules, etc.; and be capable to look up unfamiliar words in a dictionary for meaning, spelling, and pronunciation.
2. Thorough knowledge of English grammar, spelling and punctuation.
3. Be able to compose letters, prepare reports, write complete sentences and use proper punctuation.

OTHER SPECIAL REQUIREMENTS:

1. Must possess or acquire prior to employment a valid driver's license. If applicable, must acquire a valid MI Driver's License within sixty (60) days of employment.
2. The willingness, ability, and desire to keep abreast of changing technology through attending seminars, enrollment/and active participation in one or more of the agencies/associations affiliated with local government.
3. Must pass a criminal background check, physical examination, drug screening, reference and employment history checks, and oral interviews.

ADDITIONAL EMPLOYMENT CRITERIA

The duties and responsibilities listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of work-related duties and responsibilities does not preclude them.

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The position description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change. The individual employed by the City for this position is an "employee at will" and can be terminated from employment from the City at any time, with or without cause, with or without notice, within the terms and conditions as established by federal and state law, the City Code of Ordinances and the City Charter.

PRE-EMPLOYMENT/POST-OFFER REQUIREMENTS

Any offer of employment is contingent upon taking and passing a criminal background check, physical examination, drug screening, reference and employment history checks, and oral interviews. Any offer of employment is also contingent upon successfully passing an interview process.

Applicants who refuse to submit to testing or who do not pass all tests or provide required documents will not be hired or retained in employment.

CREATED/UPDATED

On _____, by _____

Administrative approval by: _____

CERTIFICATION THAT THE EMPLOYEE HAS RECEIVED AND AGREES TO THE TERMS AND CONDITIONS OF THIS POSITION DESCRIPTION

Employee Name (Print)

Employee Signature

Date

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ASSISTANT CITY MANAGER POSITION DESCRIPTION

POSITION:

TITLE: Assistant City Manager
PAY STATUS: Full-Time Salaried Position
EMPLOYMENT STATUS: At-Will
FLSA STATUS: Exempt

REPORTS TO:

City Manager or his/her designee.

PURPOSE OF THE POSITION:

This is a highly responsible leadership position involving supervisory, administrative, technical and professional work. The position is responsible for initiating, analyzing and coordinating activities pertaining to communication and the general management of the City in support of and under the general direction of the City Manager. This position will consult with the City Manager and the policy making bodies on an on-going basis, but must exercise considerable initiative, judgment and technical skill in performing assignments independently.

The appointee interacts in a consistently pleasant and helpful manner with fellow employees, visitors, business owners, potential business owners, outside agencies and citizens of the City and demonstrates the highest standards of internal and external customer service.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

1. Responsible for implementing the City communication strategy, including but not limited to management of the City's print, digital and video communications to create a consistent and effective message.
2. Assists the City Manager in the day-to-day management activities of the City.
3. Responsible for human resources activities of the City, including by not limited to maintaining employee personnel files, recruiting, interviewing and on-boarding new employees, administering contracts for employee benefits and other human resources related duties.
4. Responsible for centralizing purchasing services of the City, included but not limited to drafting and soliciting sealed bids. In coordination with the City Clerk, open and report bid resultants and facilitate final signature of contracts.

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5. Maintain a list of professional and contracted services and administer a consistent review and bid strategy for professional and contracted services.
6. Manage the technology needs of the City, including any contracts for consulting, hardware or software.
7. Promotes City initiatives by presenting to local, regional, state and federal organizations; develops positive relationships with intergovernmental agencies; serves on relevant local, regional and state boards and commissions.
8. Responsible for the coordination of various City departments and development of strategies to assure the highest level of customer service for residents and businesses.
9. As assigned, manage and direct City employees and serve in the capacity of the City Manager when the City Manager is unavailable. Represents the City Manager and/or City in various meetings with federal, state and local agencies.
10. Responds to requests for information from the City Manager, City Council, boards, commissions, outside agencies and residents. Conduct research for the drafting of ordinances, resolutions, notices and other official city matters.
11. Manages various confidential documents and records pertaining to City affairs.
12. Establishes and maintains effective working relationships with elected officials, staff, community organizations, other agencies and the general public.
13. Complies with and enforces all City policies and procedures. Performs all duties in accordance with safety policies and procedures, work rules and regulations and security standards as established.
14. Become familiar with duties and responsibilities of specific office personnel, as assigned by the City, to be able to perform the functions of the office personnel in their absence.
15. Become familiar with duties and responsibilities of office personnel in general and, when required, perform the general duties of other office personnel.
16. Keeps abreast of professional developments and technological advances in finance and treasury through continued education and professional growth. Attends conferences, workshops, and seminars as appropriate.
17. Works cooperatively with other City Hall employees as one member of an administrative team. Answers phones, responds to inquiries, takes complaints, routes messages and voicemails, works the front counter and performs other administrative tasks pertaining to serving the public.
18. Performs related work as required.

