



**CITY OF GROSSE POINTE WOODS**  
**20025 Mack Plaza Drive**  
**Grosse Pointe Woods, Michigan 48236-2397**

(313) 343-2440  
Fax (313) 343-2785

**NOTICE OF MEETING  
AND  
AGENDA**

**COMMITTEE-OF-THE-WHOLE**

Mayor Robert E. Novitke has called a meeting of the City Council, meeting as a Committee-of-the-Whole, for **Monday, December 8, 2014, at 7:00 p.m.** The meeting will be held in the Conference Room of the Municipal Building, 20025 Mack Plaza, Grosse Pointe Woods, MI 48236 and is accessible through the Municipal Court doors. In accordance with Public Act 267, the meeting is open to the public and the agenda items are as follows:

1. Call to Order
2. Roll Call
3. Acceptance of Agenda
4. Closed Executive Session
  - A. To review and consider a confidential application for employment
5. Plante Moran - Audit Report
  - A. Memo 12/04/14 w/attachments – Treasurer/Comptroller
  - B. Comprehensive Annual Financial Report for the Fiscal Year Ended 06/30/14
6. Library Board Trustee Applications
  - A. Abby, Lisa
  - B. Brown, Scott
  - C. Gross, Karin
  - D. Lentine, Michael A.
  - E. Navin, James M.
  - F. Patrosso, Gary R.
  - G. Peck, Thomas G.
  - H. Profeta, Christopher
  - I. Smith, Quinn
  - J. Ulrich, Gregory L.
  - K. VanTiem, Vincent T.
  - L. Warnez, Tom
7. New Business/Public Comment
8. Adjournment

Alfred Fincham  
City Administrator

**IN ACCORDANCE WITH PUBLIC ACT 267 (OPEN MEETINGS ACT)**  
**POSTED AND COPIES GIVEN TO NEWSPAPERS**

The City of Grosse Pointe Woods will provide necessary, reasonable auxiliary aids and services, such as signers for the hearing impaired, or audio tapes of printed materials being considered at the meeting to individuals with disabilities. All such requests must be made at least five days prior to a meeting. Individuals with disabilities requiring auxiliary aids or services should contact the City of Grosse Pointe Woods by writing or call the City Clerk's office, 20025 Mack Plaza, Grosse Pointe Woods, MI 48236 (313) 343-2440, Telecommunications Device for the Deaf (TDD) 313 343-9249, or e-mail the City Clerk at cityclk@gpwmi.us.

cc:  
Council – 7  
Berschback  
Fincham

Hathaway  
Rec. Secretary  
Email Group

Media - Email  
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**CITY OF GROSSE POINTE WOODS**  
**MEMORANDUM**

5A

**RECEIVED**  
**DEC - 4 2014**  
**CITY OF GROSSE PTE. WOODS**

**Date:** December 4, 2014  
**To:** Mayor and City Council  
**From:** Dee Ann Irby, Treasurer/Comptroller *DAIrby*  
**Subject:** Comprehensive Annual Financial Report (CAFR)

The Comprehensive Annual Financial Report (CAFR) and Auditor's letter, dated December 4, 2014, are attached. You will note that both of these documents are marked "draft". They are in draft form because we experienced difficulty securing the necessary documentation to complete the new GASB 67 pension reporting requirements, which in turn delayed final review, printing and binding.

Next week, you will receive a final copy. Please call if you have any questions.

December 4, 2014

To the City Council and Management  
City of Grosse Pointe Woods, Michigan

We have audited the financial statements of the City of Grosse Pointe Woods, Michigan (the "City") as of and for the year ended June 30, 2014 and have issued our report thereon dated December 4, 2014. Professional standards require that we provide you with the following information related to our audit which is divided into the following sections:

Section I - Internal Control Related Matters Identified in an Audit

Section II - Required Communications with Those Charged with Governance

Section III - Other Recommendations and Related Information

Section IV - Legislative and Informational Items

Section I includes any deficiencies we observed in the City's accounting principles or internal control that we believe are significant. Current auditing standards require us to formally communicate annually matters we note about the City's accounting policies and internal control.

Section II includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the City Council of the City of Grosse Pointe Woods, Michigan.

Section III presents recommendations related to internal control, procedures, and other matters noted during our current year audit. These comments are offered in the interest of helping the City in its efforts toward continuous improvement, not just in the areas of internal control and accounting procedures, but also in operational or administrative efficiency and effectiveness.

Section IV presents informational legislative items offered in the interest of helping the City towards continuous improvements and to remain informed of the changing legislative landscape.

We would like to take this opportunity to thank the City's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the City Council and management of the City of Grosse Pointe Woods, Michigan and is not intended to be and should not be used by anyone other than these specified parties.



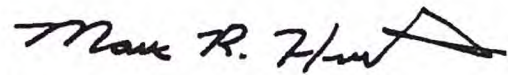
To the City Council and Management  
City of Grosse Pointe Woods, Michigan

December 4, 2014

We welcome any questions you may have regarding the following communications and we would be willing to discuss any of these or other questions that you might have at your convenience.

Very truly yours,

**Plante & Moran, PLLC**

A handwritten signature in black ink, appearing to read "Mark R. Hurst", with a stylized flourish at the end.

Mark Hurst

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## **Section I - Internal Control Related Matters Identified in an Audit**

In planning and performing our audit of the financial statements of the City of Grosse Pointe Woods, Michigan as of and for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified.

However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

We consider the following deficiencies in the City's internal control to be material weaknesses:

During the course of the audit process, journal entries were made to properly state various year-end balances. The entries individually were not significant but in aggregate they are. The need for audit identified journal entries was the result of a lack of review of year-end adjustments. Without these adjustments year-end balances would not have been properly stated in accordance with GAAP. We recommend the City have work performed and separately reviewed by a person with the necessary background and experience to perform an effective review.



## **Section II - Required Communications with Those Charged with Governance**

### **Our Responsibility Under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated April 4, 2014, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the City of Grosse Pointe Woods, Michigan. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on September 18, 2014.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note I to the financial statements.

As described in Note 2, the City adopted Governmental Accounting Standards Board Statements No. 67 *Financial Reporting for Pension Plans*. This statement required changes to the actuarial valuations resulting in a different measurement of the liability of the employer to plan members for benefits provided through the pension plan. As a result, the disclosures within the pension footnote have changed considerably along with the related schedules in the Required Supplementary Information.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred. .



Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- The pension and other postemployment benefit cost recorded in the financial statements ARE based on the actuary's calculation of the annual required contributions (ARCS). The actuary's calculations are based on numerous significant estimates, including future rate of return on investments, future healthcare costs, employee eligibility rates, life expectancies, and projected salary increases. Management is responsible for reviewing the assumptions used in the actuary's calculation for reasonableness. As noted above, during the current year, the City was required to report additional pension disclosures in accordance with GASB Statement No. 67. Based on our review of the actuarial study performed in connection with these required disclosures, we noted that one of the two actuarial studies did not use the most recent available mortality tables when preparing required estimates. We recommend that in future studies, the actuarial valuation use the latest availability mortality tables. Additionally, we noted that one of the actuarial valuations used a discount rate of 8 percent where we felt that a blended discount rate should have been used.
  - At year end, due to the timing of the billing cycles for water and sewer, it is necessary to record an estimate for the amount unbilled to customers. The amount is recorded as a receivable in the Water and Sewer Fund.
  - The estimates of the incurred but not reported amounts related to the City's self-insured workers' compensation and health insurance obligations are disclosed in Note 12 to the financial statements. Management's estimate of the various incurred but not reported amounts is based on historical information regarding claims.

We evaluated the key factors and assumptions used to develop the above accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Disagreements with Management***

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.



***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

***Significant Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the organization, and business plans and strategies that may affect the risks of material misstatement with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated December 4, 2014.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Section III - Other Recommendations and Related Information**

During our audit, we noted areas where we believe there are opportunities for the Company to further strengthen internal control or to increase operating efficiencies. Our observations on those areas are presented for your consideration below:

**User Access Reviews** - During the audit of the City's information technology (IT) systems and applications we noted the City is not maintaining documentation of any user access reviews performed throughout the year. We recommend the City maintain detailed records of reviews performed to ensure they are completed in a timely manner.

**Formal Depreciation Policy** - During our testing of the City's depreciation calculations in the current year we noted the City does not have a formal depreciation policy to determine useful lives and depreciation methods for its assets. We recommend the City create a formal written policy for the Council to approve as this will ensure consistent application of depreciation methods.

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## **Section IV - Legislative and Informational Items**

### **Revenue Sharing**

The State of Michigan's 2014–2015 budget eliminates the Economic Vitality Incentive Program (EVIP) for cities, villages, and townships. EVIP created the need for communities to meet certain requirements to obtain what had been the statutory portion of state-shared revenue.

The statutory revenue sharing will now be called "City, Village, and Township Revenue Sharing (CVTRS)." The total appropriation for revenue sharing is \$23 million less than originally proposed. The decrease is a result of the May revenue estimation conference, which showed declines in the state's projected revenue. Year to year, there is still an overall increase to the appropriation for this portion of revenue sharing.

There will be an increase of \$13 million to the City, Village, and Township Revenue Sharing. Key provisions of the new revenue sharing formula:

1. The CVTRS revenue sharing for cities, villages, and townships that are currently receiving EVIP will be as follows:
  - a. Communities with a population greater than 7,500 - the greater of a payment that is equal to the prior year (fiscal year 2013-2014) payment plus 3.05 percent or a total payment equal to \$2.64659 per capita. The State estimates that only about 15 local units will receive more using the per capita formula, all others will see a 3.05 percent increase.
  - b. Communities with populations less than 7,500 will simply receive a payment equal to an increase of 3.05% over their 2013-2014 EVIP payment.
2. An additional appropriation of \$5.8 million will be available for one-time funding to cities, villages, and townships that are newly eligible. These communities will receive a per capita payment of \$2.64659.

**Constitutional Revenue Sharing** - Communities will also see an increase of 2.4 percent in their constitutional revenue sharing payment.

**County Incentive Program** - Counties still have to participate in the County Incentive Program (CIP), which is basically the EVIP. The good news is that an additional \$65.4 million was appropriated for counties. As a result, it is expected that counties will receive full funding when CIP payments (20 percent) and county revenue sharing (80 percent) are combined.

In addition to the dollars above, \$8 million has been set aside to help financially distressed cities. The funds will be applied for and disbursed through a grant-type program by the Department of Treasury.

