

Michigan Department of Treasury
Office of Revenue and Tax Analysis
PO Box 30722
Lansing MI 48909

RE: Compliance Form 4886 for City of Harper Woods, MI Transparency & Accountability

The City of Harper Woods is pleased to submit form 4886 with the required documents per Public Act 252, in compliance with the State of Michigan's Transparency and Accountability Initiative.

The City of Harper Woods has chosen to use a web-service for this requirement, and has partnered with Munetrix to showcase our data.

Included with this letter are the required documents for City of Harper Woods's:

- Citizen's Guide to Finances including our Pension and OPEB status
- Performance Dashboard
- Debt Service Report
- Projected Budget Report

We have made the data available to the public via a link on our website; as well we will make available limited quantities of paper copies in our municipality lobby. You will find the confirmation of our website link and various supporting transparency documentation included with this letter.

We look forward to receiving these important funds from the State of Michigan and trust you will contact us if there are any questions or concerns.

Sincerely,



Randolph
Skotarczyk

Michigan Department of Treasury
(Recreated) 4886 (Rev 08-14)

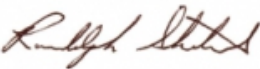
**City, Village, and Township Revenue Sharing/County Incentive Program
Certification of Accountability and Transparency**

Issued under authority of 2014 Public Act 252. Filing is mandatory to qualify for payments.

Each city/village/township/county applying for City, Village, and Township Revenue Sharing/County Incentive Program payments must:

1. Certify to the Michigan Department of Treasury (Treasury) that the local unit listed below has produced and made readily available to the public, a Citizen's Guide, a Performance Dashboard, a Debt Service Report, and a Projected Budget Report as required by 2014 Public Act 252. The Citizen's Guide, Performance Dashboard, Debt Service Report, and Projected Budget Report shall be made available for public viewing in the clerk's office or posted on a publicly accessible Internet site.
2. Submit to Treasury a Citizen's Guide, Performance Dashboard, Debt Service Report, and Projected Budget Report.

This certification, along with a Citizen's Guide, a Performance Dashboard, a Debt Service Report, and a Projected Budget Report, **must be received by December 1, 2014** (or the first day of payment month) in order to qualify for that month's payment. Post mark date will not be considered. For questions, call (517) 373-2697.

PART 1: LOCAL UNIT INFORMATION			
Local Unit Name City of Harper Woods		Local Unit County Name Wayne County	
Local Unit Code 822150		Contact E-Mail Address rskotar@harperwoods.net	
Contact Name Randolph	Contact Title Skotarczyk	Contact Phone Number 313-343-2505	Extension
Website Address, if reports are available online http://munetrix.com/sections/data/municipal.php?MuniID=73&Type=City			
PART 2: CERTIFICATION			
<i>In accordance with 2014 Public Act 252, the undersigned hereby certifies to Treasury that the above mentioned local unit has produced a Citizen's Guide, Performance Dashboard, Debt Service Report, and a Projected Budget Report and has made them available for public viewing in the city, village, township, or county clerk's office or has posted them on a publicly accessible Internet site. The Citizen's Guide, Performance Dashboard, Debt Service Report, and Projected Budget Report are attached to this signed certification.</i>			
Chief Administrative Officer Signature (as defined in MCL 141.422b) 		Printed Name of Chief Administrative Officer (as defined in MCL 141.422b) Randolph	
Title Skotarczyk		Date November 21, 2014	

Completed and signed form (including required attachments) should be e-mailed to: **TreasRevenueSharing@michigan.gov**
If you are unable to submit via e-mail, fax to (517) 335-3298 or mail the completed form and required attachments to:

Michigan Department of Treasury
Office of Revenue and Tax Analysis
PO Box 30722
Lansing MI 48909

TREASURY USE ONLY		
CVTRS/CIP Eligible	Y N	Certification Received
Final Certification		Citizens Guide Received
		Performance Dashboard Received
		Debt Service Report Received
		Projected Budget Report Received
		CVTRS/CIP Notes