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TO DO THIS TYPE OF WORK, YOU MUST BE ABLE TO:

Meet the following criteria: minimum qualifications, physical demands, environmental conditions, language skills, education, vocational preparation, and/or experience requirements that may be needed to perform successfully the tasks described within this position description.

MINIMUM QUALIFICATIONS:

1. Possess general knowledge of the theories and principles of effective public administration and have the ability to quickly grasp specific local government functions, practices and organization.
2. Communicate effectively with co-workers and with the public.
3. Organize work, develop effective work methods and maintain harmonious working relationships.
4. Ability to prepare accurate written reports and meet firm deadlines.
5. Ability to assemble multifaceted programs and funding to achieve goals.
6. Skill in the use and maintenance of automated office equipment, including computers and related software.
7. Ability to effectively communicate, understand instructions and follow directions.
8. Ability to work effectively under stress, changes in work priorities, with frequent interruptions and in emergencies.
9. Must be careful, orderly and detail-oriented in order to avoid making errors and recognize errors made by others.
10. Possess advanced knowledge and experience with PC applications and operating systems, such as Windows and Microsoft Office applications, including but not limited to Word, Excel, and Outlook.
11. Possess general knowledge of web based programs and GIS applications.

TOTAL EDUCATION, VOCATIONAL PREPARATION, AND/OR EXPERIENCE REQUIREMENTS:

1. Graduation from an accredited four-year college or university with a degree in public administration, business administration, or a closely related field; and
2. Two years experience in the field; or

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3. At the City's discretion any equivalent combination of education and experience, with additional education or experience substituting on a year for year basis for the required education or experience.
4. Masters degree preferred.

PHYSICAL DEMANDS:

The following demands are representative of the physical requirements necessary to perform the various duties and responsibilities of this position.

1. Work is performed primarily in an office setting. Performs assigned work with dexterity. While performing the duties of this job, the employee is frequently required to use hands to finger, handle, feel or operate objects, tools, or controls; and reach with hands and arms. The employee is occasionally required to climb or balance, stoop, kneel, crouch, or crawl.
2. The employee is required to walk and stand, as well as sit, talk, and hear.
3. The employee must occasionally lift and/or move up to 25 pounds.
4. Specific vision abilities required include close and distance vision, color vision, peripheral vision, depth perception and the ability to adjust focus.
5. The employee must be able and willing to work irregular and/or extra hours, as required.

ENVIRONMENTAL CONDITIONS:

The work environment characteristics described here are representative of the conditions an employee encounters while performing the essential functions of this job.

1. The noise level in the work environment is usually quiet to moderate.
2. Employee is responsible to use all safety equipment properly as prescribed by the City.

LANGUAGE SKILLS:

1. Must have excellent communications skills in English.
2. Must have thorough knowledge of English grammar, spelling and punctuation and must be able to write sentences, complete forms, prepare professional written correspondence and prepare reports.
3. Must be able to conduct phone and face-to-face communications, meet with the public and present information in a professional manner.

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OTHER SPECIAL REQUIREMENTS:

1. Must possess or acquire prior to employment a valid driver's license. If applicable, must acquire a valid MI Driver's License within sixty (60) days of employment.
2. The willingness, ability, and desire to keep abreast of changing technology through attending seminars, enrollment/and active participation in one or more of the agencies/associations affiliated with local government.
3. Must pass a criminal background check, physical examination, drug screening, reference and employment history checks, and oral interviews.

ADDITIONAL EMPLOYMENT CRITERIA

The duties and responsibilities listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of work-related duties and responsibilities does not preclude them.

The position description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change. The individual employed by the City for this position is an "employee at will" and can be terminated from employment from the City at any time, with or without cause, with or without notice, within the terms and conditions as established by federal and state law, the City Code of Ordinances and the City Charter.

PRE-EMPLOYMENT/POST-OFFER REQUIREMENTS

Any offer of employment is contingent upon taking and passing a criminal background check, physical examination, drug screening, reference and employment history checks, and oral interviews. Any offer of employment is also contingent upon successfully passing an interview process.

Applicants who refuse to submit to testing or who do not pass all tests or provide required documents will not be hired or retained in employment.