The question is when these payments will be made? It appears that they will be distributed on the last business day of October, December, February, April, June, and August - 1/6th of the total payment is distributed on each date. This is the same distribution schedule currently being used for bi-monthly distributions.



The State has published the estimated payments for each community for 2014-2015 at the following link: [State Shared Revenue 2014-2015 estimates](#)

We have not seen a formal listing of the new communities that will be eligible under the CVTRS program that were not eligible under EVIP. However, they can be identified in the State's document as they will have \$0 as the payment in the "estimated FY 2013-2014 payment" column of the above document and will have an amount in the "estimated FY 2014-2015 payment" column.

It is important to note that the CVTRS Program will still require communities to complete the accountability and transparency documents including the following:

- A citizen's guide of its most recent local finances (including recognition of its unfunded liabilities)
- A performance dashboard
- A debt service report containing a detailed listing of its debt service requirements including at a minimum:
  - The issuance date
  - Issuance amount
  - Type of debt instrument
  - Listing of all revenues pledged to finance debt service by instrument
  - Listing of the annual payment amounts
- Projected budget report including at a minimum:
  - Current fiscal year
  - Projection for the immediately following fiscal year
  - Revenues and expenditures as well as an explanation of assumptions

These documents are to be made available for public viewings either in the municipality's Clerk's office or posted for public internet access. In addition, all of the above documents must be submitted to the department of treasury. The accountability and transparency requirements apply to all eligible cities, villages, townships, and counties. The department of treasury will post and distribute to all eligible local units the detailed guidance by October 1.

The dashboard will now be due December 1 (which is a change from the October 1 deadline under EVIP). Therefore, the October payment will be made to all eligible local units (under EVIP local units were only eligible if they certified by October 1). Under CVTRS, if a local unit does not certify by December 1, they will forfeit the December payment. By certifying by the first day of any payment month subsequent to December, a local unit can qualify for that month's payment.



### **Personal Property Tax**

Significant personal property tax legislation has recently passed. Key provisions of the new acts include:

1. In August 2014, Michigan voters overwhelmingly approved Proposal I. As a result, there will be a shift in use tax dollars to create a replacement fund. The eligible manufacturing exemption described below will occur, and the \$40,000 Small Taxpayer Exemption under PA 48 of 2012 will be effective for 2014 and subsequent tax years.
2. The much-talked about local Essential Services Assessment (ESA) will be replaced with a State-assessed ESA, which is actually a tax but is being referred to as an assessment simply so that it is recognized as the substitute for the local ESA.
3. The new bills increase the reimbursement to local units for lost personal property tax revenue to an amount stated as 100 percent replacement.

Two key provisions under the previous personal property tax reform legislation (PA 408 of 2012) remain. Businesses will benefit from the following provisions:

1. Under PA 408 of 2012, businesses with less than \$40,000 of combined industrial and commercial personal property TV (\$80,000 true cash value) would not have to file PPT returns or pay any personal property tax. This provision remains unchanged in these new bills. This exemption begins with the 2014 tax year (December 31, 2013 assessments).
2. "Eligible Manufacturing" property would be exempt from PPT. This would be phased in beginning in 2016 (December 31, 2015 assessment date), with the following provisions:
  - a. Any property purchased subsequent to December 31, 2012 would be exempt immediately effective in 2016.
  - b. Property purchased prior to December 31, 2012 would be reduced to zero by its tenth year of existence (should take nine years).

### **Determining the Amount of Community Loss:**

Communities will first need to calculate their losses. Losses are classified as either debt loss or non-debt loss, as follows:

- **Debt Loss** - Debt loss is defined as the amount of ad valorem and dedicated taxes that go toward debt that are lost as a result of the personal property tax exemption. During FY 2014-2015 and 2015-2016, revenue distributed by the newly created Local Community Stabilization Authority (LCSA) would equal either a community's debt loss or, in the case of a TIF, the small taxpayer loss. Through the 2015-2016 fiscal year, the losses are limited to the impact of the \$40,000 small business exemption. When the phase-out of Eligible Manufacturing property would begin to occur when tax bills go out in 2016, the debt loss (and corresponding reimbursement) will increase.



- **Non-debt Loss** - Non-debt loss is calculated using the lowest rate of each individual millage levied in the period between 2012 and the year immediately preceding the current year. This will exclude debt millage. The department will compute the loss by comparing the current year taxable value of commercial and industrial property to the taxable value that existed at December 31, 2012 (2013 tax year). In 2016, cities will be reimbursed for non-debt loss for 2014 and 2015 related to the small taxpayer exemption loss. This is for cities only. For 2014 and 2015, townships will be getting reimbursed for the debt loss related to the small business exemption, but not the other losses created by the small business exemption. Starting in 2016, all municipalities are reimbursed for non-debt loss.

#### **Reimbursement Mechanisms:**

Beginning in 2015-2016, the LCSA would reimburse local units. Reimbursements to communities for the losses comes from two funding sources:

- **Use Tax Shift** - A portion of use tax will shift to the LCSA.
- **Essential Services Reimbursement** - Beginning in 2015-2016, the LCSA would receive a portion of the Use Tax as well as the full Essential Services Assessments in which to reimburse local units. This assessment is set at a prescribed millage rate based on the acquisition cost of property (depreciation will no longer apply). The rate is set at 2.4 mills for a property's first five years; then 1.25 mills for the next 5; then 0.9 mills thereafter. Essential services are defined as ambulance, fire and police services as well as jail operations. This includes the cost of related pension funding.

The losses described by the bill are to be paid in order of this priority: school debt; Intermediate School District losses; school operations; government essential services; debt and TIFA forgone increases; and *all other reimbursements* (defined below). In theory, if there is not enough money available, the lower priority items may not be fully reimbursed. However, that department has indicated that they expect the fund to have enough to cover all reimbursements.

*All other reimbursements* - These reimbursements come from the use tax and would also begin in 2015-2016 and initially be proportional to each local unit's share of total "qualified losses", taking into account the losses of all municipalities. Over time, the reimbursement will shift to be based on each entities share of eligible manufacturing personal property (based on the amount used in the ESA calculation above). Beginning in FY 2017-2018, 5 percent of the revenue would be distributed proportionally based on each local unit's share of eligible manufacturing personal property. The 5 percent portion would increase in 5 percent increments in each subsequent year. By FY 2036-2037, all revenue in the last category of reimbursements would be distributed based on the local unit's share of eligible manufacturing personal property. In short, in the beginning, the reimbursement is closely tied to the amount of lost personal property taxes, but over time, the community's reimbursement will be tied to the level of eligible manufacturing personal property.



### **Retro-pay Prohibition - Proposed Changes**

Public Act 54 of 2011, which was signed by the Governor on June 7, 2011, prohibits retroactive pay on an expired contract and calls for employees working under an expired agreement to bear the cost of any increased healthcare costs until a new contract is in effect. During that period, the public employer is authorized to make payroll deductions necessary to pay the increased cost of maintaining those benefits.

The Legislature has been working over the past two years to pass a bill to amend PA 54 of 2011 to allow those who are eligible to negotiate contracts under PA 312 of 1969 to be exempt from PA 54. HB 5097 of 2013, which has now been signed into law by the Governor as PA 301 of 2014, provides for exceptions to the retro-pay prohibition for public safety personnel that are subject to compulsory arbitration of labor disputes under PA 312 of 1969. The passing of this legislation would mean that police, fire and emergency medical personnel would be eligible to receive retroactive increases in compensation (this includes wage or benefit increases and step increases) that cover the period after a bargaining agreement expires and before a new agreement is in place if those higher benefit levels are a result of arbitration under PA 312 or included in a negotiated bargaining agreement after expiration of their collective bargaining agreement. In addition, these employees would only be required to pay increases in insurance benefits after a collective bargaining agreement expired and before a new agreement is in place that would not exceed the amount of the employee's share under the Publicly Funded Health Insurance Contribution Act.

### **Emergency Manager**

Public Act 4 of 2011 which is known as the "emergency manager bill" was repealed by voters in the November 2012 election. In response to the repeal, the Legislature passed a replacement to this bill, PA 436 "the Local Financial Stability and Choice Act." This legislation gives distressed communities the following four options:

1. Enter into a consent agreement
2. Mediation with the State
3. Emergency manager
4. Chapter 9 bankruptcy

Another key change is that under this Act, the State will be responsible to pay the salary and other related costs of the Emergency Manager and not the distressed community. In the now obsolete PA 4, this cost was covered by the State. The Act took effect in March 2013.

### **Deficit Elimination Plans**

In May of 2014, the Michigan Department of Treasury issued another Numbered Letter addressing deficit elimination plans. This Numbered Letter, 2014-1, supersedes the prior Numbered Letter which the State issued in 2012. This new guidance clarifies when a deficit elimination plan is required and identifies when an entity would need to formulate a deficit elimination plan.



Key changes within this new guidance are:

- For governmental funds other than the General Fund, if the “deferred inflows of resources minus taxes and special assessments receivable” is greater than the “unrestricted fund balance”, no deficit elimination plan is necessary. Otherwise, for modified accrual funds, a deficit is still identified as having an unrestricted fund balance deficit, where unrestricted fund balance includes the sum of committed, assigned, and unassigned balances.
- For proprietary, fiduciary and discretely presented component units:
  - A deficit would not exist if the deferred inflows of resources minus taxes and special assessments receivable are greater than either the unrestricted net position or total net position deficit balance.
  - A deficit would also not exist if current assets less current liabilities is a positive figure. For purposes of this calculation, current liabilities should not include the current portion of long-term obligations.

This new Number Letter does not change the timing of filing the deficit elimination plan. Local units are responsible to file deficit elimination plans concurrent with the submission of the audit report to the Department of Treasury. Local units should not wait on a letter from the State to file their plans. The plans are due on or before the filing of your financial statement. Failure to file a plan can result in withholding of 25 percent of the EVIP revenue sharing payments.

The plans should typically result in elimination of the deficit within one year but should never exceed five years. These plans should also have acceptable evidence to support the plan. The letter defines “acceptable evidence” as certified board/council resolutions approving the funding and the journal entry showing that the transfer was made in the general ledger. As stated in numbered letter 2012-1, “local units with multiple year plans that do not meet their subsequent year deficit projections must submit a revised plan that adheres to the time frame that was originally certified, not to exceed five years.” Additionally, if there is a projected multi-year budget, this too must be approved by the council/board and submitted. Plans and support can be emailed to [Treas\\_MunicipalFinance@michigan.gov](mailto:Treas_MunicipalFinance@michigan.gov) or mailed to the Michigan Department of Treasury.

