

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 59, in compliance with the State of Michigan's Economic Vitality Incentive Program (EVIP).

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
- 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 EVIP 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 07-13)

Economic Vitality Incentive Program/County Incentive Program Certification of Accountability and Transparency

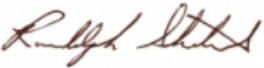
Issued under authority of 2013 Public Act 59. Filing is mandatory to qualify for payments.

Each city/village/township/county applying for Accountability and Transparency 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 2013 Public Act 59. 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.

City/village/township: This certification, along with a Citizen's Guide, Performance Dashboard, Debt Service Report, and Projected Budget Report, **must be received by October 1, 2013** to receive the October and December payments or on or before November 30, 2013 to receive the December payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

County: This certification, along with a Citizen's Guide, Performance Dashboard, Debt Service Report, and Projected Budget Report, **must be received by October 1, 2013** (or the first day of a payment month) in order to qualify for that month's payment. Post mark 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 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 2013 Public Act 59, 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 Skotarczyk	
Title City Manager		Date November 13, 2013	

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		
EVIP/CIP Y N	Certification Received	EVIP/CIP Notes
Final Certification	Citizens Guide Received	
	Performance Dashboard Received	
	Debt Service Report Received	
	Projected Budget Report Received	

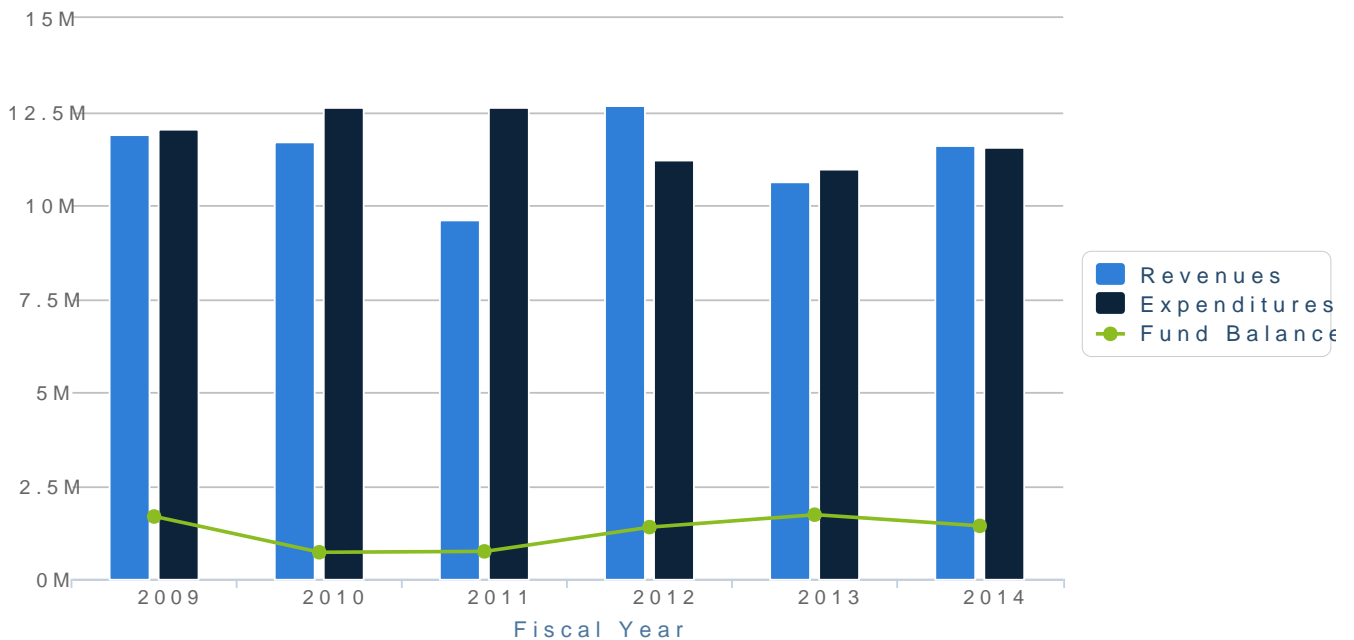
General Info

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
2014	Budget	2	14,236	40.9168	\$11,583,658	\$11,555,565	\$1,417,374	\$225,253,931
2013	Budget	2	14,236	37.9168	\$10,654,850	\$10,983,023	\$1,716,073	\$237,114,447
2012	Historic	3	14,236	37.9168	\$12,651,047	\$11,233,924	\$1,384,303	\$237,114,447
2011	Historic	5	14,236	20.0000	\$9,609,911	\$12,621,209	\$734,913	\$282,279,104
2010	Historic	5	14,236	20.0000	\$11,692,202	\$12,623,672	\$710,859	\$320,293,949
2009	Historic	4	12,300	17.0332	\$11,873,167	\$12,059,513	\$1,667,506	\$381,769,874

How We Have Managed Our Resources



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 the General Fund. This is a continuation of the decreased revenue since 2009. Though this is an improvement 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.

2009 Notes:

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

Financial Statement

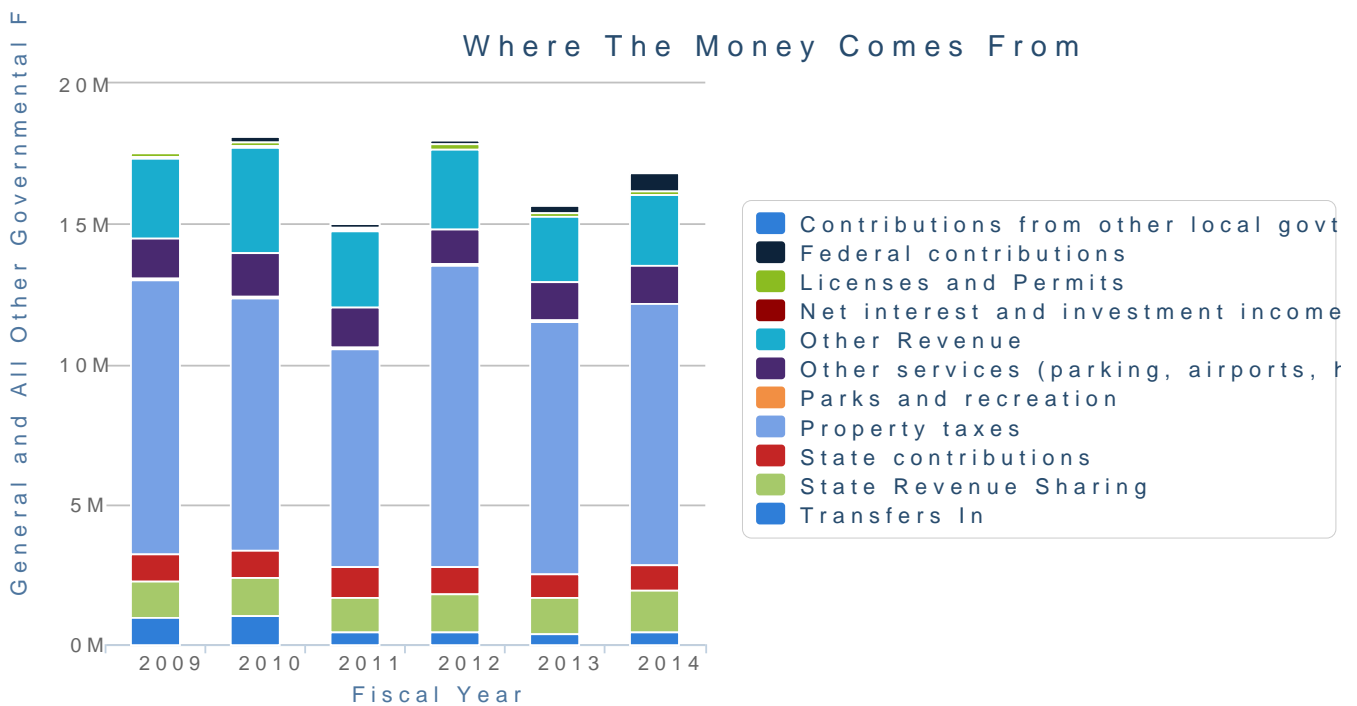
Including General Fund and All Other Governmental Funds but excludes Enterprise and Component Unit funds