CREATED/UPDATED

On _____, by _____

Administrative approval by: _____

CERTIFICATION THAT THE EMPLOYEE HAS RECEIVED AND AGREES TO THE TERMS AND CONDITIONS OF THIS POSITION DESCRIPTION

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Employee Name (Print)

Employee Signature

Date

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DIRECTOR OF COMMUNITY DEVELOPMENT POSITION DESCRIPTION

POSITION:

TITLE: Director of Community Development
PAY STATUS: Full-Time Salaried Position
EMPLOYMENT STATUS: At-Will
FLSA STATUS: Exempt

REPORTS TO:

City Manager or his/her designee.

PURPOSE OF THE POSITION:

This is a highly responsible leadership position involving supervisory, administrative, technical and professional work. The position is responsible for initiating, analyzing and coordinating activities pertaining to economic and community development under the general direction of the City Manager. This position will consult with the City Manager and the policy making bodies on an on-going basis, but must exercise considerable initiative, judgment and technical skill in performing assignments independently.

The appointee interacts in a consistently pleasant and helpful manner with fellow employees, visitors, business owners, potential business owners, outside agencies and citizens of the City and demonstrates the highest standards of internal and external customer service.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

1. Responsible for planning, building inspection and code enforcement, including management of employees and administration of professional services contracts.
2. Responsible for implementing the City economic development strategy.
3. Responsible for coordinating with other governmental and community organizations to develop and promote the downtown area and other areas of the City to all business sectors.
4. Provide recommendations for economic and community development related policy, strategy and implementation to the City Manager for consideration by policy setting bodies of the City.
5. Responsible for developing and promoting business development; and actively engage in business retention and recruitment activities for all business sectors.

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6. Promotes City initiatives by presenting to local, regional, state and federal organizations; develops positive relationships with intergovernmental agencies; serves on relevant local, regional and state boards and commissions.
7. Attend regularly scheduled and special evening meetings with various City and outside boards, commissions and agencies.
8. Coordinates the development and implementation of infrastructure plans, economic development plans, land use plans, utility service plans, housing plans, transportation plans, park plans, solid waste plans or other plans and codes to meet the City's needs.
9. Coordinate infrastructure projects related to economic development, including working directly with City employees, consultants and contractors.
10. Responsible for the coordination of various City departments and development of strategies to assure the highest level of customer service for residents and businesses.
11. Facilitate or provide community and economic development educational programming for the City.
12. Facilitate the evaluation of and make recommendations on land use proposals to insure compliance with applicable City, State or Federal laws and evaluate proposals' development impact as they relate to the adopted plans of the City.
13. Coordinates and participates in the search and development of new community revenue sources; applies for grants and loans for on-going and special projects; manages the budget and budget and compliance requirements of grants and loans.
14. Assures assigned areas of responsibility are performed within budget; performs cost control activities; monitors revenues and expenditures in assigned area to assure sound fiscal control; prepares annual budget requests; assures effective and efficient use of budgeted funds, personnel, materials, facilities, and time.
15. Responds to requests for information from the City Manager, City Council, boards, commissions, outside agencies and residents. Conduct research for the drafting of ordinances, resolutions, notices and other official city matters.
16. Responds courteously and tactfully to the public in answering questions, explaining City and department policies, and handling complaints. Resolves complex and sensitive customer service issues, either personally, by telephone or in writing.
17. Manages various confidential documents and records pertaining to City affairs.
18. Establishes and maintains effective working relationships with elected officials, staff, community organizations, other agencies and the general public.

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19. Complies with and enforces all City policies and procedures. Performs all duties in accordance with safety policies and procedures, work rules and regulations and security standards as established.
20. Keeps abreast of professional developments and technological advances in finance and treasury through continued education and professional growth. Attends conferences, workshops, and seminars as appropriate.
21. Works cooperatively with other City Hall employees as one member of an administrative team. Answers phones, responds to inquiries, takes complaints, routes messages and voicemails, works the front counter and performs other administrative tasks pertaining to serving the public.
22. Performs related work as required.

TO DO THIS TYPE OF WORK, YOU MUST BE ABLE TO:

Meet the following criteria: minimum qualifications, physical demands, environmental conditions, language skills, education, vocational preparation, and/or experience requirements that may be needed to perform successfully the tasks described within this position description.

MINIMUM QUALIFICATIONS:

1. Possess general knowledge of the theories and principles of effective public administration and have the ability to quickly grasp specific local government functions, practices and organization.
2. Possess working knowledge of local, regional and state economic development agencies and programs.
3. Possess working knowledge of state and federal laws, regulations, policies and principles of economic and community development.
4. Possess general knowledge of urban planning and redevelopment; possess general knowledge of methods and principles of redevelopment.
5. Communicate effectively with co-workers and with the public.
6. Organize work, develop effective work methods and maintain harmonious working relationships.
7. Ability to prepare accurate written reports and meet firm deadlines.
8. Ability to assemble multifaceted programs and funding to achieve goals.