### **Pension Obligation Bonds and Other Post-Employment Benefits Obligation Bonds**

Michigan Public Act 329 of 2012 was passed on October 17, 2012 with immediate effect. The Act allows communities who meet certain criteria to issue bonds to fund all or a portion of their unfunded pension and Other Post-Employment Benefits (OPEB) liabilities. The bonds are called Pension Obligation Bonds or Other Post-Employment Benefits Obligation Bonds and are collectively referred to as “Benefit Bonds”.

These bonds are subject to federal taxation but are tax exempt by the State of Michigan and must be issued prior to December 31, 2014. The bonds are issued by ordinance or resolution and do not require a vote of the people.



Municipalities must meet all of the following key requirements (the Act also states additional requirements) in order to be eligible to issue benefit bonds:

- Prior to issuance the Municipality must obtain approval from the State Department of Treasury. In addition, the Municipality must publish a notice of intent to issue the security.
- Be assigned a credit rating of AA rating or higher by one of the nationally recognized rating agencies (Standards & Poor's, Moody's or Fitch)
- The issued security shall be rated investment grade by a nationally recognized rating agency
- The property taxes necessary to meet the debt service obligation may not exceed the limit authorized by law
- Have a legal capacity to issue the obligation as these Bonds are not exempt from legal debt limitations
- Relative to the pension plan, have partial or complete cessation of accruals to a defined benefit plan or closed the defined benefit plan to new or certain existing employee groups and implemented a defined contribution plan (this requirement does not apply to the retiree health care, or OPEB plan)
- The municipality shall covenant with bond holders and the State that it will not, after the issuance of Benefit Bonds and while the Bonds are outstanding, rescind any action taken for the cessation of accruals to a defined benefit plan or complete closure of defined benefit plans for new and existing employees.

### **Michigan's Public Pension Systems - Impact of PA 347 of 2012**

In December 2012, Governor Rick Snyder signed Public Act 347 of 2012 into law. This legislation makes some significant changes that will impact all public retirement systems in Michigan. Amending Public Act 314 of 1965, these new rules are meant to provide greater flexibility to these systems as to how funds are invested while at the same time imposing additional requirements aimed at transparency and accountability. These changes, which went into effect in March 2013, are summarized below:

### **Changes to Allowable Investment Vehicles**

Generally, rather than making it more restrictive, the new rules raise the maximums for several investment categories, such as real estate and global equities. As an example, the limitations within the "basket clause" are increasing by 10 percentage points, with most plans now allowed to invest between 15 percent and 20 percent within this section, depending upon plan size. Monitoring under these new limitations will continue to be important. Toward this end, plans will need to ensure their investment consultants, advisors and managers are "on board" with the changes.



### **Spending Limitations**

This Act limits the amount of spending on professional training, education, and travel. Under the legislation, the retirement system's board of trustees would be required to adopt an annual budget for professional training and education, including travel. This budget will be capped at the lesser of \$150,000 or an amount equal to \$12,000 multiplied by the number of board members, with professional training, education, and travel costs not to exceed \$30,000 for any one board member.

### **Additional Documentation and Reporting Requirements**

Additional transparency reporting requirements for retirement systems, investment fiduciaries, and investment service providers are being imposed by this new Public Act. First, the legislation would require the publication by the plan of a Summary Annual Report (SAR). Although similar reporting requirements exist in the old legislation, this Act requires more detailed reporting than what we are used to.

The SAR would include several additional disclosures, including the following: names of investment service providers, the system's itemized budget (including professional training, education, and travel), disclosure of the system's investment returns, and numerous pieces of information from the system's most recent annual actuarial valuation report. The system is required to make its SAR available to plan participants and citizens via posting to its website if the system has a website or, alternatively, would require the plan sponsor to post it to their website.

In addition, investment service providers are now required to give the investment fiduciary a complete written disclosure of all fees or other compensation associated with its relationship with the retirement system. This disclosure would be required both before providing any investment services as well as on an annual ongoing basis. Finally, financial records of the system must be retained for a minimum six year period.

### **Michigan Qualifying Statement Revisions and Changes to Filing Process**

Bulletin 6 was issued by the State Department of Treasury and was effective beginning May 1, 2013. The bulletin details out the revisions made to the form, changes in the electronic filing process, and provides information on the new process to submit a reconsideration request.

The Qualifying Statement is now Form 5047. The new form and link to the online filing are available at: [www.michigan.gov/municipalfinance](http://www.michigan.gov/municipalfinance). You can also find Bulletin 6 by following this same link.



Several minor changes have been made to the form including the following: additional question asking for the municipality's six-digit municode, information buttons to provide added instruction, and elimination of the requirement to include SEV and population. In addition, changes were made to help ease the completion of the form such as the elimination of certain questions which were duplicative of information that the Department of Treasury already had at their disposal (ex. audit filing date) as well as separating out compound questions to ease the process of responding to them.

The more significant change, however, is with the electronic filing process. Since May 1, 2013 there is now only one way in which a Qualifying Statement can be submitted:

1. The form is now a PDF that can be downloaded and saved. The form is fillable allowing preparers to type in responses and save the form with answers intact.
2. The PDF will be uploaded via the Department of Treasury website. The upload page is: [www.michigan.gov/municipalfinance](http://www.michigan.gov/municipalfinance). Once you are on the webpage choose the Online Qualifying Statement link.
3. The State has a set naming convention that should be used for each uploaded file. The file should be named as follows: municipality's six digit municode + fiscal year + the words "QStmt" (example: 7830402012QStmt). Please note the system will only accept one Qualifying Statement per fiscal year per municipality.
4. Municipalities will not be able to use the same username and password that they used for filings prior to May 1, 2013. The State has directed each Municipality to call the Local Audit and Finance Division at 517.373.3227 to obtain a new username and password.

The Bulletin also allows the Qualifying Statement to be filed by an individual other than the Chief Administrative Officer (CAO) as long as the CAO is made aware and takes full responsibility for the filing. The filer will be asked to indicate whether they are the CAO or the designee at the time the Qualifying Statement is filed.

#### **EVIP-like Requirements Tied to Act 51 Monies (Public Act 506 of 2012)**

A new reporting requirement by MDOT that was originally due each September 30, starting in 2014 has been delayed. Senate Bill 882 passed and has been sent to the Governor for signature and will delay implementation until September 30, 2015. This requirement is a result of Public Act 506 of 2012 which places EVIP-like limitations on pension and healthcare benefits paid to transportation employees. For the purposes of this Act, "transportation employee" means an employee paid in whole or in part through Act 51 revenues or who is engaged in work funded through Act 51 revenues.



The act requires local units receiving ACT 51 money for the construction or maintenance of roads to comply with one of the following conditions by September 30, 2015:

1. Develop and publicize a transportation employee compensation plan that the local agency intends to implement with any new, modified, or extended employment contracts or agreements. This compensation plan must include all of the following:
  - For new employee hires, the employer contribution toward retirement plans must be capped at 10 percent of base salary.
  - Defined benefit pension plans may use a maximum multiplier of 1.5 percent of final average compensation if postemployment healthcare is provided and 2.25 percent if postemployment healthcare is not provided.
  - For defined benefit pension plans, the final average compensation must be calculated using a minimum of three years of compensation and must not include more than 240 hours of paid leave. Overtime hours cannot be used in calculating final average compensation.
  - The employer contribution for health care coverage for new employee hires is capped at 80 percent of the employee's premium or must be competitive with the new state preferred provider organization health plan on a per-employee basis.
2. Comply with Public Act 152 of 2011, which requires public employers to place hard caps on the amounts they contribute toward healthcare costs with an option to elect an 80 percent contribution cap rather than a hard cap. These hard caps are adjusted annually for inflation. The caps in 2012 were \$5,000 for single coverage, \$11,000 for individual and spousal coverage, and \$15,000 for family coverage. See below for a discussion of Senate Bill 542 that proposes changes to the individual and spousal coverage limit from \$11,000 to \$13,455.
3. Certify that the local road agency does not offer medical benefits to its transportation employees or elected public officials.

If a local unit receiving Act 51 money does not certify that it complies with one of the above criteria by September 30 of each year, the Department of Transportation may withhold Act 51 distributions until compliance is established.

Act 506 also requires local road agencies to maintain a searchable website (accessible to the public) that includes the current budget, the number of active transportation employees by job classification and wage rate, a financial performance dashboard, the names and contact information of the governing body, and a copy of the annual certification provided to MDOT.

For our communities who are already complying with the requirements of Public Act 152 of 2011, we do not expect this new legislation to have a significant impact on operations since it essentially just creates a new reporting requirement; however please contact your audit team if you would like to talk through the details of the act and your community's compliance.



### **Amendments to Public Act 152 of 2011 (Health Care Limitations)**

On December 11, 2013, legislation was passed (formerly SB 541-545) in an effort to clarify PA 152 of 2011. These amendments are effective immediately. SB 542 and 543 have perhaps the most direct financial impact on communities.

**SB 542:** This bill modified the current law which allows employers to opt between a percentage-based cap or a dollar-limit (hard cap) on employee health insurance premiums. The bill increases the dollar-cap for individual and spouse coverage from the current limit under PA 152 of \$11,000 to \$13,455. This applies for all medical plan coverage years beginning in calendar year 2013 according to the current language. The \$13,455 cap is increased annually for any changes in medical CPI on an annual basis. Please keep in mind that if your coverage year began after January 1, 2013, this could have resulted in an unanticipated additional cost of \$2,455 per employee. Several communities have questioned this aspect but it does not appear to have been addressed in the bill.

Currently, PA 152 excludes elected officials from the number of employees in the dollar cap formula. This would no longer be the case; they would become part of that calculation.

**SB 543:** This bill applies only to those public employers that adopt the 80/20 percentage-based option. It clarifies that all public employers (excluding the State) have to have support of a 2/3 vote by the governing body prior to the start of each medical benefit plan coverage year. If this does not occur the public employer would then have to follow the hard cap requirement.

### **New Rules Governing Management of Federal Programs**

In December 2013, the Office of Management and Budget (OMB) issued long-awaited reforms to the compliance requirements that must be followed by non-federal entities receiving federal funding. All entities receiving federal dollars will need to understand the changes made as a result of these reforms and may be required to make some changes to your internal procedures, processes, and controls.