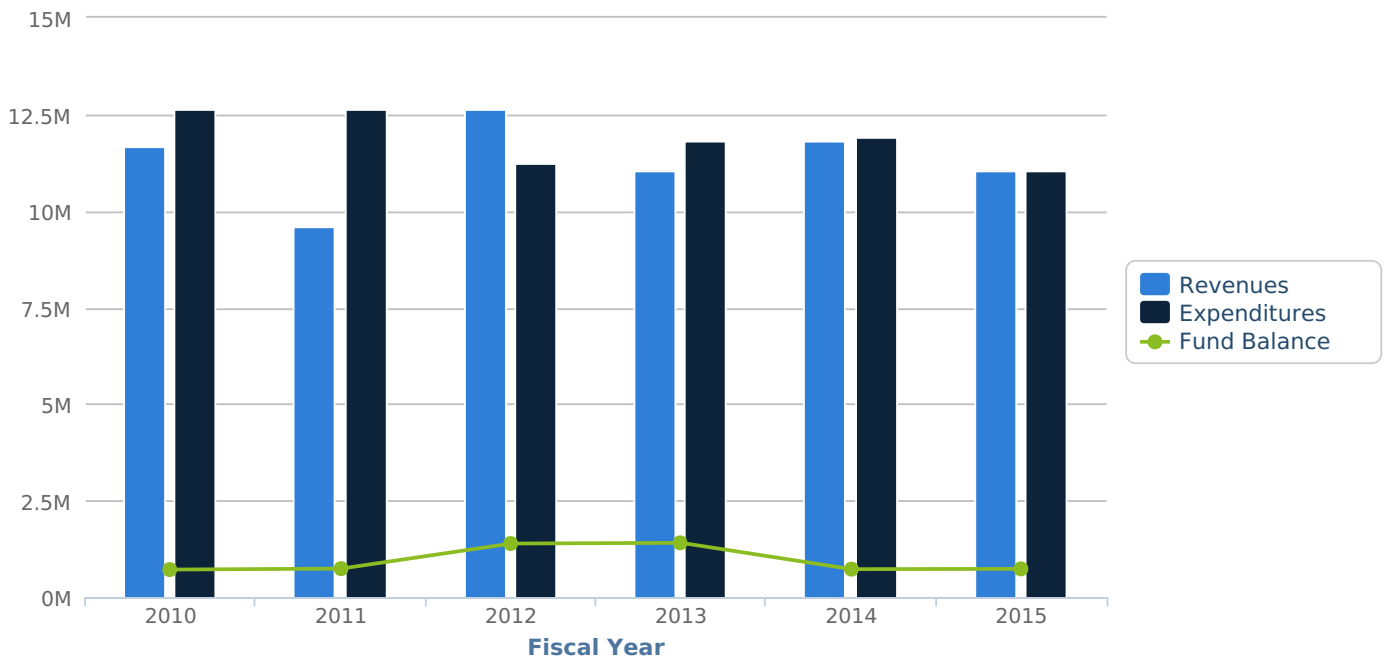
General Info

Name	Type	Fiscal Year End	Population (2010)	Phone	Website
Harper Woods	City	December	14,236	(313) 343-2500	www.harperwoodscity.org

Multi-Year General Fund Only

Year	Data Status	Fiscal Score	Population	Operating Millage	General Fund Revenues	General Fund Expenditures	Available Fund Balance	Taxable Value
2015	Forecast	4	14,955	40.9168	\$11,057,850	\$11,050,650	\$728,456	\$216,878,868
2014	Projected	4	14,236	40.9168	\$11,838,610	\$11,895,997	\$721,256	\$225,253,931
2013	Audited	5	13,958	37.9168	\$11,064,867	\$11,814,442	\$1,402,461	\$222,753,931
2012	Audited	4	13,990	37.9168	\$12,651,047	\$11,233,924	\$1,384,303	\$242,097,221
2011	Historic	5	14,092	20.0000	\$9,609,911	\$12,621,209	\$734,913	\$279,779,104
2010	Historic	5	14,236	20.0000	\$11,692,202	\$12,623,672	\$710,859	\$320,293,949

How We Have Managed Our Resources



2015 Notes:

GENERAL FUND

The General Fund, our main City operating fund, is a major concern for 2015 and beyond. We are seeing a slight increase in state revenue sharing and in grants. While we have made excellent strides in reducing costs associated with health insurance for active employees and retirees, the cost of providing health care continues to rise and still represents a major expense that puts strain on this fund. With declining funding values in our pension system, pension reform is a major priority for 2015. The rising Actuarially Required Contribution and reduction in our taxable value remains the largest concerns that places stress on the General Fund.