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9. Skill in the use and maintenance of automated office equipment, including computers and related software.
10. Ability to effectively communicate, understand instructions and follow directions.
11. Ability to work effectively under stress, changes in work priorities, with frequent interruptions and in emergencies.
12. Must be careful, orderly and detail-oriented in order to avoid making errors and recognize errors made by others.
13. Possess advanced knowledge and experience with PC applications and operating systems, such as Windows and Microsoft Office applications, including but not limited to Word, Excel, and Outlook.
14. Possess general knowledge of web based programs and GIS applications.

TOTAL EDUCATION, VOCATIONAL PREPARATION, AND/OR EXPERIENCE REQUIREMENTS:

1. Graduation from an accredited four-year college or university with a degree in public administration, business administration, planning, economics or a closely related field; and
2. Two years experience in the field; or
3. At the City's discretion any equivalent combination of education and experience, with additional education or experience substituting on a year for year basis for the required education or experience.
4. Masters degree preferred.

PHYSICAL DEMANDS:

The following demands are representative of the physical requirements necessary to perform the various duties and responsibilities of this position.

1. Work is performed primarily in an office setting. Performs assigned work with dexterity. While performing the duties of this job, the employee is frequently required to use hands to finger, handle, feel or operate objects, tools, or controls; and reach with hands and arms. The employee is occasionally required to climb or balance, stoop, kneel, crouch, or crawl.
2. The employee is required to walk and stand, as well as sit, talk, and hear.

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3. The employee must occasionally lift and/or move up to 25 pounds.
4. Specific vision abilities required include close and distance vision, color vision, peripheral vision, depth perception and the ability to adjust focus.
5. The employee must be able and willing to work irregular and/or extra hours, as required.

ENVIRONMENTAL CONDITIONS:

The work environment characteristics described here are representative of the conditions an employee encounters while performing the essential functions of this job.

1. The noise level in the work environment is usually quiet to moderate.
2. Employee is responsible to use all safety equipment properly as prescribed by the City.

LANGUAGE SKILLS:

1. Must have excellent communications skills in English.
2. Must have thorough knowledge of English grammar, spelling and punctuation and must be able to write sentences, complete forms, prepare professional written correspondence and prepare reports.
3. Must be able to conduct phone and face-to-face communications, meet with the public and present information in a professional manner.

OTHER SPECIAL REQUIREMENTS:

1. Must possess or acquire prior to employment a valid driver's license. If applicable, must acquire a valid MI Driver's License within sixty (60) days of employment.
2. The willingness, ability, and desire to keep abreast of changing technology through attending seminars, enrollment/and active participation in one or more of the agencies/associations affiliated with local government.
3. Must pass a criminal background check, physical examination, drug screening, reference and employment history checks, and oral interviews.

ADDITIONAL EMPLOYMENT CRITERIA

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The duties and responsibilities listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of work-related duties and responsibilities does not preclude them.

The position description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change. The individual employed by the City for this position is an "employee at will" and can be terminated from employment from the City at any time, with or without cause, with or without notice, within the terms and conditions as established by federal and state law, the City Code of Ordinances and the City Charter.

PRE-EMPLOYMENT/POST-OFFER REQUIREMENTS

Any offer of employment is contingent upon taking and passing a criminal background check, physical examination, drug screening, reference and employment history checks, and oral interviews. Any offer of employment is also contingent upon successfully passing an interview process.

Applicants who refuse to submit to testing or who do not pass all tests or provide required documents will not be hired or retained in employment.

CREATED/UPDATED

On _____, by _____

Administrative approval by: _____

CERTIFICATION THAT THE EMPLOYEE HAS RECEIVED AND AGREES TO THE TERMS AND CONDITIONS OF THIS POSITION DESCRIPTION

Employee Name (Print)

Employee Signature

Date

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G. PASER Rating System

Report Filter		
Field Name	Operator	Value(s)
Last Surface Rating	=	1-Failed or 2-Very Poor or 3-Poor or 4-Fair or 5-Fair or 6-Good or 7-Good or 8-Very Good or 9-Excellent or 10-Excellent or 0-Not Rated
Maintained By	=	Yes
Legal System	=	5-City Minor or 4-City Major

