

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 268, 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.

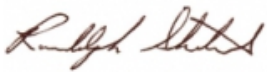
Included with this letter are the required documents for City of Harper Woods's:

- 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 and notify residents in our periodic mailings. 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
City Manager

Michigan Department of Treasury
(Recreated) 4886 (Rev. 07-16)

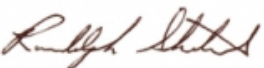
City, Village, and Township Revenue Sharing/County Incentive Program Certification of Accountability and Transparency

Issued under authority of 2016 Public Act 268. Filing is mandatory to qualify for payments.

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

1. Certify to the Michigan Department of Treasury (Treasury) that the local unit listed below has produced and made available to the public, a Citizen's Guide, a Performance Dashboard, a Debt Service Report, and a Projected Budget Report as required by 2016 Public Act 268. 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. The local unit must include in any mailing of general information to its citizens, the physical location or Internet website address where all the documents are available for viewing.
2. Submit to Treasury a Citizen's Guide, a Performance Dashboard, a Debt Service Report, and a 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, 2016**, (or the first day of a payment month) in order to qualify for that month's payment. Postmark dates 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 Skotarczyk	Contact Title City Manager	Contact Telephone Number 3133432505	Extension
Website Address, if reports are available online http://munetrix.com/sections/data/municipal.php?MuniID=73&Type=City		Current Fiscal Year End Date 2016-12-31	
PART 2: CERTIFICATION			
<i>In accordance with 2016 Public Act 268, the undersigned hereby certifies to Treasury that the above mentioned local unit 1) has produced a Citizen's Guide, a Performance Dashboard, a Debt Service Report, and a Projected Budget Report; 2) has made the documents available for public viewing in the city, village, township, or county clerk's office or has posted them on a publicly accessible Internet site; and 3) will include in any mailing of general information to our citizens, the physical location or Internet website address where the documents are located. 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 Skotarczyk	
Title City Manager		Date October 12, 2016	

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		Citizen's Guide Received
		Performance Dashboard Received
		Debt Service Report Received
		Projected Budget Report Received
		CVTRS/CIP Notes

General Info

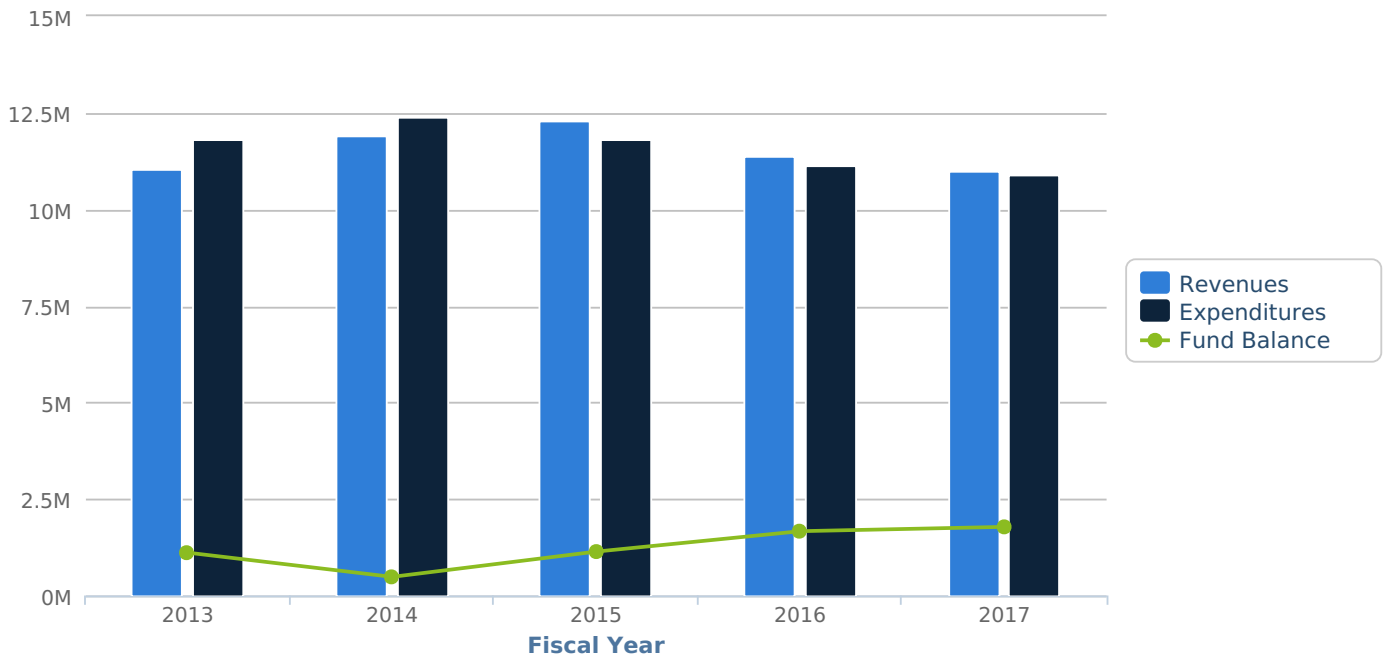
Name	Type	Fiscal Year End	Population (2010)	Phone	Website
Harper Woods	City	December	14,202	(313) 343-2500	www.harperwoodscity.org