Our overall taxable value decreased by over \$8.3 million this year. The majority of this decrease comes from the drop in commercial property values. This year this translates into approximately \$167,501 decreased revenue in

decline from last year we are waiting to see the projections in taxable value for the next year as we feel that we cannot continue to have these decreases and continue to deliver service in the same manor.

We had depleted our fund balance in 2011 to below an acceptable minimum balance and have worked hard to correct this situation. The 2014 estimate is showing a loss of income over expenditures by approximately (\$681,000); this is due mostly to a transfer out of \$623,800 to the Debt Service fund and increased contributions to the pension system. The budget numbers presented for 2015 reflect a reduction some employee benefits and staff that will not be replaced and includes a \$1.7 contribution to the retirement system; it does project a \$7,200 gain to the fund balance but only with the assumption that the Council (or voters) agree to a 15 Mill assessment for Police and Fire. In 2015 we need to continue to address ways of reducing costs and service delivery methods. The discussions with the unions need to continue with additional pension concessions and health insurance savings.

Our projections are a fund balance of \$728,456 at the end of 2015. This falls below the 10% of revenues, a minimum guideline for fund balance.

MAJOR AND LOCAL STREET FUNDS

There are no large projects planned for 2014. The budgeted expenditures are for the routine upkeep and maintenance of the roads.

LIBRARY FUNDS

The usual operating fund for the Library is presented as requested by the Library Board.

DEBT SERVICE FUNDS

The millage levy will be reduced to 2 mills from 4 mills. The road bonds have been paid off so this fund only reflects the principal, interest and fees for the 2004 Library Bond. The 2 mills is necessary to build this fund so that we will be able to make our bond payments as the principal payments increase.

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STORM DRAIN FUND

In accordance with the City

2014 Notes:

GENERAL FUND

The General Fund, our main City operating fund, is a major concern for 2014 and beyond. We are seeing a slight increase in state revenue sharing and in grants. While we have made excellent strides in reducing costs associated with health insurance for active employees and retirees, the cost of providing health care continues to rise and still represents a major expense that puts strain on this fund. The reduction in our taxable value remains the single largest concern that places stress on the General Fund.

Our overall taxable value decreased by over \$18.8 million this year. The majority of this decrease comes from the drop in residential property values. This year this translates into approximately \$376,000 decreased revenue in

decline from last year we are waiting to see the projections in taxable value for the next year as we feel that we cannot continue to have these decreases and continue to deliver service in the same manor.

We had depleted our fund balance in 2011 to below an acceptable minimum balance and have worked hard to correct this situation. The 2013 estimate is showing a loss of income over expenditures by approximately (\$762,771); this is due mostly to the disbursement of the pension levy and transfers out of \$565,850 to the Debt Service fund. The budget numbers presented for 2014 reflect a reduction in staffing levels from 2013 through early retirements and resignations and health insurance reductions for both active employees and retirees; it does project a \$28,093 gain to the fund balance but only with the assumption that the Council (or voters) agree to a 12.5 Mill assessment for Police and Fire services and also reflects a contribution from the City to the Retirement System of \$967,400. In 2014 we need to continue to address ways of reducing costs and service delivery methods. The discussions with the unions need to continue with additional pension concessions and health insurance savings.

Our projections are a fund balance of \$1,417,374 at the end of 2014. This falls within 10% of revenues, a minimum guideline for fund balance.

MAJOR AND LOCAL STREET FUNDS

There are no large projects planned for 2014. The budgeted expenditures are for the routine upkeep and maintenance of the roads.

LIBRARY FUNDS

The usual operating fund for the Library is presented as requested by the Library Board.

DEBT SERVICE FUNDS

The millage levy will remain at 4 Mills. There is also a budgeted transfer to this fund to ensure that the fund can meet its obligations; this is necessary in light of the decreased taxable value.

STORM DRAIN FUND

In accordance with the City

2012 Notes:

DPW includes \$820,800 (DPW) + \$889,100 (Refuse). Community & Info includes \$28,900 (non-departmental) + \$120,100 (Misc non-GF Exp). Capital includes \$349,605 (Vehicles) + \$925,950 (Streets).

2010 Notes:

OPEB fund assets are zero as they are not funded at this time.