These reforms impact three key areas of federal grants management:

1. **Audit Requirements** - For fiscal years beginning on or after January 1, 2015, the threshold for obtaining a federal awards audit will increase from the current threshold of \$500,000 of annual federal spending to \$750,000. There will also be significant changes to the criteria for qualifying as a low-risk auditee and a reduction in the number of major programs required to be tested for some clients.

The City has historically been below the current \$500,000 threshold. However, from time to time, depending upon the level of federal spending, the City may still be subject to an audit requirement even at the new higher \$750,000 threshold.

2. **Cost Principles** - Effective December 26, 2014, the grant reforms related to cost principles go into effect. Not only were certain changes made to allowable costs under this new guidance, but there were significant changes in the area of time and effort reporting and indirect costs.



3. **Administrative Requirements** - Also effective December 26, 2014, non-federal entities receiving federal funding must adhere to new rules related to administering federal awards. Most notably, these requirements may impact the City's procurement systems, including maintaining written conflict of interest policies and disclosures.

These revisions are clearly the most significant change to occur to federal grants management in recent history. Entities receiving federal funding will need to carefully digest these changes. Plante & Moran, PLLC has many experts in these rules who can assist you in understanding the changes and how they impact the City. As we continue to delve into these new rules, we will keep you informed and updated.

#### **Potential Change in Audited Financial Statement Due Date**

Senate Bill 949 of 2014 was recently introduced. Among other things, the bill changes the due date for audits..

- The audit deadline would be moved to 150 days from 180 days (things, the bill changes the due date for au30, 2014).
- If the deadline can't be met, the State can move in and either perform or contract for and charge the local unit for the audit services
- There'd be a requirement that budgets conform to the Uniform Chart of Accounts
- The biennial audit exception for units under 4,000 population would be removed
- Very specific language is added to say a unit can't adopt or operate under a deficit budget, nor incur an operating deficit. If a unit is operating under a deficit, the State is to be notified. In that situation, a deficit elimination plan is due to the State within 90 days. Failure to comply will allow the State to withhold state funds as is necessary to gain compliance.



To the City Council and Management  
City of Grosse Pointe Woods, Michigan

December 4, 2014

Client: City of Grosse Pointe Woods, Michigan  
Opinion Unit: Aggregate Remaining Funds  
Y/E: 6/30/2014

**SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS**

The pretax effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

Ref. #	Description of Misstatement	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities	Equity	Revenue	Expenses	Net Income Statement Impact
<b>FACTUAL MISSTATEMENTS:</b>									
A1									
A2									
<b>JUDGMENTAL ADJUSTMENTS:</b>									
B1									
B2									
<b>PROJECTED ADJUSTMENTS:</b>									
C1									
C2									
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**PASSED DISCLOSURES:**

- D1 The expected long term rate of return is a required disclosure under GASB 67 for the City's pension system and supplemental annuity. This information was not available and has been excluded from the footnote disclosures as a result.
- D2 The GASB 67 actuarial valuation for the Supplemental Annuity should have used in our judgment a lower blended rate.

Client: City of Grosse Pointe Woods, Michigan  
Opinion Unit: Business Type Activities; Water and Sewer Fund; General Fund  
Y/E: 6/30/2014

**SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS**

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<b>FACTUAL MISSTATEMENTS:</b>									
A1									
A2									
<b>JUDGMENTAL ADJUSTMENTS:</b>									
B1									
B2									
<b>PROJECTED ADJUSTMENTS:</b>									
C1									
C2									
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Combined effect	-	-	-	-	-	-	-	-
	Less: Effect of adjustments for which auditor's report is qualified	-	-	-	-	-	-	-	-
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**PASSED DISCLOSURES:**

- D1 The transfer for \$25,000 between the Water & Sewer Fund and the General Fund should be shown as revenue and expense and not transfer in and out
- D2



# **City of Grosse Pointe Woods, Michigan**

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**Comprehensive Annual Financial Report  
for the Fiscal Year Ended  
June 30, 2014**

**Prepared by the Office of the City's Finance Department**



# City of Grosse Pointe Woods, Michigan

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# City of Grosse Pointe Woods, Michigan

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# City of Grosse Pointe Woods, Michigan

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# City of Grosse Pointe Woods, Michigan

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To the Honorable Mayor  
and City Council  
City of Grosse Pointe Woods, Michigan

The Comprehensive Annual Financial Report (C.A.F.R.) of the City of Grosse Pointe Woods, Michigan, for the fiscal year ended June 30, 2014 is submitted herewith, in accordance with provisions of Section 8.7 (Charter) of the City of Grosse Pointe Woods and the rules and regulations as put forward by the State of Michigan Department of Treasury. This report was prepared by and is the responsibility of the City's Finance Department. This document represents the official report of the City's financial operations to its residents, elected officials, employees, investment firms, banks and rating and regulatory agencies and other interested parties. The data as presented in the report is accurate in all material respects, is shown in a manner designed to clearly and fairly set forth the financial activity of all the various funds established and utilized by the City and that all disclosures have been included to enable the reader to gain the maximum understanding of the City's financial operations. The independent auditing firm of Plante & Moran, PLLC performed the annual audit of the City of Grosse Pointe Woods financial statements as required by the Michigan Department of Treasury and has issued its unqualified opinion here within.

#### **Format**

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. This narrative details the Financial Staff's letter of transmittal and introduces the reader to the City's financial background, the legal requirements expected and details of financial/economic events that occurred during the year and the impact that they had on the financial statements. It is important to note that this letter complements the Management Discussion and Analysis (MD&A), which is found in the financial section. The introductory section also includes the municipality's organizational chart and a list of principal officials. The financial section includes the MD&A of the basic financial statements and the combining and individual fund statements, schedules and accompanying footnotes to the financial statements, and most importantly the auditor's opinion on the financial statements and supporting documentation. The statistical section, which is unaudited, includes selected financial and demographic information, where practical, presented on a multiyear basis. Also included in the statistical section is selected information required by the United States Securities and Exchange Commission depicting necessary disclosures in regards to the refunding of the 2003 Water and Sewer Revenue Bonds.



To the Honorable Mayor  
and City Council  
City of Grosse Pointe Woods, Michigan

December 4, 2014

This document consists of management's representations concerning the finances of the City of Grosse Pointe Woods. Consequently, Administration assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these presentations, City Administration has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To insure that the City's system of internal controls are providing the security that is needed the City's auditors are routinely consulted before any changes are made to the system and are requested to advise management of any improvements that would benefit operations. As Administration, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

### **Reporting Entity**

This report includes all funds for which the City's elected officials have operational and financial authority. This authority implies that the elected and administrative officials are legally responsible for establishing and implementing the fiscal policies and overseeing the financial management of the City. Where required, actual results of individual government funds are shown with its original/amended budgetary appropriations. This required disclosure allows the reader to compare the effectiveness of the administration to stay within the spending guidelines (budget) established by the City Council during the budget process and to disclose other variations that may occur during the course of the fiscal year.

### **Legal Requirement**

This report has been prepared pursuant to and in compliance with Michigan Department of Treasury regulations, which, in part, requires that an annual independent audit of the City's financial records of accounts and transactions be performed. The opinion by the City's independent auditor, Plante & Moran, PLLC dated [REDACTED], on the basic financial statements and individual fund statements and schedules is included in the Financial Section of this report. There is not a separately issued Single Audit Report for the Federal Grant Fund under the A-133 Federal Single Audit Act, because the total federal grant expenditures of \$32,500 were less than the threshold of \$500,000, which is the minimum expenditure limit, needed to be subject to the regulations of the Single Audit Act. Through the Wayne County Block Grant Program the City is designated as a sub-grantee and coordinates it program.



To the Honorable Mayor  
and City Council  
City of Grosse Pointe Woods, Michigan

December 4, 2014

Consistent with previous years, the intent and responsibility of Administration is to effectively adhere to the fiscal policies and initiatives established by the City Council while remaining cost-efficient and responsive to the needs of the residents. Many of the financial policies and procedures established by the City Council are detailed in the City's annual budget. In accordance with the City Charter, the City Administrator and the Treasurer/Comptroller, will have presented their budgetary estimates of revenues and expenditures of all the City's funds (excluding Trust & Agency Funds and selected Special Revenue Funds) to the Mayor and City Council no later than the first meeting in April. These estimates are then forwarded to the City's Finance Committee, which performs a thorough review of the operational, financial and capital components of the budget. Upon completing this budget review along with recommendations, the budget is presented back to the Mayor and City Council for additional review and comments. The proposed budget document is formally approved by the Mayor and City Council no later than the third Monday in May. Throughout the course of the fiscal year the Finance Committee may review any significant changes to the original budget document as recommended by the City Administrator and/or the Treasurer/Comptroller. Per the City Charter the Mayor and City Council must formally approve any proposed adjustments to the budget. This process allows the City to remain flexible to changes in the revenue and expenditure patterns that occur throughout the year as well as keeping the elected officials updated on the financial condition of the City. Following the passage of the budget, a summary of the completed document is made available to all residents, published in the local newspaper and annual City calendar.

#### **Fiscal Policies/Major Initiatives**

One of the most elemental functions of our City is to establish practices to guide us through good times and challenging times. Clearly these last several years have been challenging.

In order to finance debt, we need to have a strong cash reserve. Although we currently have an unassigned fund balance of 31.8 percent of actual expenses, we have been depleting the balance over the last several years. Our cash reserves are acceptable based upon the recommendation of a 10-15% fund balance; however we are ever cognizant of our expenses and have continued to look for efficiencies.

The City's long-term financial stability is the result of a strong and continuous commitment to fundamental principles of fiscal integrity. The City's current administration has taken many steps over the last several years toward improved budgeting, cost containment and improved efficiency which has helped in dealing with the current economic conditions. The City has developed a proactive strategy that consists of the following changes:

- a. The City remains vigilant with property maintenance enforcement to ensure properties are maintained. Maintaining property values and minimizing the decline through an effective property maintenance and rental inspection program is an important component to our overall financial plan.
- b. The City will continue with cost containment initiatives as reflected in the current budget approved by City Council.