PASER report definition from Charlotte

Ranking	Condition	Appearance	Maintenance Needed
9-10	Excellent	Like new	None
8	Very Good	No longitudinal cracks, all cracks sealed or tight	Little or no maintenance required
6-7	Good	Minor cracks and traffic wear	Routine maintenance such as crack filling and sealcoating
4-5	Fair	Larger cracks, loss of surface asphalt and noticeable wear on the asphalt	Patching and surface overlay
3	Poor	Substantial cracking, patches in poor condition, potholes and surface distortion	Mill and resurface or total reconstruction
2	Very Poor	Severe cracking and distortion, numerous potholes with patches in poor condition	Total reconstruction with extensive repair to the road's base
1	Failed	Extensive loss of road's integrity	Road needs to be rebuilt from scratch

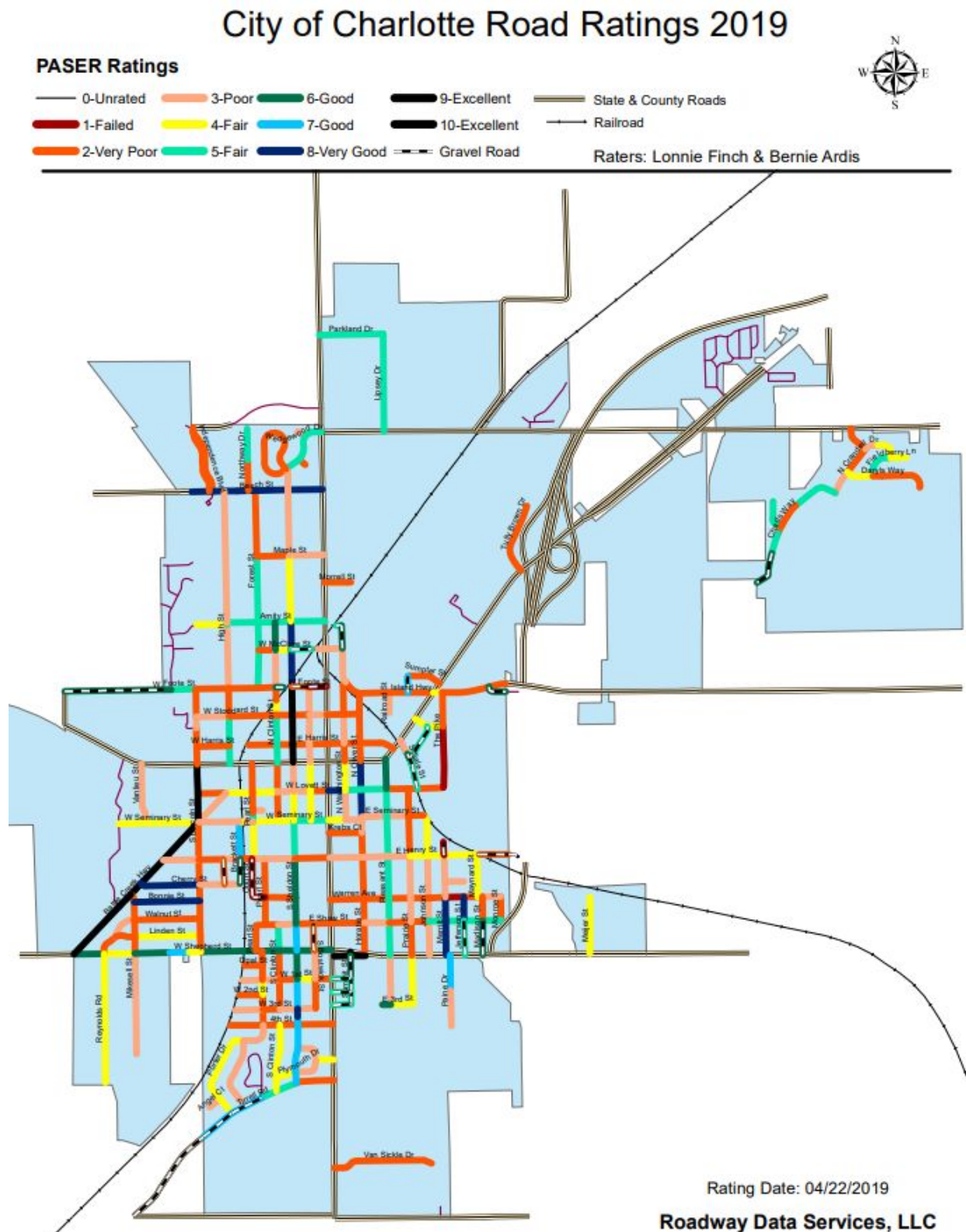
Graphic from: <https://www.infrastructureusa.org/>

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H. PASER Map of Charlotte Streets



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