Financial Statement

Including General Fund and All Other Governmental Funds but excludes Enterprise and Component Unit funds

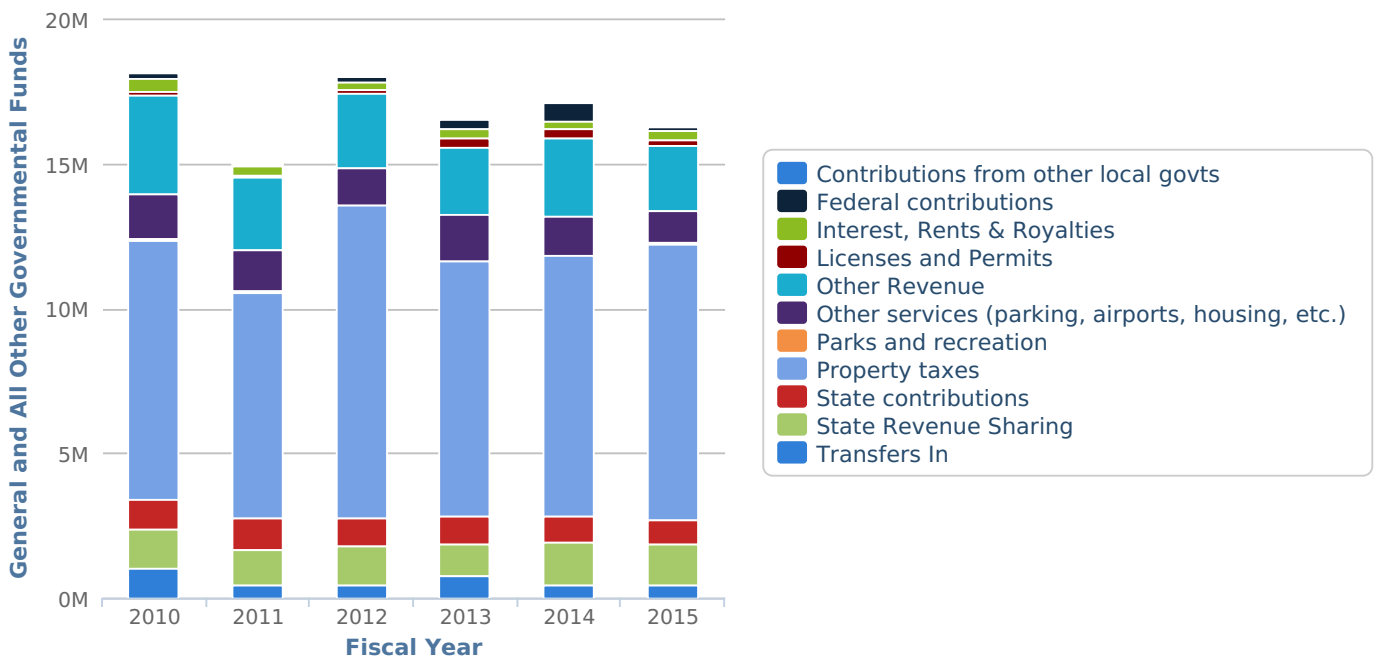
Balance Sheet

Category Name	2015	2014	2013	2012	2011	2010
Fund Equity	\$0	\$0	\$1,720,230	\$2,629,928	\$1,709,229	\$5,316,327
Total Assets	\$0	\$0	\$12,879,010	\$15,168,213	\$21,557,416	\$26,941,855
Total Liabilities	\$0	\$0	\$11,158,780	\$12,538,285	\$19,848,187	\$21,625,528