Multi-Year General Fund Only

Year	Data Status	Fiscal Score	Population	General Fund Revenues	General Fund Expenditures	*Available Fund Balance	Taxable Value
2017	Forecast	2	14,995	\$10,993,614	\$10,881,903	\$1,776,960	\$212,488,483
2016	Amended Budget	4	14,886	\$11,374,338	\$11,123,069	\$1,665,249	\$209,709,585
2015	Historic	6	14,236	\$12,304,702	\$11,794,293	\$1,136,621	\$212,664,508
2014	Historic	6	13,904	\$11,891,663	\$12,390,553	\$482,321	\$214,378,868
2013	Historic	6	13,931	\$11,064,867	\$11,814,442	\$1,108,292	\$222,753,931

*Available Fund Balance includes Committed, Assigned, and Unassigned Funds. It excludes Nonspendable and Restricted Funds.

How We Have Managed Our Resources



Fiscal Year Assumptions Notes

2017 Notes:

GENERAL FUND:

The General Fund, our main City operating fund, is still a concern for 2017 and beyond. We are seeing a slight increase in residential property values, state revenue sharing and grant funding. While having made excellent strides in reducing costs associated with health insurance for active employees and retirees and capping future pension costs for a majority of active employees, the cost of providing health care continues to rise and still represents a major expense that puts strain on this fund. The City is using its new technology to better leverage its legacy & other costs across existing source funds and relieve any unwarranted financial pressures on the City's general fund, keeping service levels high for Police, Fire, Parks, DPW and other City services.

Our overall taxable value decreased by over \$9.5 million this year. The majority of this decrease comes from the MTT tax tribunal settlements with commercial real estate. This year the reduction translates into approximately (\$365,750.00) decrease of revenue in the General Fund. This is a continuation of the decreased revenue since 2009. Overall, residential property tax assessments are starting to stabilize and property values are starting to inch up. This trend is good for the City and should get better as the overall economy grows. Commercial properties continue to decline, but are doing so at a much slower rate and amount than prevalent in past years.

We had depleted our fund balance in 2011 to below an acceptable minimum balance and have worked hard to correct this situation. The 2017 budget projects a modest fund balance surplus. Savings will be realized by tax adjustment collections, cost containment efforts, receiving state revenue sharing at 100% of allotments, successful grant applications and continued leveraged use of new technology. The budget numbers presented for 2017 reflect a \$1,958,859.99 contribution to the retirement system; it does project, initially, no reduction to the fund balance but only with the assumption that the City Council agree to an 18.5 mill assessment for Police and Fire on the winter tax bill and a proposed 3.5 mill tax cut for the summer tax bill, effectively totaling a 15 mill yearly assessment. In 2017 we need to continue to address ways of continued cost containment and improving service delivery methods using less costly alternatives to service delivery methods. Discussions with the unions need to continue in this area.

Our projection is for a fund balance of approximately \$1.7 million dollars for 2017. This amount represents approximately 15% of revenues and exceeds the guideline of 10% of revenues, a minimum guideline for fund balance.

2017 Notes:

MAJOR AND LOCAL STREET FUNDS: There are some major road projects planned for 2017. The remaining budgeted expenditures are for the routine upkeep and maintenance of existing roads.

LIBRARY FUNDS: The operating fund for the Library presents no cuts in service, as requested by the Library Board and sustained by the City.