Balance Sheet

Category Name	2014	2013	2012	2011	2010	2009
Fund Equity	\$0	\$0	\$2,629,928	\$1,709,229	\$5,316,327	\$6,364,237
Total Assets	\$0	\$0	\$15,168,213	\$21,557,416	\$26,941,855	\$31,208,320
Total Liabilities	\$0	\$0	\$12,538,285	\$19,848,187	\$21,625,528	\$24,844,083

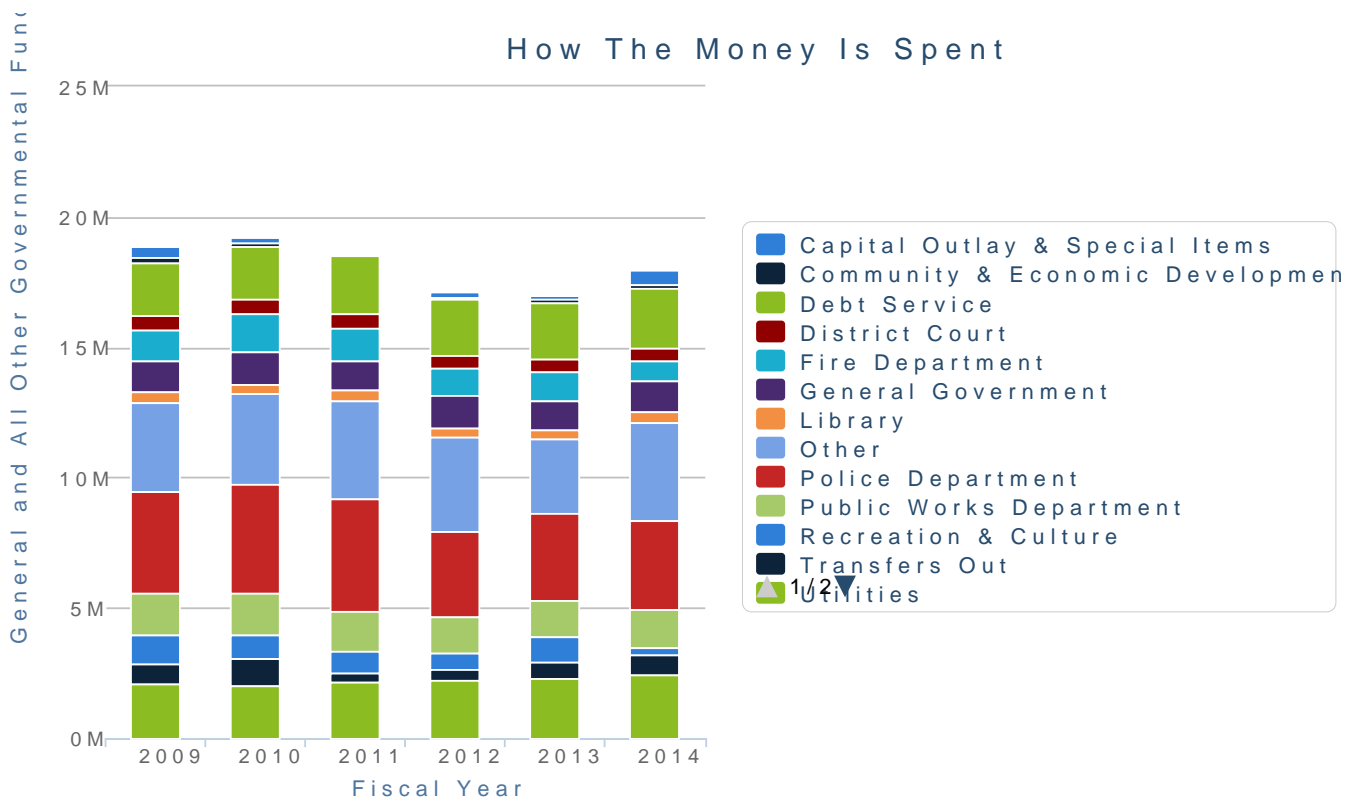
Revenues

Category Name	2014	2013	2012	2011	2010	2009
Contributions from other local govts	\$75,000	\$75,000	\$66,665	\$75,000	\$75,000	\$75,000
Federal contributions	\$595,305	\$250,950	\$136,519	\$84,572	\$198,195	\$45,392
Licenses and Permits	\$176,000	\$100,800	\$138,329	\$106,723	\$127,077	\$116,007
Net interest and investment income	\$10,000	\$10,000	\$15,535	\$30,166	\$57,277	\$102,560
Other Revenue	\$2,510,704	\$2,355,502	\$2,841,387	\$2,736,065	\$3,750,032	\$2,834,685
Other services (parking, airports, housing, etc.)	\$1,319,112	\$1,351,082	\$1,254,096	\$1,425,746	\$1,547,669	\$1,408,022
Parks and recreation	\$40,000	\$43,000	\$45,351	\$46,498	\$57,121	\$78,006
Property taxes	\$9,291,642	\$9,023,803	\$10,770,174	\$7,792,017	\$8,981,449	\$9,792,734
State contributions	\$908,651	\$828,866	\$963,908	\$1,087,260	\$1,029,310	\$970,669
State Revenue Sharing	\$1,536,000	\$1,285,000	\$1,381,879	\$1,210,226	\$1,318,650	\$1,310,427
Transfers In	\$421,416	\$403,311	\$428,675	\$465,000	\$1,050,000	\$945,000