Revenues

Category Name	2015	2014	2013	2012	2011	2010
Contributions from other local govts	\$75,000	\$40,000	\$75,000	\$66,665	\$75,000	\$75,000
Federal contributions	\$163,750	\$612,680	\$300,145	\$136,519	\$84,572	\$198,195
Interest, Rents & Royalties	\$305,000	\$310,000	\$337,062	\$277,704	\$286,018	\$408,285
Licenses and Permits	\$209,000	\$322,100	\$326,791	\$138,329	\$106,723	\$127,077
Other Revenue	\$2,226,404	\$2,679,954	\$2,300,221	\$2,579,218	\$2,480,213	\$3,399,024
Other services (parking, airports, housing, etc.)	\$1,108,812	\$1,332,612	\$1,590,767	\$1,254,096	\$1,425,746	\$1,547,669
Parks and recreation	\$30,000	\$40,000	\$33,196	\$45,351	\$46,498	\$57,121
Property taxes	\$9,514,789	\$8,961,389	\$8,823,376	\$10,770,174	\$7,792,017	\$8,981,449
State contributions	\$892,151	\$883,131	\$951,507	\$963,908	\$1,087,260	\$1,029,310
State Revenue Sharing	\$1,411,700	\$1,535,500	\$1,117,637	\$1,381,879	\$1,210,226	\$1,318,650
Transfers In	\$421,416	\$421,416	\$740,850	\$428,675	\$465,000	\$1,050,000
Total	\$16,358,021	\$17,138,781	\$16,596,552	\$18,042,518	\$15,059,273	\$18,191,780