DEBT SERVICE FUNDS: The millage levy will be reduced from 1.5 mill to 1.375 for the principal, interest and fees of the 2004 Library Bond issue.

STORM DRAIN FUND: In accordance with the City's Storm Water Utility Ordinance, the City Council is required to annually establish the Storm Water Utility rate as part of the City's annual budget process.

We are recommending that the rate remain at \$210, at this time, to cover the ever increasing cost of maintaining the Milk River Drain and to continue to review and monitor balances in this fund throughout the year to ensure funding is sufficient to absorb the future (10%) apportionment increase planned for 2017 and future years.

VEHICLE AND EQUIPMENT: We have not budgeted nor do we expect any major equipment purchases from this fund in 2017. Costs of maintaining the equipment are on the rise and will need to be evaluated. The fund balance is slowly recovering from a deficit and is part of a (5) year deficit elimination plan with the State of Michigan. The fund is currently compliant with State of Michigan standards.

WATER AND SEWER FUND: The 2017 Budget for the Water and Sewer Fund continues to be prepared taking into account the rate structure in place. We will continue to monitor the rates we need to charge while keeping in mind the obligations the City has with the varying Water Authorities to cover fixed charges. This budget reflects not only current operations expenses, but includes debt service payments for the SRF Bonds for the sewer repair/replacement project. It also shows a repayment to the Refuse Fund for historical borrowing. The City is currently exploring the possibility of adding monthly residential water billings to help residents better manage their water bill expenses.

MISCELLANEOUS FUNDS: The other funds presented herein are essentially unchanged from prior years with the exception of Refuse Fund. The Refuse fund ended 2014 with a deficit and is budgeted in accordance with the deficit elimination plan filed with the State of Michigan. We must monitor this fund to ensure compliance with the State of Michigan. The Finance department is also reviewing the need for the City to keep a reserve balance in its "Self-Insurance Fund" for 2017. The City has added new forfeiture and Canine (K9) funds for 2017 as well.

Financial Statement

Including General Fund only

Balance Sheet

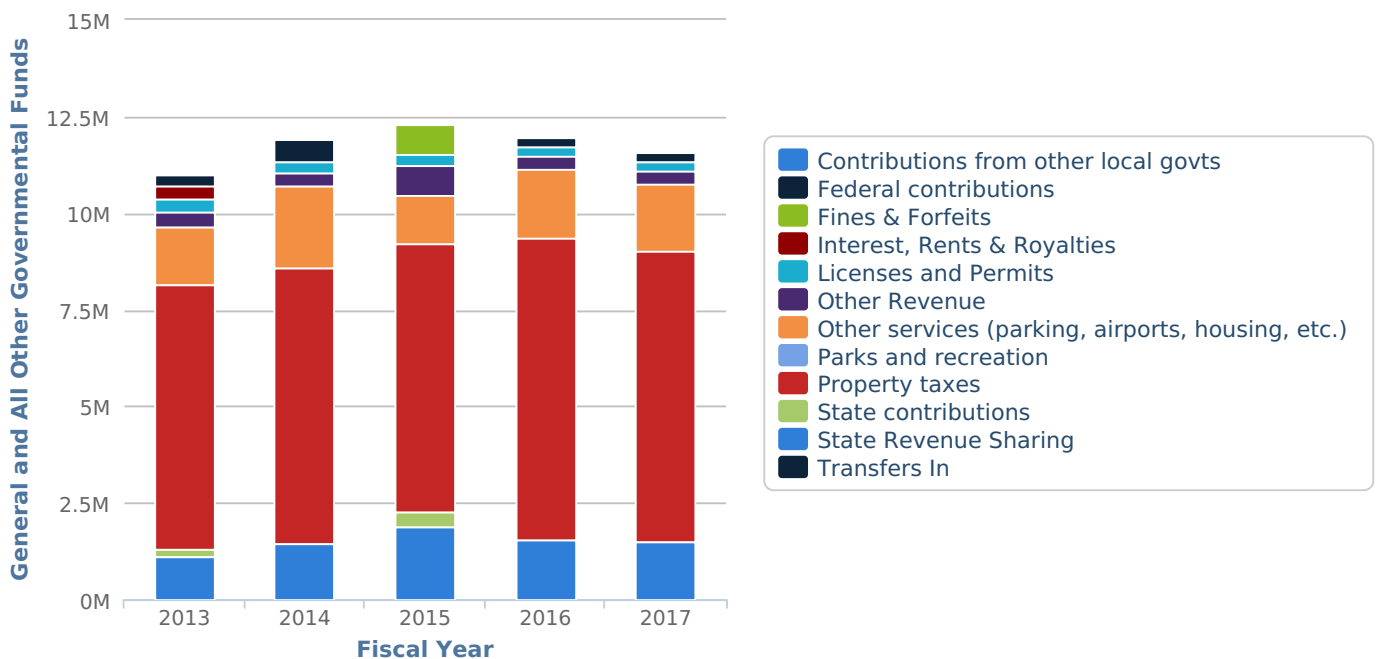
Category Name	2017	2016	2015	2014	2013
Fund Equity	N/A	N/A	\$1,413,980	\$903,571	\$1,402,461
Total Assets	\$0	\$0	\$6,938,596	\$7,098,711	\$7,225,251
Total Liabilities	\$0	\$0	\$5,524,616	\$6,195,140	\$5,822,790