To the Honorable Mayor  
and City Council  
City of Grosse Pointe Woods, Michigan

December 4, 2014

- c. The City has eliminated the EMS division of the Public Safety department, which included 5 full-time positions. This service has been contracted to Medstar Ambulance Company at a cost savings of approximately \$600,000 per year.
- d. The City received two funding awards and one rebate for various equipment and street lighting. The State of Michigan awarded the City with video arraignment equipment for the Municipal Court, which will save in overtime costs and prisoner transport fees. Wayne County awarded the City with a grant for "Share the Road" signage and bicycle racks. This will create a more active community, at no cost to the City. DTE offered the City an Energy Optimization efficiency rebate to upgrade LED streetlights throughout the City. This will provide more efficient lighting for many years.
- e. The Cities of Grosse Pointe Woods, Shores and Farms were awarded a grant to combine public safety dispatch and police lockup services. This grant will provide for equipment and retrofitting of the Grosse Pointe Woods dispatch center to house the operations of all three cities.
- f. The City continues to work with the surrounding communities on additional service-sharing agreements.

Additionally, maintaining a strong cash reserve is paramount in order to continue with our Water/Sewer bond rating of AA allowing for the City to make the costs of borrowing lower and allow us to better invest in our city. Just as importantly, we need to build our savings so that we can pay our bills in the event of a fiscal emergency or natural disaster. Lastly, increasing our reserves would demonstrate to businesses, governmental organizations and ratings agencies that we have prudent, disciplined fiscal practices and that we are good stewards of our taxpayers' money. This stability is good for business and good for the people of Grosse Pointe Woods.

With regard to water and sewer infrastructure improvements, the City continued to make significant repairs and replace sections of the City's water and sewer lines. These repairs were funded by low cost loans from the State of Michigan Drinking Water Revolving Fund (DWRF) and Sewer Revolving Fund (SRF).

### **Economic Conditions**

The City's most pressing financial concern is the current condition of the residential housing market and its detrimental effect on property tax revenues. Although home sales are on the rise, it appears that the ongoing economic slump will temporarily continue to have a negative impact in certain sections of our City. Due to Proposal A capping market value increases at the lesser of the Consumer Price Index or 5 percent, it will take several years to rebound.

In accordance with the City Charter the City may levy up to 20 mills. The Headlee Act, which amended the State Constitution in regards to property tax relief, has forced the City to roll back its 20 mills to 14.0492 mills. The 2014 millage rate is at the headlee cap.



To the Honorable Mayor  
and City Council  
City of Grosse Pointe Woods, Michigan

December 4, 2014

The General Fund fund balance has an unassigned balance of \$3.75 Million and \$532,000 assigned to the Cable Fund. The fund balance *will* be used to balance the budget over the next several years.

### **Administrative Summary**

The City's strengths continue to be strong financial management, sound finances and low debt levels. Because of this, the City's Water & Sewer Fund enjoys an outstanding bond rating of "AA" from Standard & Poor's. The AA bond rating allows the City to borrow at the lowest possible interest rate, saving taxpayers thousands of dollars in future costs.

The Government Finance Officers Association (GFOA) of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2013. This is the 45<sup>th</sup> consecutive year that the City of Grosse Pointe Woods received this prestigious award. In fact, our City is the longest standing recipient in GFOA's history.

The City continues to retain its status as a well respected and one of the most desired areas to live in Southeast Michigan. The challenge to the City is to continue to provide a multitude of public services, while complying with increased State regulations, as imposed by the Economic Vitality Incentive Program (EVIP). Administration also remains confident that City Council and the employees possess the capability, foresight and resolve necessary to successfully meet these challenges.

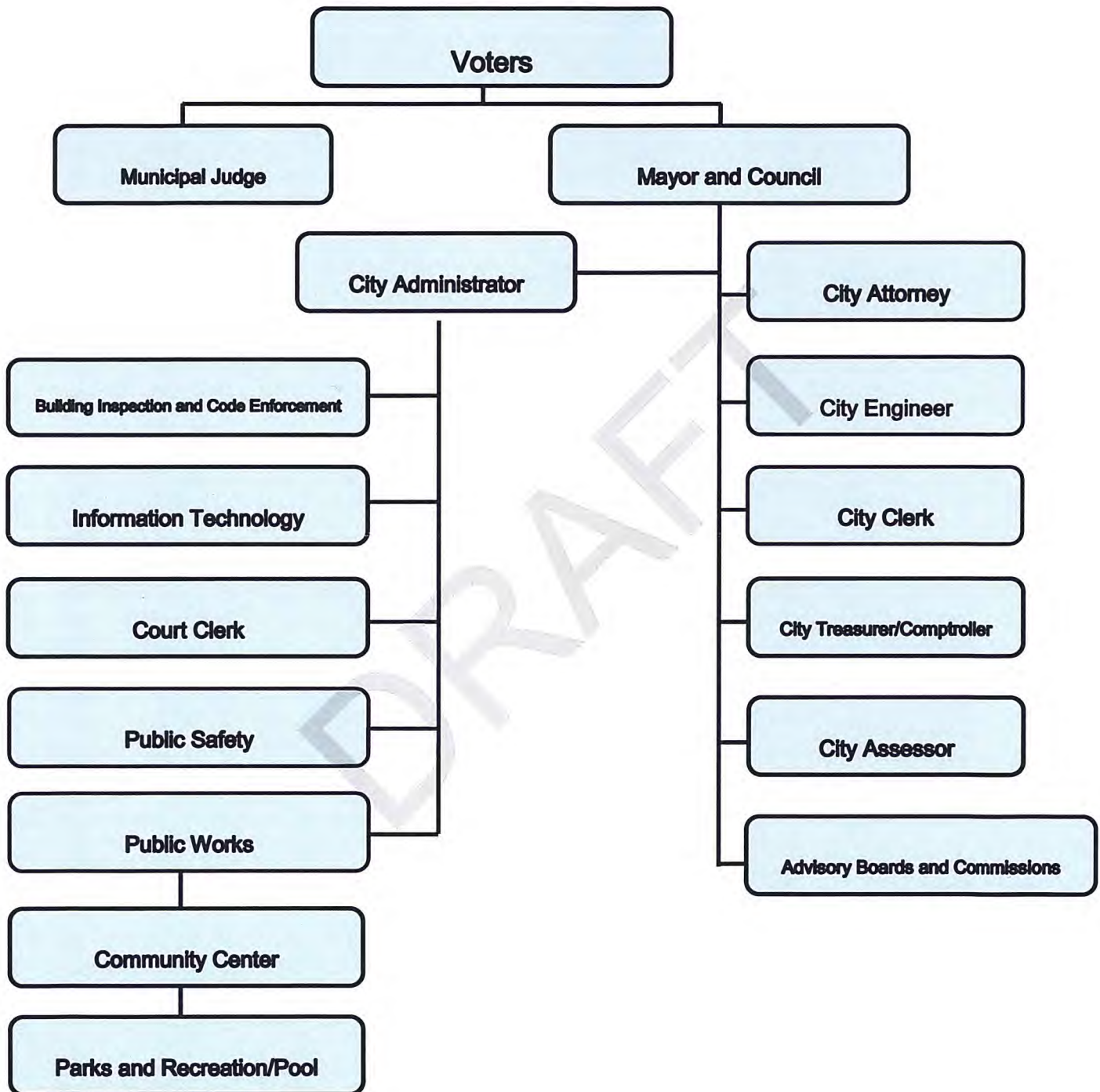
Sincerely,

Alfred John Fincham, III  
City Administrator

Dee Ann Irby  
Treasurer/Comptroller

# City of Grosse Pointe Woods, Michigan

## Organizational Chart







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Grosse Pointe Woods  
Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

# **City of Grosse Pointe Woods, Michigan**

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## **List of Principal Officers Year Ended June 30, 2014**

### **Elected Officials**

Mayor	Robert E. Novitke
Council Member	Michael Koester
Council Member	Victoria A. Granger
Council Member	Arthur W. Bryant
Council Member	Richard Shetler Jr.
Council Member	Kevin Ketels
Council Member	Todd A. McConaghy

### **Municipal Judge**

Municipal Judge	Theodore Metry
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### **Administrator's Office**

Administrator	Alfred John Fincham, III
---------------	--------------------------

### **Clerk's Office**

Clerk	Lisa K. Hathaway
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### **City Treasurer/Comptroller's Office**

Treasurer	Dee Ann Irby
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### **City Attorney**

City Attorney	Don R. Berschback
City Attorney	Chip Berschback



# City of Grosse Pointe Woods, Michigan

## Fund Organizational Chart Year Ended June 30, 2014

<u>Fund Name</u>	<u>Fund Number</u>
<b><u>GOVERNMENTAL FUNDS</u></b>	
General Fund	101
Special Revenue Funds	
Major Streets Fund	202
Local Streets Fund	203
Ambulance Fund	210
Act 302 Training Fund	211
Solid Waste Disposal	226
Grants Fund	245
911 Emergency Service	261
Drug Enforcement	265
Parkway Beautification Fund	205
Cable Franchise Fund	206
Debt Service Funds	
Grosse-Gratiot Drain Fund	365
Capital Projects Funds	
Municipal Improvement Fund	401
<b><u>PROPRIETARY FUNDS</u></b>	
Enterprise Funds	
Water and Sewer Utility Fund	592
Parking Utility Fund	585
Boat Dock Rental Fund	594
Commodity Sales Fund	598
Internal Service Funds	
Motor Vehicle Fund	640
Workers' Compensation Fund	632
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## Independent Auditor's Report

To the City Council  
City of Grosse Pointe Woods, Michigan

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grosse Pointe Woods, Michigan (the "City"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Grosse Pointe Woods, Michigan's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grosse Pointe Woods, Michigan as of June 30, 2014 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.



To the City Council  
City of Grosse Pointe Woods, Michigan

### **Emphasis of Matter**

As discussed in Note 2 to the basic financial statements, in 2014, the City adopted the new accounting guidance of GASB 67, *Financial Reporting for Pension Plans*, which establishes standards for financial reporting that outline the basic framework for separately issued pension plan financial reports and specifies the required approach to measuring the liability of employer and certain nonemployer contributing entities, about which information is required to be disclosed. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, retirement system schedules of funding progress, investment returns, changes in the City net pension liability and related ratios, and City contributions, other postemployment benefits schedule of funding progress, and the major fund budgetary comparison schedules, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grosse Pointe Woods, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, the introductory section, and the statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplemental information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the City Council  
City of Grosse Pointe Woods, Michigan

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

December 4, 2014

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# **City of Grosse Pointe Woods, Michigan**

## **Management's Discussion and Analysis**

Our discussion and analysis of the City of Grosse Pointe Woods, Michigan's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the City's financial statements.