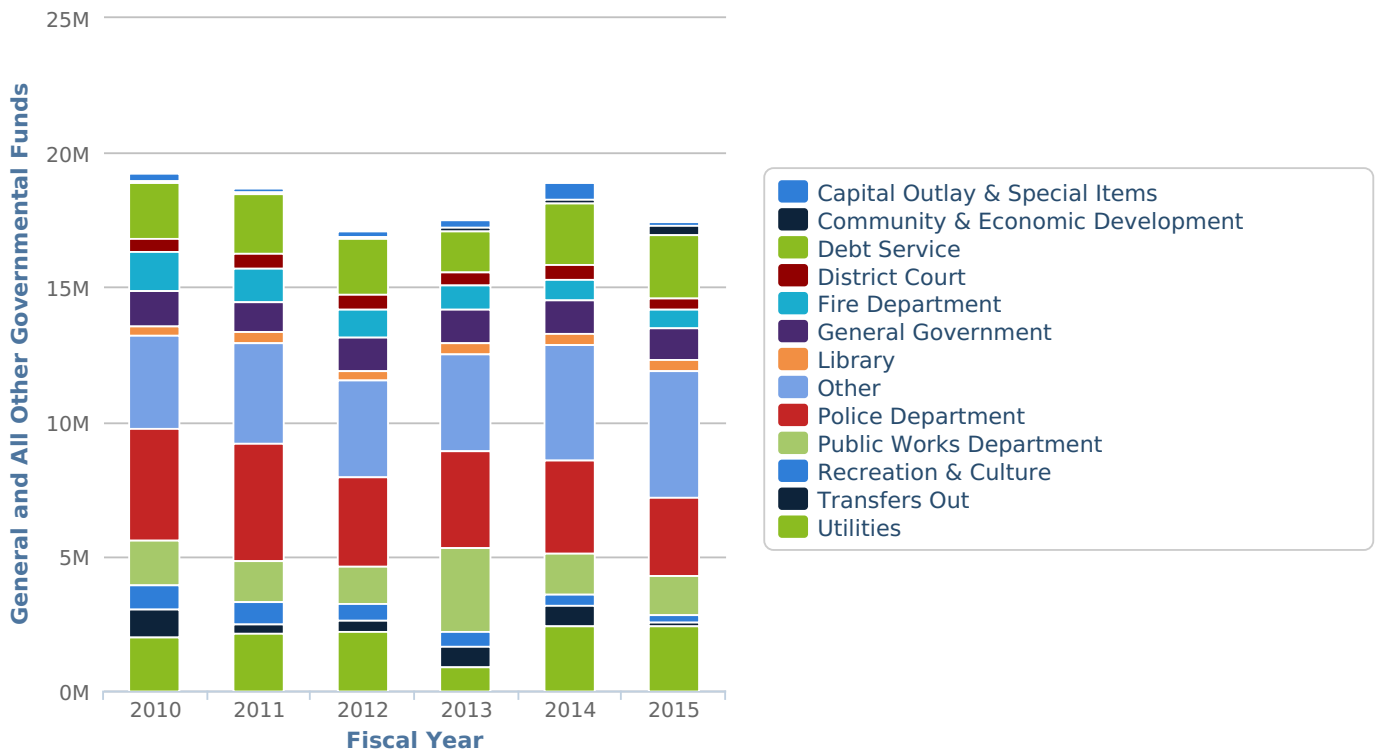
Where The Money Comes From



Expenses

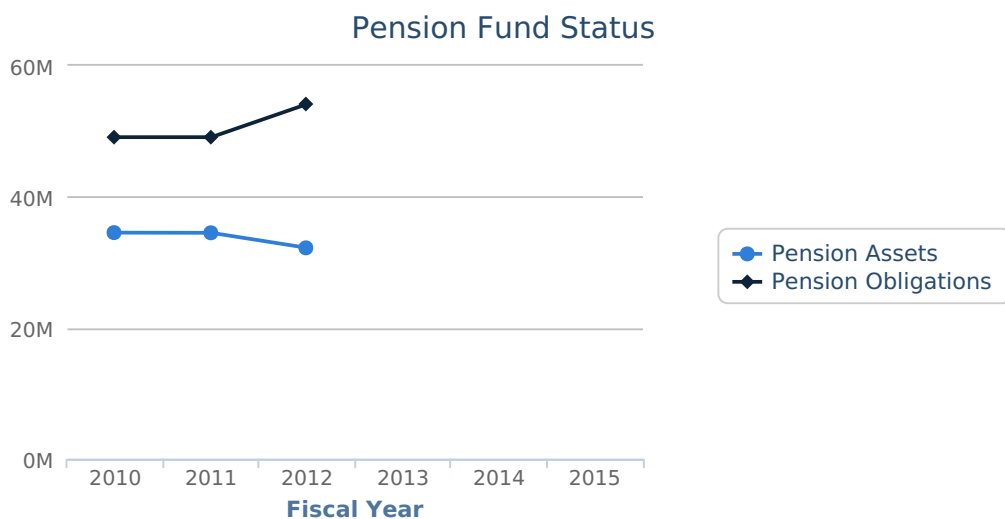
Category Name	2015	2014	2013	2012	2011	2010
Capital Outlay & Special Items	\$156,529	\$620,739	\$273,810	\$191,769	\$98,942	\$247,490
Community & Economic Development	\$342,000	\$147,800	\$122,394	\$70,103	\$71,768	\$101,392
Debt Service	\$2,316,442	\$2,316,442	\$1,507,137	\$2,134,396	\$2,217,431	\$2,033,833
District Court	\$454,900	\$516,670	\$511,697	\$514,284	\$572,950	\$543,655
Fire Department	\$675,050	\$794,300	\$902,352	\$1,039,136	\$1,214,471	\$1,446,886
General Government	\$1,137,761	\$1,187,123	\$1,243,949	\$1,234,994	\$1,101,262	\$1,273,790
Library	\$426,717	\$426,717	\$404,312	\$393,182	\$431,094	\$373,720
Other	\$4,724,500	\$4,341,900	\$3,595,746	\$3,591,952	\$3,760,247	\$3,473,595
Police Department	\$2,936,429	\$3,434,134	\$3,599,276	\$3,279,202	\$4,340,939	\$4,168,593
Public Works Department	\$1,414,457	\$1,494,807	\$3,132,914	\$1,404,591	\$1,524,833	\$1,595,002
Recreation & Culture	\$294,950	\$444,500	\$543,915	\$604,804	\$843,238	\$941,102
Transfers Out	\$135,661	\$759,461	\$740,850	\$428,675	\$365,000	\$1,000,000
Utilities	\$2,425,334	\$2,425,334	\$927,898	\$2,234,731	\$2,124,196	\$2,040,631
Total	\$17,440,730	\$18,909,927	\$17,506,250	\$17,121,819	\$18,666,371	\$19,239,689

How The Money Is Spent



Supplementary Information (Pension / OPEB)

Category Name	2015	2014	2013	2012	2011	2010
Pensions Actuarial Liability	N/A	N/A	N/A	\$54,159,068	\$49,100,000	\$49,100,433
Pension Fund Assets	N/A	N/A	N/A	\$32,202,491	\$34,500,000	\$34,526,599
OPEB Actuarial Liability	N/A	N/A	N/A	N/A	\$54,633,594	\$35,500,099
OPEB Fund Assets	N/A	N/A	N/A	N/A	N/A	N/A