Total	\$16,883,829	\$15,727,314	\$18,042,518	\$15,059,273	\$18,191,780	\$17,678,502



Expenses

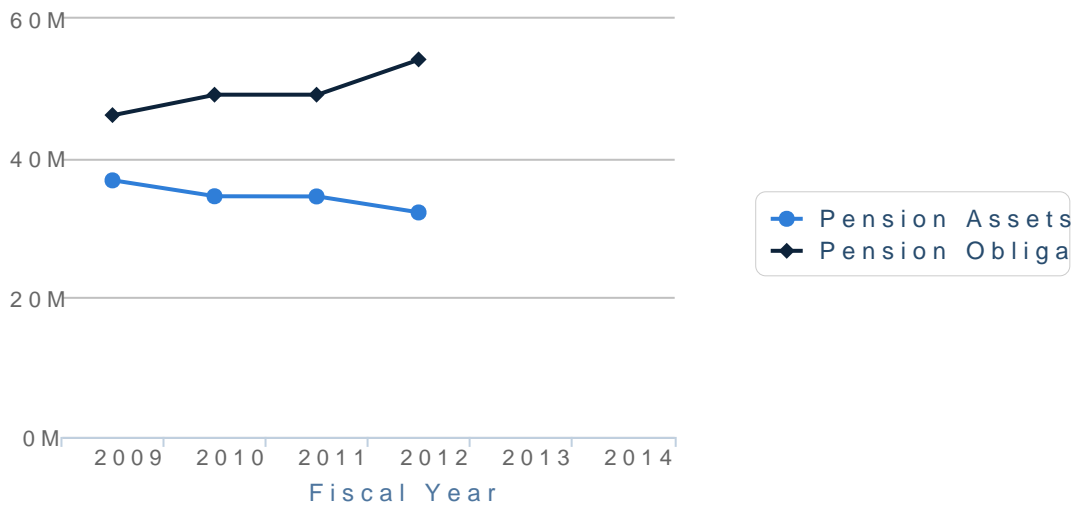
Category Name	2014	2013	2012	2011	2010	2009
Capital Outlay & Special Items	\$551,024	\$196,450	\$191,769	\$98,942	\$247,490	\$428,493
Community & Economic Development	\$107,500	\$70,550	\$70,103	\$71,768	\$101,392	\$227,292
Debt Service	\$2,316,442	\$2,186,498	\$2,134,396	\$2,217,431	\$2,033,833	\$2,025,376
District Court	\$462,500	\$494,700	\$514,284	\$572,950	\$543,655	\$553,924
Fire Department	\$766,850	\$1,141,700	\$1,039,136	\$1,214,471	\$1,446,886	\$1,155,878
General Government	\$1,198,461	\$1,063,973	\$1,234,994	\$1,101,262	\$1,273,790	\$1,213,084
Library	\$426,717	\$402,780	\$393,182	\$431,094	\$373,720	\$413,105
Other	\$3,750,500	\$2,852,100	\$3,591,952	\$3,760,247	\$3,473,595	\$3,389,492
Police Department	\$3,390,229	\$3,311,442	\$3,279,202	\$4,340,939	\$4,168,593	\$3,906,344
Public Works Department	\$1,471,357	\$1,361,678	\$1,404,591	\$1,524,833	\$1,595,002	\$1,649,783
Recreation & Culture	\$320,270	\$984,440	\$604,804	\$843,238	\$941,102	\$1,093,037
Transfers Out	\$759,461	\$659,051	\$428,675	\$365,000	\$1,000,000	\$735,426
Utilities	\$2,425,334	\$2,289,282	\$2,234,731	\$2,124,196	\$2,040,631	\$2,107,279
Total	\$17,946,645	\$17,014,645	\$17,121,819	\$18,666,371	\$19,239,689	\$18,898,513