*Fund Equity includes all five fund types: Committed, Assigned, Unassigned, Nonspendable and Restricted Funds.

Revenues

Category Name	2017	2016	2015	2014	2013
Contributions from other local govts			\$0		\$75,000
Federal contributions	\$207,993	\$215,196	\$0	\$546,608	\$300,145
Fines & Forfeits			\$791,299		
Interest, Rents & Royalties	\$0	\$0	\$0		\$337,062
Licenses and Permits	\$237,524	\$245,750	\$289,788	\$290,816	\$326,791
Other Revenue	\$329,802	\$341,224	\$751,487	\$348,149	\$396,738
Other services (parking, airports, housing, etc.)	\$1,751,117	\$1,811,761	\$1,276,539	\$2,106,264	\$1,462,133
Parks and recreation	\$0	\$0	\$0		\$33,196
Property taxes	\$7,514,016	\$7,774,237	\$6,927,745	\$7,134,101	\$6,841,090
State contributions	\$0	\$0	\$377,001		\$175,075
State Revenue Sharing	\$1,512,101	\$1,564,467	\$1,890,843	\$1,465,725	\$1,117,637
Transfers In			\$0		
Total	\$11,552,553	\$11,952,635	\$12,304,702	\$11,891,663	\$11,064,867

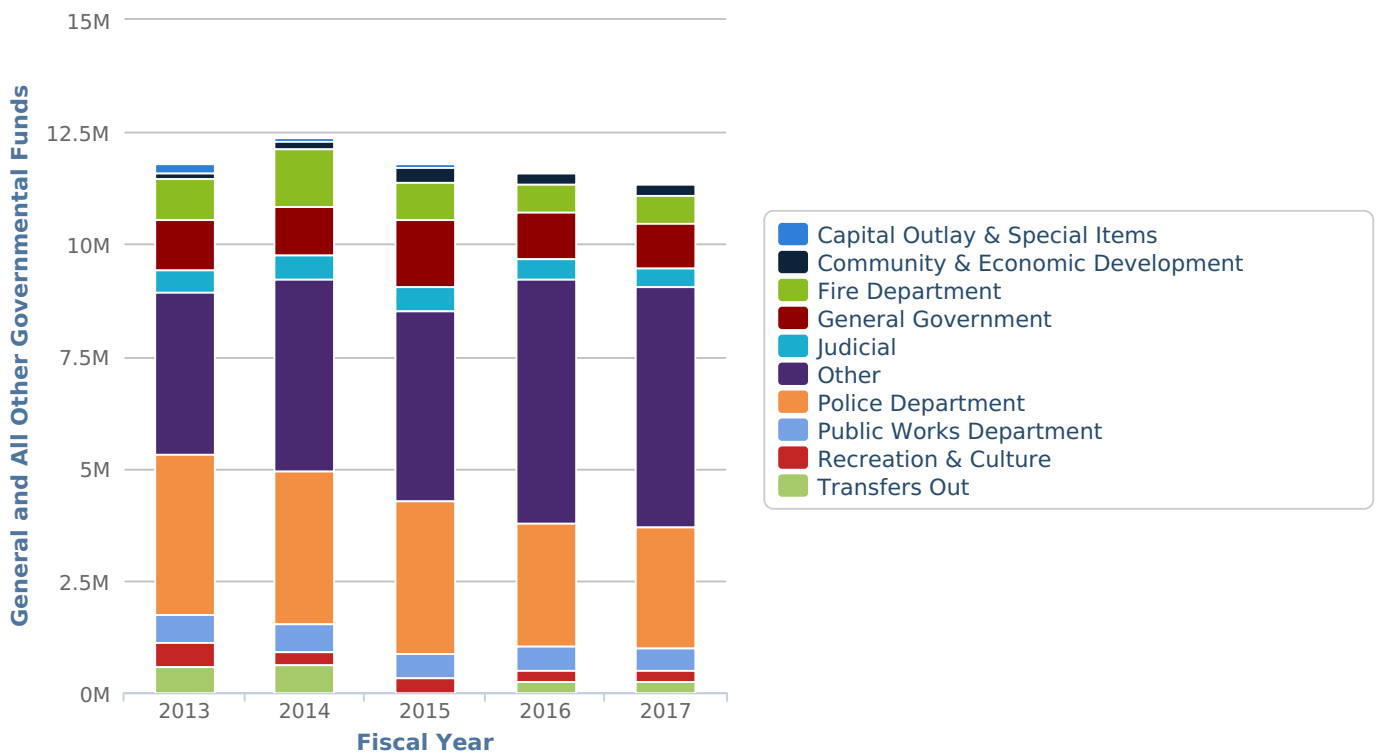
Where The Money Comes From



Expenses

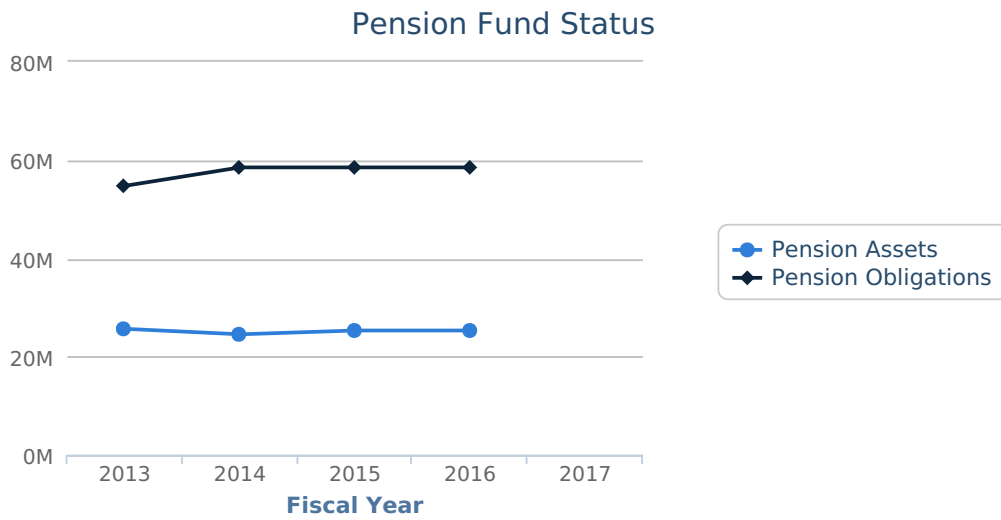
Category Name	2017	2016	2015	2014	2013
Capital Outlay & Special Items	\$12,229	\$12,500	\$61,854	\$76,142	\$234,268
Community & Economic Development	\$264,146	\$270,000	\$347,769	\$172,498	\$122,394
Fire Department	\$609,679	\$623,191	\$818,638	\$1,277,516	\$902,352
General Government	\$1,012,571	\$1,035,013	\$1,524,516	\$1,109,245	\$1,115,169
Judicial	\$427,125	\$436,591	\$503,410	\$542,494	\$511,697
Other	\$5,336,111	\$5,454,371	\$4,241,091	\$4,278,657	\$3,595,746
Police Department	\$2,696,385	\$2,756,142	\$3,430,671	\$3,377,384	\$3,593,402
Public Works Department	\$523,606	\$535,210	\$533,110	\$634,182	\$629,649
Recreation & Culture	\$256,530	\$262,215	\$333,234	\$304,285	\$543,915
Transfers Out	\$231,128	\$236,250	\$0	\$618,150	\$565,850
Total	\$11,369,510	\$11,621,483	\$11,794,293	\$12,390,553	\$11,814,442