### **Financial Highlights**

The following represents the most significant financial highlights for the year ended June 30, 2014:

- General property tax revenue remains the same as fiscal year 2012-2013. The City did implement a new Payment in Lieu of Taxes (PILOT) program which generated an additional \$69,000 in tax revenue. Property taxes continue to be the City's largest source of revenue; however, like most communities in Michigan, the taxable value of property is slow to rebound after the 2007 decline. We are hopeful that new development will increase the taxable in the near future.
- State-shared revenue remains our second largest revenue source shows a slight increase of \$20,000 over fiscal year 2012-2013. A payment from the State of Michigan, to reimburse the City for a school election added another \$20,000.
- Building license and permit revenues decreased \$28,000 over fiscal year 2012-2013. This decrease in permit revenue is the result of completing the permit process for the development on Cook Road. The direct cost of operating the building department increased approximately \$42,000 over the previous year due to the addition of two part-time positions.
- Revenue from District Court fees and fines decreased by \$76,000 as compared to fiscal year 2012-2013. This is the second year for a decline in revenue and the number of violations being processed. The direct cost of operating the Municipal Court decreased approximately \$4,000 due to cost containment.
- Cable franchise fees decreased \$40,000 over the previous fiscal year; however, the Retiree Drug Subsidy increased \$43,000.
- Although there were fluctuations in the various revenue categories, overall the General Fund's revenue increased approximately \$93,000 and the transfers in decreased \$120,000 from fiscal year 2012-2013 revenue.
- General Fund expenditures increased \$107,000 in fiscal year 2013-2014. A decrease of \$150,000 in MTT refunds was offset by an increase in municipal street lighting and health benefits for active employees and retirees of nearly \$200,000 over fiscal year 2012-2013.

# **City of Grosse Pointe Woods, Michigan**

## **Management's Discussion and Analysis (Continued)**

- Transfers out to other funds increased \$533,000 for fiscal year 2013-2014 as compared to the previous year. The majority of the increase (\$400,000) is attributable to the City's 20 percent share of road repairs on Marter and Morningside. The remainder of the increase was transferred to the Motor Vehicle Fund to cover the cost of repairs to aging vehicles and equipment. As a result of the increased expenses and transfers to other funds, the General Fund fund balance, exclusive of Cable Franchise and Local Street Funds, decreased \$352,000. It is important to mention that the fiscal forecast shows the use fund balance as a balancing tool for future budgets. In addition, many capital purchases were removed from the budget, for a fourth consecutive year, in an attempt to maintain essential City services at a reasonable cost.

### **Using this Annual Report**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell the reader how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the City's operations in more detail than the government-wide financial statements by providing information about the City's most significant funds. The fiduciary fund statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.



# City of Grosse Pointe Woods, Michigan

## Management's Discussion and Analysis (Continued)

### The City as a Whole

The following table shows, in a condensed format, the net position as of the current date as compared to the prior year (in millions of dollars):

### Summary of Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
<b>Assets</b>						
Current assets	\$ 10.8	\$ 11.5	\$ 6.4	\$ 7.8	\$ 17.2	\$ 19.3
Noncurrent assets:						
Restricted assets	-	-	0.4	0.3	0.4	0.3
Capital assets	27.1	26.3	27.9	29.1	55.0	55.4
Total assets	37.9	37.8	34.7	37.2	72.6	75.0
<b>Liabilities</b>						
Current liabilities	1.2	1.2	0.7	0.4	1.9	1.6
Long-term liabilities	15.0	17.2	11.0	12.6	26.0	29.8
Total liabilities	16.2	18.4	11.7	13.0	27.9	31.4
<b>Net Position</b>						
Net investment in capital assets	27.1	26.3	18.6	18.4	45.7	44.7
Restricted	0.9	0.8	0.3	0.3	1.2	1.1
Unrestricted	(6.3)	(7.7)	4.1	5.5	(2.2)	(2.2)
Total net position	\$ 21.7	\$ 19.4	\$ 23.0	\$ 24.2	\$ 44.7	\$ 43.6

The City's combined net position decreased \$1.1 million over the prior year. The decrease in noncurrent assets within the governmental activities is due primarily to the decrease in capital assets. An increase in total liabilities is consistent with the recording of an increase in OPEB and the increase in debt for water and sewer.

Total liabilities in the business-type activities increased about \$1.3 million in fiscal year 2013-2014, which is the final year of a three-year construction project for water meters and water main repairs. This construction project is being financed with a low interest loan from the State of Michigan Drinking Water Revolving Fund. The \$2.5 million increase in business-type assets relates to continued water main construction and sewer improvements. Overall, City debt remains very low.

The following table shows the City's major revenue and expenses as a whole for both the governmental and business-type activities (in millions of dollars). The bottom of the table shows the changes in net position during the current year in comparison to the prior year.

# City of Grosse Pointe Woods, Michigan

## Management's Discussion and Analysis (Continued)

### Summary Condensed Statement of Changes in Net Position (presented in millions of dollars)

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 1.4	\$ 1.3	\$ 6.6	\$ 6.8	\$ 8.0	\$ 8.1
Operating grants and contributions	0.9	0.9	-	0.1	0.9	1.0
General revenue:						
Property taxes	12.9	13.0	-	-	12.9	13.0
State-shared revenue	1.5	1.5	-	-	1.5	1.5
Unrestricted investment earnings	-	-	-	-	0.1	-
Cable franchise fees	0.4	0.3	-	-	0.3	0.3
Other miscellaneous revenue	0.3	0.3	-	-	0.2	0.3
Total revenue	17.4	17.3	6.6	6.9	23.9	24.2
<b>Program Expenses</b>						
General government	3.2	3.1	-	-	3.2	3.1
Public safety	6.9	6.6	-	-	6.9	6.6
Public works	5.8	6.1	-	-	5.8	6.1
Solid waste	1.1	1.1	-	-	1.1	1.1
Recreation and culture	1.8	1.6	-	-	1.8	1.6
Municipal improvements	0.1	0.3	-	-	0.1	0.3
Interest on long-term debt	-	0.8	-	-	-	0.8
Water and sewer	-	-	5.4	5.4	5.4	5.4
Parking	-	-	0.2	0.2	0.2	0.2
Boat dock	-	-	0.1	0.1	0.1	0.1
Commodity sales	-	-	0.1	-	0.1	-
Total program expenses	18.9	19.6	5.8	5.7	24.7	25.3
<b>Change in Net Position</b>	<u>\$ (1.5)</u>	<u>\$ (2.3)</u>	<u>\$ 0.8</u>	<u>\$ 1.2</u>	<u>\$ (0.8)</u>	<u>\$ (1.1)</u>

Total revenue for governmental activities decreased \$0.1 million as compared to fiscal year 2012-2013. A \$0.1 million increase in property taxes and the new PILOT was offset by a slight decrease in charges for services and cable franchise fees. State-shared revenue and operating grants remain unchanged. Total governmental expenses increased \$0.7 million (3.7 percent). The majority of the increased expenses in Public Works and Municipal Improvements pertain to transfers for vehicle maintenance and road repairs. Public Safety's decrease is attributable to the privatization of the EMS division. General Government and Recreation shows a decrease, due in part to a decrease in staff through attrition and cost containment efforts.

In the business-type activities, revenue increased \$0.3 million. The increase in revenue is a result of the increase in water and sewer rates to cover planned capital improvements and an operating grant. The \$0.1 million decrease in expenses is attributable to commodity sales.



# **City of Grosse Pointe Woods, Michigan**

## **Management's Discussion and Analysis (Continued)**

### **Governmental Activities**

The City's governmental revenue totaled approximately \$17.3 million, with the greatest revenue source being property taxes. Property taxes make up approximately 75.1 percent of total governmental revenue. That percentage is up by 1.1 percent, from approximately 74 percent of total governmental revenue in fiscal year 2012-2013 due to the creation of a PILOT and increased late fees. The City experienced a slight increase in taxable value for 2013-2014; and remains hopeful that the trend continues into the next fiscal year. Because there were a large number of Michigan Tax Tribunal cases settled by stipulation in fiscal years 2012-2013 and 2013-2014, the City must report a reduction in revenue equal to the total dollar amount of all cases currently under appeal.

Total governmental expenses for the City were approximately \$19.6 million. This is up by \$0.7 million from fiscal year 2012-2013. Expenses increased this year due to transfers to other funds to cover vehicle maintenance and road repairs. Concessions by employees, unpaid furlough days and departmental cost containment efforts continue into 2014-2015.

### **Business-type Activities**

The City's business-type activities consist of the funds for water and sewer, parking utility, and boat dock. In 2013-2014, the City was in the final year of water main construction project and third year of the sewer construction project. The Boat Dock and Parking funds have not had any major changes, in this fiscal year.

Water and sewer utility system revenue is primarily from fees paid by customers, based on use. All of the business-type revenue is generated by user fees. User fees were increased to cover increased costs to purchase water and infrastructure improvements.

The business-type activities expenses decreased \$0.1 million over 2012-2013, due to a decrease in commodity sales. A total of \$3.2 million is collected from Grosse Pointe Woods customers and paid to the City of Detroit for water and sewer treatment. This represents a decrease of \$225,000 over last fiscal year, due to a change in their "look back" formula.

### **The City's Funds**

An analysis of the City's major funds begins on page 16, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City Council created funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The City's major governmental funds for fiscal year 2013-2014 include the General Fund, the Major Streets Fund, the Solid Waste Fund, and the Grosse Gratiot Drain Fund. Since the Local Streets Fund and the Cable Fund receive the majority of their revenue from unrestricted sources, they can no longer be classified as special revenue funds. Therefore, they are included in the General Fund. The City's major business-type fund is the Water and Sewer Fund.



# **City of Grosse Pointe Woods, Michigan**

## **Management's Discussion and Analysis (Continued)**

### **General Fund**

The General Fund pays for most of the City's governmental services. The two largest services funded by the General Fund are public safety (combined police and fire services) and public works. The General Fund transferred approximately \$0.4 million to the Major and Local Streets Funds, \$0.6 million to the Municipal Improvement Fund and \$0.7 million to the Motor Vehicle Fund.