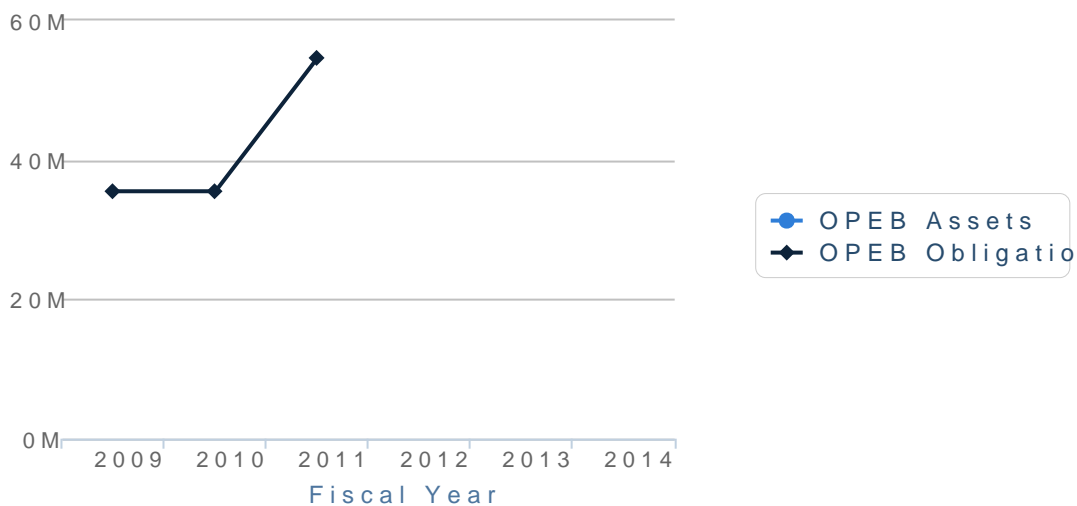
Supplementary Information (Pension / OPEB)

Category Name	2014	2013	2012	2011	2010	2009
Pensions Actuarial Liability	N/A	N/A	\$54,159,068	\$49,100,000	\$49,100,433	\$46,172,159
Pension Fund Assets	N/A	N/A	\$32,202,491	\$34,500,000	\$34,526,599	\$36,805,237
OPEB Actuarial Liability	N/A	N/A	N/A	\$54,633,594	\$35,500,099	\$35,500,099
OPEB Fund Assets	N/A	N/A	N/A	N/A	N/A	N/A