How The Money Is Spent

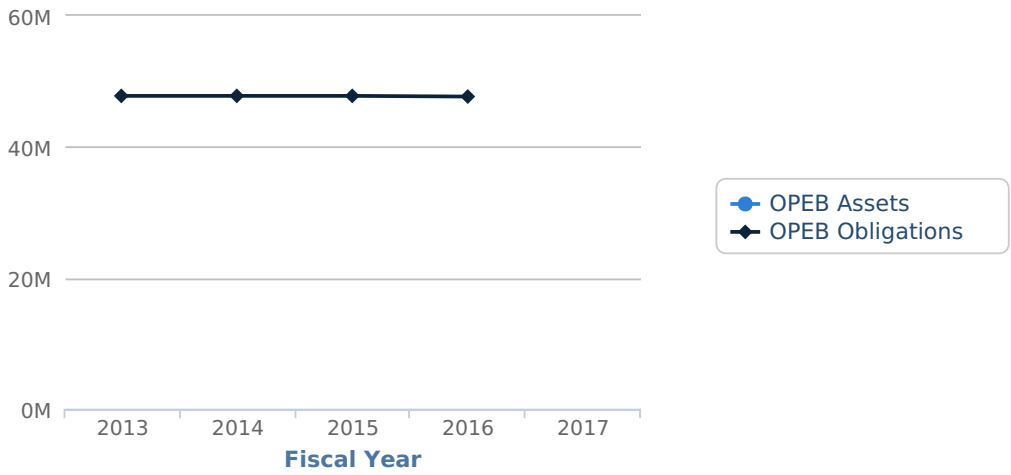


Supplementary Information (Pension / OPEB)

Category Name	2017	2016	2015	2014	2013
Pensions Actuarial Liability	N/A	\$58,500,000	\$58,500,000	\$58,500,000	\$54,752,583
Pension Fund Assets	N/A	\$25,300,000	\$25,300,000	\$24,524,861	\$25,640,647
OPEB Actuarial Liability	N/A	\$47,678,032	\$47,780,322	\$47,780,322	\$47,780,322
OPEB Fund Assets	N/A	N/A	N/A	N/A	N/A



Other Post-Employment Benefit Fund Status



OPEB Notes:

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

Fund Equity Detail

Category Name	2015	2014	2013
Assigned	\$0	\$67,799	
Committed	\$0		
Nonspendable	\$98,670	\$165,001	\$152,989
Restricted	\$178,689	\$256,249	\$141,180
Unassigned	\$1,136,621	\$414,522	\$1,108,292

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Fiscal Stability	2014	2015	Progress
Annual General Fund expenditures per capita	\$891	\$828	↑
Fund balance as % of General Fund Revenues i	4.1%	9.2%	↑
Other Post Employment Benefits % Funded	0.0%	0.0%	↔
Pension % Funded i	41.9%	43.2%	↑
Debt burden per capita	\$226	\$191	↑

Economy & Financial Health	2014	2015	Progress
Population	13,904	14,236	↑
Taxable Value (100k)	\$214,379	\$212,665	↓

Public Safety	2014	2015	Progress
Crimes against persons per thousand residents i	26.2	21.1	↑
Crimes against property per thousand residents i	97.7	92.3	↑
Crimes against society per thousand residents i	25.0	22.0	↑
Other crimes per thousand residents i	15.9	14.6	↑

School District Enrollment	2014	2015	Progress
Grosse Pointe Public Schools	8,352	8,193	↓
Harper Woods, The School District of the City of	1,584	1,830	↑

Culture & Lifestyle	2014	2015	Progress
Acres of park per thousand residents	1.8	1.8	↔

OPEB Notes:

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

[Print](#)

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

Bonds & contracts payable

Fiscal Years

Name	2015	2016	2017	2018
2004 Gen'l Obligation Lib: Series 2004	288,638	237,600	256,175	273,575
Clean Water Project 5370-01: Series 2012	183,459	184,585	186,023	182,398
Subtotal for Bonds & contracts payable	\$472,097	\$422,185	\$442,198	\$455,973
Total Principal & Interest	\$472,097	\$422,185	\$442,198	\$455,973

**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>
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	

Totals	\$2,320,262.50	\$563,825.00	\$2,884,087.50
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**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>
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		\$3,275,000.00	\$328,959.71	\$3,603,959.71	
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