Other major activities in the General Fund include recreation and culture, solid waste, and all general government administrative and services operations. Some of these activities rely on fees for services to help offset costs and some do not generate any significant service-related revenue. Many of these activities rely heavily on property taxes and state-shared revenue to subsidize their operations.

In fiscal year 2013-2014, the General Fund's fund balance decreased by approximately \$351,600. Of this decrease, \$400,000 is related to a transfer to cover the City's 20 percent cost share of a grant for road repairs for federally eligible roads (Marter and Morningside). Employee concessions and cost containment efforts of the City Council, appointed officials, and department directors helped to hold the overall increase in expenses to \$26,000. The Local Streets Fund added \$94,000 to the General Fund fund balance, due to a reduction in concrete maintenance and overall cost containment. GASB No. 54 requires that the Local Streets and Cable Funds are now shown as part of the General Fund.

The City's General Fund year-end fund balance is approximately \$5.16 million; \$1.41 million is committed, assigned and non-spendable, leaving \$3.75 million unassigned. The unassigned amount represents approximately 30.7 percent of fiscal year 2013-2014 actual expenditures. This level of fund balance is above the recommended level of between 10 percent and 15 percent of annual expenditures; however, the City strives to maintain a cash surplus sufficient to maintain superior City services and retain a favorable bond rating. In addition, the City's fiscal forecasting applies \$1.5 million (40 percent) of the unassigned fund balance to the next four years of operations to cover the structural deficit. We anticipate new development will help increase tax revenue above the cost of living adjustment.

### **Major Streets Fund**

The Major Streets Fund accounts for the maintenance and replacement of all major streets within the City. Financing is provided by distribution of gas tax proceeds. Major revenue includes approximately \$31,000 from the City's business occupancy permits and approximately \$649,000 in gas and weight tax revenue. Current year expenditures were approximately \$68,000 less than fiscal year 2013-2014, due to reallocation of employees and costs of forestry services. Due to a reduction in concrete maintenance, the Major Streets Fund's revenue exceeded expenditures by approximately \$51,000. The reserves at year end are \$359,510.



# **City of Grosse Pointe Woods, Michigan**

## **Management's Discussion and Analysis (Continued)**

### **Solid Waste Fund**

The Solid Waste Fund is used to account for the collection, disposal, and recycling of all residential and commercial waste within the City. The special millage for fiscal year 2013-2014 was 2.0251 mills, the same as the previous year. The millage generated \$1.21 million in revenue. Net expenses in 2013-2014 were \$1.2 million and an increase of \$0.1 million as compared to the previous year. Tipping fees and employee related expenses contributed to the increase in expenses. The reserves at year end are \$349,422.

### **Grosse-Gratiot Drain Fund**

The Grosse-Gratiot Drain Fund is used to accumulate resources for payment of operations and maintenance costs as well as the Grosse-Gratiot Drain improvements financed by issuance of debt. The fund derived revenue from property taxes of approximately \$2,706,000 in fiscal year 2013-2014. Due to the continual decline in taxable value, the millage rate was increased 0.0596 mills to 4.5281. The tax levy generated approximately \$2,704,000 for fiscal year 2013-2014. Expenditures are primarily related to drain operations and maintenance provided by Wayne County. This is the fifth year of increases for these services, a cost of \$1,428,000 in fiscal year 2013-2014. The bonds held by Wayne County were paid off in the previous fiscal year, however they did charge for engineering fees to pre-fund future Sewer Revolving Fund (SRF) projects. This cost the Drain System approximately \$829,000. The Grosse-Gratiot Drain Fund eliminated the transfers to other funds, which was a savings of \$120,000 over the previous year.

This Grosse-Gratiot Drain Fund's fund balance increased approximately \$453,000, which was due to the reduced debt payment and the elimination of transfers to other funds. Therefore, the remaining fund balance is \$536,965.

### **Water and Sewer Fund**

The Water and Sewer Fund continues to maintain a small amount of working capital and the required reserves to meet bond covenants. Because revenue is derived from user fees and fees are adjusted periodically to cover expenses, the fund is relatively secure. Unlike the governmental activities of the City, the Water and Sewer Fund does not rely on tax dollars and state aid for its financial well-being.

Water and sewer rates have increased to cover the cost of fee increases imposed by the City of Detroit water and sewerage system and payments for infrastructure improvements financed by issuance of debt.

City Council and administration review revenue and expenditures annually, to ensure revenue remains at an adequate level to support the required expenditures of the systems. An annual rate increase will be necessary to support infrastructure improvements to the water system and sewer systems, which have been funded by low-interest loans from the State of Michigan Drinking Water Revolving Fund and Sewer Revolving Fund.



# **City of Grosse Pointe Woods, Michigan**

## **Management's Discussion and Analysis (Continued)**

### **General Fund Budgetary Highlights**

The City's General Fund ended fiscal year 2013-2014 with concessions from all four labor unions and nonunion employees. This was the sixth year for concessions. Facing a slow rebound in taxable value, the City eliminated road construction and vehicle purchases. The unplanned reduction in revenue from the Violations Bureau of the Municipal Court and the participation in the road grant caused a \$426,000 reduction to the fund balance. Since the Cable and Local Street Funds are reported in the General Fund, their increase in fund balance of \$40,700 will offset the total decrease. The City's long term fiscal forecast predicts the City will use fund balance to balance the budget for the next several years.

### **Local Streets Activity**

The Local Streets Fund accounts for the maintenance and replacement of all local streets within the City. Financing is provided by distribution of gas tax proceeds. The primary source of revenue includes approximately \$265,000 in gas and weight tax revenue. In addition, the City received a one time payment from State of Michigan for road repairs in the amount of \$56,000. Revenue plus transfers in fiscal year 2013-2014 is \$63,000 greater than the previous year. The department receives a small amount of its revenue from fees, other state funding, special assessment, and interest on investments. Expenditures for fiscal year 2013-2014 were reduced by \$57,000 due to a reduction in sidewalk and road repairs.

The Local Streets Fund fund balance decreased approximately \$256,000 with a year-end balance of (\$59,000). For reporting purposes, this fund balance has been classified as "committed" and rolled into the General Fund. This increase is a combination of an increase in revenue and decrease in expenses.

### **Cable Franchise Activity**

The Cable Franchise Fund was established to invest the proceeds from the sale of the City's interest in a cable company's earnings used for capital improvements. Due to cost containment, there were no transfers out of the Cable Fund for five years, including fiscal year 2013-2014.

The Cable Franchise Fund's fund balance is approximately \$532,000 and is reported in the General Fund as "assigned."

### **Capital Asset and Debt Administration**

During fiscal year 2013-2014, the City received two funding awards and one rebate for various equipment and street lighting. The State of Michigan awarded the City with video arraignment equipment for the Municipal Court, which will save in overtime costs and prisoner transport fees. Wayne County awarded the City with a grant for "Share the Road" signage and bicycle racks. This will create a more active community, at no cost to the City. DTE offered the City an Energy Optimization efficiency rebate to upgrade LED streetlights throughout the City. This will provide more efficient lighting for many years.



# **City of Grosse Pointe Woods, Michigan**

## **Management's Discussion and Analysis (Continued)**

The sewer infrastructure improvements, funded by a low interest loan of the Sewer Revolving Fund, continued for a second year. The repair of water mains and replacement of water meters were finalized during fiscal year 2013-2014. All of the City's debt is related to the Water & Sewer enterprise fund and is not a part of the calculation for the allowable legal debt margin limit. Overall, the City debt remains low. Detailed information on the City's debt can be found in the statistical section of this report, in the debt capacity and direct and overlapping debt schedules. For more information regarding the activity of capital assets and debt, please refer to Note 4 and Note 6, respectively. In fiscal year 2014-2015, the City will finalize the sewer infrastructure improvements.

### **Economic Factors**

Due to the decline in General Fund fund balance as well as declining revenues, the City has implemented a number of cost-saving actions in order to continue its prudent fiscal management. One significant change was contracting Emergency Medical Services with Medstar Ambulance Company. Unfortunately this caused the layoff of five (5) City employees, which resulted in a cost savings of approximately \$600,000 per year.

In addition, there have been across-the-board budget reductions, the elimination of vacant positions, implementation of a hiring freeze over the past five years. In addition, major reductions in discretionary spending such as travel and training were eliminated. A number of capital improvement projects have been delayed, cancelled, or face a reduction in project scope. City employees have accepted wage concessions benefit cuts for the past six years.

In looking to the future, the City continues to work with its employee bargaining groups to strike a balance between cost savings and employee retention. Additionally, consolidation partnerships continue to be explored to reduce costs and increase efficiencies and to further comply with the Economic Vitality Incentive Program (EVIP). One example of planned consolidation and sharing of services is the receipt of a grant to combine public safety dispatch and police lockup services for the Cities of Grosse Pointe Woods, Shores and Farms. This grant will provide for equipment and retrofitting of the Grosse Pointe Woods dispatch center to house the operations of all three cities.

In fiscal year 2014-2015 the City will receive a new 2015 diesel International 10-yard dump truck with a grant award from the Congestion Mitigation Air Quality Grant. This vehicle will replace a 22-year-old Department of Public Works vehicle. Applications for new grants continue to be explored.

### **Contacting the City's Management**

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, please contact the city administrator's office at (313) 343-2450.