Pension Fund Status



Other Post-Employment Benefit Fund Status



Fund Equity Detail

Category Name	2014	2013	2012	2011	2010	2009
Assigned	\$0	\$0	\$101,887	\$708,084		
Designated					\$4,671,667	\$4,482,717
Nonspendable	\$0	\$0	\$1,268,215	\$1,174,890		
Reserved / Restricted					\$281,303	\$256,126
Restricted	\$0	\$0	\$1,362,446	\$783,023		
Unassigned/Unrestricted	\$0	\$0	\$-102,620	\$-956,768		
Undesignated / Unreserved / Unrestricted					\$363,357	\$1,625,394

Fiscal Stability			
	FY 2011	FY 2012	Progress
Annual General Fund expenditures per capita	\$887	\$789	↑
Fund balance as % of annual General Fund expenditures	5.8%	12.3%	↑
Pension % Funded	70.3%	59.5%	↓
Debt burden per capita	\$557	\$401	↑
Public Safety			
	2011	2012	Progress
Crimes against persons per thousand residents	29.4	30	↓
Crimes against property per thousand residents	106.1	109.5	↓
Crimes against society per thousand residents	30.1	19.9	↑
Other crimes per thousand residents	16.5	12.7	↑
Quality of Life			
	FY 2011	FY 2012	Progress
Acres of park per thousand residents	1.8	1.8	↔
Percent of General Fund budget committed to arts culture and recreation	6.7%	5.4%	↓
Traffic Safety			
	FY 2011	FY 2012	Progress
Traffic crashes non-injury	252	218	↑
Traffic crashes injuries or fatalities	60	64	↓
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	↑

Data Updated: 11/13/2013 11:35:00 AM

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

Bonds & contracts payable

Fiscal Years

Name	2013	2014	2015
1999 Gen'l Obligation Road: Series 1999	1,062,500		1,020,624
2001 Gen'l Obligation Road: Series 2001	215,750	255,625	
2004 Gen'l Obligation Lib: Series 2004	228,038	223,538	288,638
Subtotal for Bonds & contracts payable	\$1,506,288	\$479,162	\$1,309,262
Total Principal & Interest	\$1,506,288	\$479,162	\$1,309,262

**City of Harper Woods
Complete Debt Report for
1999 Gen'l Obligation Road: Series 1999**

Issuance Information

Debt Type: Bonds & contracts payable
Activity Type: Government
Repayment Source: Tax-Backed
Issuance Date: 1999-04-01
Issuance Amount: \$5,000,000
Interest Rate: 4.125-5%
Maturing Through: 2015
Principal Maturity Range: \$1,000,000 - \$1,000,000
Series: Series 1999
Purpose: Roads

Payment Schedule

<u>Date Due</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>	<u>Adjustments</u>	<u>Balance</u>
2013-05-01	4.25%	1,000,000.00	41,874.00	\$1,041,874.00		\$1,000,000.00
2013-11-01	4.25%		20,626.00	\$20,626.00		\$1,000,000.00
2015-05-01	4.125%	1,000,000.00	20,624.00	\$1,020,624.00		
Totals		\$2,000,000.00	\$83,124.00	\$2,083,124.00	\$0.00	

**City of Harper Woods
Complete Debt Report for
2001 Gen'l Obligation Road: Series 2001**

Issuance Information

Debt Type: Bonds & contracts payable
Activity Type: Government
Repayment Source: Tax-Backed
Issuance Date: 2001-02-01
Issuance Amount: \$1,500,000
Interest Rate: 4.5 - 6%
Maturing Through: 2014
Principal Maturity Range: \$200,000 - \$250,000
Series: Series 2001
Purpose: Roads

Payment Schedule

<u>Date Due</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>	<u>Adjustments</u>	<u>Balance</u>
2013-05-01	4.5%	200,000.00	10,125.00	\$210,125.00		\$250,000.00
2013-11-01	4.5%		5,625.00	\$5,625.00		\$250,000.00
2014-05-01	4.5%	250,000.00	5,625.00	\$255,625.00		
Totals		\$450,000.00	\$21,375.00	\$471,375.00	\$0.00	

**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>Adjustments</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		

Totals	\$2,570,262.50	\$765,400.00	\$3,335,662.50	\$0.00
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