Other Post-Employment Benefit Fund Status



Fund Equity Detail

Category Name	2015	2014	2013	2012	2011	2010
Assigned	\$0	\$0	\$139,738	\$101,887	\$708,084	
Designated						\$4,671,667
Nonspendable	\$0	\$0	\$559,018	\$1,268,215	\$1,174,890	
Reserved / Restricted						\$281,303
Restricted	\$0	\$0	\$769,076	\$1,362,446	\$783,023	
Unassigned/Unrestricted	\$0	\$0	\$252,398	\$-102,620	\$-956,768	
Undesignated / Unreserved / Unrestricted						\$363,357

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Fiscal Stability	2012	2013	Progress
Annual General Fund expenditures per capita	\$803	\$846	▼
Fund balance as % of annual General Fund expenditures	12.3%	11.9%	▼
Pension % Funded	59.5%	-	▼
Debt burden per capita	\$423	\$329	▲

Public Safety	2012	2013	Progress
Crimes against persons per thousand residents	30.5	32.0	▼
Crimes against property per thousand residents	111.4	103.2	▲
Crimes against society per thousand residents	20.2	27.4	▼
Other crimes per thousand residents	12.9	14.8	▼
Traffic crashes non-injury	-	-	↔
Traffic crashes injuries or fatalities	-	-	↔

School District Enrollment	2012	2013	Progress
Grosse Pointe Public Schools	8,415	8,361	▼
Harper Woods, The School District of the City of	1,238	1,487	▲

Culture & Lifestyle	2012	2013	Progress
Acres of park per thousand residents	1.8	0.0	▼
Percent of General Fund budget committed to arts culture and recreation	5.4%	4.6%	▼

**City of Harper Woods
Local Code: 82-2150
Debt Service Summary Report**

Bonds & contracts payable

Fiscal Years

Name	2013	2014	2015	2016
2004 Gen'l Obligation Lib: Series 2004	228,038	223,538	288,638	237,600
Clean Water Project 5370-01: Series 2012		170,712	183,459	184,585
Subtotal for Bonds & contracts payable	\$228,038	\$394,250	\$472,097	\$422,185
Total Principal & Interest	\$228,038	\$394,250	\$472,097	\$422,185

**City of Harper Woods
Complete Debt Report for
2004 Gen'l Obligation Lib: Series 2004**

Issuance Information

Debt Type: Bonds & contracts payable
Activity Type: Government
Repayment Source: Tax-Backed
Issuance Date: 2004-08-30
Issuance Amount: \$3,100,000
Interest Rate: 3.3 - 5%
Maturing Through: 2024
Principal Maturity Range: \$45,262 - \$325,000
Series: Series 2004
Purpose: Library

Payment Schedule

<u>Date Due</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>	<u>Balance</u>
2013-05-01	3.5%	125,000.00	52,612.50	177,612.50	\$2,445,262.50
2013-11-01	3.5%		50,425.00	50,425.00	\$2,445,262.50
2014-05-01	3.7%	125,000.00	50,425.00	175,425.00	\$2,320,262.50
2014-11-01	3.7%		48,112.50	48,112.50	\$2,320,262.50
2015-05-01	3.8%	150,000.00	48,112.50	198,112.50	\$2,170,262.50
2015-11-01	3.8%	45,262.50	45,262.50	90,525.00	\$2,125,000.00
2016-05-01	3.9%	150,000.00	45,262.50	195,262.50	\$1,975,000.00
2016-11-01	3.9%		42,337.50	42,337.50	\$1,975,000.00
2017-05-01	4%	175,000.00	42,337.50	217,337.50	\$1,800,000.00
2017-11-01	4%		38,837.50	38,837.50	\$1,800,000.00
2018-05-01	4.1%	200,000.00	38,837.50	238,837.50	\$1,600,000.00
2018-11-01	4.1%		34,737.50	34,737.50	\$1,600,000.00
2019-05-01	4.15%	225,000.00	34,737.50	259,737.50	\$1,375,000.00
2019-11-01	4.15%		30,068.75	30,068.75	\$1,375,000.00
2020-05-01	4.2%	225,000.00	30,068.75	255,068.75	\$1,150,000.00
2020-11-01	4.2%		25,343.75	25,343.75	\$1,150,000.00
2021-05-01	4.3%	250,000.00	25,343.75	275,343.75	\$900,000.00
2021-11-01	4.3%		19,968.75	19,968.75	\$900,000.00
2022-05-01	4.35%	275,000.00	19,968.75	294,968.75	\$625,000.00
2022-11-01	4.35%		13,987.50	13,987.50	\$625,000.00

2023-05-01	4.45%	300,000.00	13,987.50	313,987.50	\$325,000.00
2023-11-01	4.45%		7,312.50	7,312.50	\$325,000.00
2024-05-01	4.5%	325,000.00	7,312.50	332,312.50	
		<hr/>	<hr/>	<hr/>	
Totals		\$2,570,262.50	\$765,400.00	\$3,335,662.50	

**City of Harper Woods
Complete Debt Report for
Clean Water Project 5370-01: Series 2012**

Issuance Information

Debt Type: Bonds & contracts payable
Activity Type: Business-type/Enterprise
Repayment Source: Revenue - Sewer
Issuance Date: 2012-10-22
Issuance Amount: \$3,410,000
Interest Rate: 2.5
Maturing Through: 2033
Principal Maturity Range: \$135,000 - \$210,000
Registrar / Agent: Treasurer City of Harper Woods
Series: Series 2012
Purpose: Sanitary Sewer Repair Replacement
Fund Number: 592
Comments: Michigan Finance Authority SRF Bonds

Payment Schedule

<u>Date Due</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>	<u>Balance</u>
2014-04-01	2.5%	135,000.00	14,409.55	149,409.55	\$3,275,000.00
2014-10-01	2.5%		21,302.56	21,302.56	\$3,275,000.00
2015-04-01	2.5%	135,000.00	25,291.88	160,291.88	\$3,140,000.00
2015-10-01	2.5%		23,167.61	23,167.61	\$3,140,000.00
2016-04-01	2.5%	140,000.00	23,167.61	163,167.61	\$3,000,000.00
2016-10-01	2.5%		21,417.61	21,417.61	\$3,000,000.00
2017-04-01	2.5%	145,000.00	21,417.61	166,417.61	\$2,855,000.00
2017-10-01	2.5%		19,605.11	19,605.11	\$2,855,000.00
2018-04-01	2.5%	145,000.00	19,605.11	164,605.11	\$2,710,000.00
2018-10-01	2.5%		17,792.61	17,792.61	\$2,710,000.00
2019-04-01	2.5%	150,000.00	17,792.61	167,792.61	\$2,560,000.00
2019-10-01	2.5%		15,917.61	15,917.61	\$2,560,000.00
2020-04-01	2.5%	155,000.00	15,917.61	170,917.61	\$2,405,000.00
2020-10-01	2.5%		13,980.11	13,980.11	\$2,405,000.00
2021-04-01	2.5%	160,000.00	13,980.11	173,980.11	\$2,245,000.00
2021-10-01	2.5%		11,980.11	11,980.11	\$2,245,000.00
2022-04-01	2.5%	160,000.00	11,980.11	171,980.11	\$2,085,000.00

2022-10-01	2.5%		9,980.11	9,980.11	\$2,085,000.00
2023-04-01	2.5%	165,000.00	9,980.11	174,980.11	\$1,920,000.00
2023-10-01	2.5%		7,917.91	7,917.91	\$1,920,000.00
2024-04-01	2.5%	170,000.00	7,917.61	177,917.61	\$1,750,000.00
2024-10-01	2.5%		5,792.61	5,792.61	\$1,750,000.00
2025-04-01	2.5%	175,000.00	5,792.61	180,792.61	\$1,575,000.00
2025-10-01	2.5%		3,605.11	3,605.11	\$1,575,000.00
2026-04-01	2.5%	180,000.00	3,605.11	183,605.11	\$1,395,000.00
2026-10-01	2.5%		1,355.11	1,355.11	\$1,395,000.00
2027-04-01	2.5%	185,000.00		185,000.00	\$1,210,000.00
2028-04-01	2.5%	190,000.00		190,000.00	\$1,020,000.00
2029-04-01	2.5%	195,000.00		195,000.00	\$825,000.00
2030-04-01	2.5%	200,000.00		200,000.00	\$625,000.00
2031-04-01	2.5%	205,000.00		205,000.00	\$420,000.00
2032-04-01	2.5%	210,000.00		210,000.00	\$210,000.00
2033-04-01	2.5%	210,000.00		210,000.00	

Totals		\$3,410,000.00	\$364,671.82	\$3,774,671.82	
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