# City of Grosse Pointe Woods, Michigan

## Statement of Net Position June 30, 2014

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<b>Assets</b>			
Cash and investments (Note 4)	\$ 10,700,470	\$ 6,424,961	\$ 17,125,431
Receivables:			
Customers	-	1,340,603	1,340,603
Accrued interest	12,651	8,417	21,068
Due from other governmental units	563,718	16,273	579,991
Internal balances (Note 6)	12,602	(12,602)	-
Prepaid expenses	209,620	15,431	225,051
Restricted cash (Note 1)	-	319,000	319,000
Investments in Grosse Pointes-Clinton Refuse Disposal Authority (Note 12)	46,870	-	46,870
Capital assets (Note 5):			
Nondepreciable capital assets	1,547,967	2,606,901	4,154,868
Depreciable capital assets - Net	24,755,968	26,479,228	51,235,196
<b>Total assets</b>	<b>37,849,866</b>	<b>37,198,212</b>	<b>75,048,078</b>
<b>Liabilities</b>			
Accounts payable	840,017	295,291	1,135,308
Accrued liabilities and other	352,249	74,538	426,787
Noncurrent liabilities: (Note 7)			
Due within one year	565,072	769,163	1,334,235
Due in more than one year	16,699,063	11,815,796	28,514,859
<b>Total liabilities</b>	<b>18,456,401</b>	<b>12,954,788</b>	<b>31,411,189</b>
<b>Net Position</b>			
Net investment in capital assets	26,303,935	18,458,605	44,762,540
Restricted for:			
Roads	326,765	-	326,765
Debt service	-	319,000	319,000
Fireworks	79,302	-	79,302
Ambulance services	24,282	-	24,282
Police training	47,662	-	47,662
Drug education and enforcement	7,826	-	7,826
Solid waste	349,422	-	349,422
Community Development	35	-	35
Unrestricted	(7,745,764)	5,465,819	(2,279,945)
<b>Total net position</b>	<b>\$ 19,393,465</b>	<b>\$ 24,243,424</b>	<b>\$ 43,636,889</b>



# City of Grosse Pointe Woods, Michigan

Functions/Programs	Expenses	Program Revenue	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	\$ 3,132,333	\$ 593,962	\$ 28,925
Public safety	6,553,852	547,291	-
Public works	6,920,666	67,693	914,615
Solid waste	1,150,743	-	-
Municipal improvements	307,290	-	-
Recreation and culture	1,554,898	107,161	-
Total governmental activities	19,619,782	1,316,107	943,540
Business-type activities:			
Water/Sewer	5,420,387	6,339,551	-
Parking	195,791	292,825	-
Boat dock	97,519	126,052	-
Commodity sales	-	34,214	-
Total business-type activities	5,713,697	6,792,642	-
Total primary government	<u>\$ 25,333,479</u>	<u>\$ 8,108,749</u>	<u>\$ 943,540</u>
General revenue:			
Property taxes			
State-shared revenue (unrestricted)			
Unrestricted investment earnings			
Franchise taxes			
Other miscellaneous income			
Gain on sale of fixed assets			
Total general revenue			
Transfers			
Change in Net Position			
Net Position - Beginning of year			
Net Position - End of year			

**Statement of Activities  
Year Ended June 30, 2014**

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (2,509,446)	\$ -	\$ (2,509,446)
(6,006,561)	-	(6,006,561)
(5,938,358)	-	(5,938,358)
(1,150,743)	-	(1,150,743)
(307,290)	-	(307,290)
(1,447,737)	-	(1,447,737)
(17,360,135)	-	(17,360,135)
-	919,164	919,164
-	97,034	97,034
-	28,533	28,533
-	34,214	34,214
-	1,078,945	1,078,945
(17,360,135)	1,078,945	(16,281,190)
12,971,861	-	12,971,861
1,521,267	-	1,521,267
46,301	21,104	67,405
340,268	-	340,268
301,260	-	301,260
-	2,000	2,000
15,180,957	23,104	15,204,061
(107,832)	107,832	-
(2,287,010)	1,209,881	(1,077,129)
21,680,475	23,033,543	44,714,018
<b>\$ 19,393,465</b>	<b>\$ 24,243,424</b>	<b>\$ 43,636,889</b>



# City of Grosse Pointe Woods, Michigan

## Governmental Funds Balance Sheet June 30, 2014

	General Fund	Major Street Fund	Solid Waste Disposal	Grosse Gratiot Drain Fund	Nonmajor Funds	Total
<b>Assets</b>						
Cash and investments (Note 1)	\$ 5,668,336	\$ 229,226	\$ 541,233	\$ 998,476	\$ 463,019	\$ -
Receivables:						
Accrued interest receivable	7,110	-	33	-	668	7,811
Due from other governmental units	450,912	106,781	-	-	6,025	563,718
Due from other funds (Note 6)	172,227	60,179	-	-	393,619	626,025
Prepays	138,757	10,745	3,440	-	2,817	155,759
<b>Total assets</b>	<b>\$ 6,437,342</b>	<b>\$ 406,931</b>	<b>\$ 544,706</b>	<b>\$ 998,476</b>	<b>\$ 866,148</b>	<b>\$ 9,253,603</b>
<b>Liabilities</b>						
Accounts payable	\$ 270,663	\$ 20,938	\$ 31,997	\$ 446,091	\$ 53,139	\$ 822,828
Due to other funds (Note 6)	557,710	-	149,277	-	6,450	713,437
Accrued liabilities and other:						
Accrued salaries and wages	118,261	3,851	1,314	-	3,103	126,529
Payroll taxes and withholdings	21,982	1,086	340	-	1,142	24,550
Accrued other liabilities	150,212	1,404	7,321	15,420	3,299	177,656
Provision for claims	153,581	20,142	5,035	-	12,589	191,347
<b>Total liabilities</b>	<b>1,272,409</b>	<b>47,421</b>	<b>195,284</b>	<b>461,511</b>	<b>79,722</b>	<b>2,056,347</b>
<b>Fund Balances</b>						
Nonspendable - Prepays	138,757	10,745	3,440	-	2,817	155,759
Restricted:						
Roads	-	326,765	-	-	-	326,765
Solid Waste	-	-	345,982	-	-	345,982
Public Safety	-	-	-	-	77,153	77,153
Community Development	-	-	-	-	35	35
Fireworks	-	-	-	-	79,102	79,102
Committed:						
Local Streets	316,432	-	-	-	-	316,432
Repairs and maintenance	1,000	22,000	-	-	11,500	34,500
Assigned:						
Subsequent year's budget	421,007	-	-	-	-	421,007
Debt Service	-	-	-	536,965	-	536,965
Public Safety	-	-	-	-	151,519	151,519
Capital Projects	-	-	-	-	375,440	375,440
Parkway Beautification	-	-	-	-	88,860	88,860
Cable	532,814	-	-	-	-	532,814
Unassigned	3,754,923	-	-	-	-	3,754,923
<b>Total fund balances</b>	<b>5,164,933</b>	<b>359,510</b>	<b>349,422</b>	<b>536,965</b>	<b>786,426</b>	<b>7,197,256</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,437,342</b>	<b>\$ 406,931</b>	<b>\$ 544,706</b>	<b>\$ 998,476</b>	<b>\$ 866,148</b>	<b>\$ 9,253,603</b>

The Notes to Financial Statements are an  
Integral Part of this Statement.

# City of Grosse Pointe Woods, Michigan

## **Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position June 30, 2014**

<b>Fund Balance Reported in Governmental Funds</b>	<b>\$ 7,197,256</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	25,802,493
Investments in joint ventures are not financial resources and are not reported in the funds	46,870
Net OPEB obligation does not present a claim on current financial resources. Therefore, it is not reported as a fund liability	(15,693,613)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(776,354)
Internal Service Funds are included as part of governmental activities	<u>2,816,813</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 19,393,465</u></b>



# City of Grosse Pointe Woods, Michigan

## Governmental Funds

### Statement of Revenue, Expenditures, and Changes in Fund Balances

### Year Ended June 30, 2014

		Special Revenue Funds		Debt Service Fund		
		Major	Solid Waste	Grosse-Gratiot	Nonmajor	
	General Fund	Streets Fund	Fund	Drain Fund	Funds	Total
<b>Revenue</b>						
Property taxes	\$ 8,741,747	\$ -	\$ 1,209,968	\$ 2,704,296	\$ 315,015	\$ 12,971,026
Licenses and permits	847,839	-	-	-	-	847,839
Federal sources	-	-	-	-	6,483	6,483
State and local sources	1,672,796	648,809	-	-	6,417	2,328,022
Charges for services	114,559	-	-	-	-	114,559
Fines and forfeitures	355,121	-	-	-	-	355,121
Interest income	30,181	-	2,584	-	2,026	34,791
Other revenue	321,992	41,129	660	-	407,472	771,253
<b>Total revenue</b>	<b>12,084,235</b>	<b>689,938</b>	<b>1,213,212</b>	<b>2,704,296</b>	<b>737,413</b>	<b>17,429,094</b>
<b>Expenditures</b>						
Current:						
General government	2,567,693	-	-	-	206,103	2,773,796
Public safety	4,968,466	-	-	-	512,179	5,480,645
Public works	2,958,246	639,115	1,183,783	1,421,739	-	6,202,883
Municipal improvements	34,831	-	-	-	299,786	334,617
Parks and recreation	1,267,857	-	-	-	69,398	1,337,255
Debt service - Principal	-	-	-	828,847	-	828,847
<b>Total expenditures</b>	<b>11,797,093</b>	<b>639,115</b>	<b>1,183,783</b>	<b>2,250,586</b>	<b>1,087,466</b>	<b>16,958,043</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>287,142</b>	<b>50,823</b>	<b>29,429</b>	<b>453,710</b>	<b>(350,053)</b>	<b>471,051</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	80,000	3,361	180	-	577,378	660,919
Transfers out	(718,751)	-	(50,000)	-	-	(768,751)
<b>Net Change in Fund Balances</b>	<b>(351,609)</b>	<b>54,184</b>	<b>(20,391)</b>	<b>453,710</b>	<b>227,325</b>	<b>363,219</b>
<b>Fund Balances - Beginning of year</b>	<b>5,516,542</b>	<b>305,326</b>	<b>369,813</b>	<b>83,255</b>	<b>559,101</b>	<b>6,834,037</b>
<b>Fund Balances - End of year</b>	<b>\$ 5,164,933</b>	<b>\$ 359,510</b>	<b>\$ 349,422</b>	<b>\$ 536,965</b>	<b>\$ 786,426</b>	<b>\$ 7,197,256</b>

## City of Grosse Pointe Woods, Michigan

### **Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2014**

**Net Change in Fund Balances - Total Governmental Funds** \$ 363,219

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Capital outlay	424,128
Depreciation expense	(1,084,391)
Net book value of assets disposed of	(17,240)

Change in accumulated employee sick and vacation pay is recorded when earned in the statement of activities	(100,536)
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Other postemployment benefit obligation expense is recognized in the statement of activities, but not in the governmental funds	(1,958,242)
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Internal Service Funds are included as part of the governmental activities	86,052
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**Change in Net Position of Governmental Activities** \$ (2,287,010)



# City of Grosse Pointe Woods, Michigan

## Proprietary Funds Statement of Net Position June 30, 2014

	Enterprise Funds			Governmental Activities
	Major Enterprise Fund - Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Assets</b>				
Current assets:				
Cash and investments (Note 4)	\$ 5,344,217	\$ 1,080,744	\$ 6,424,961	\$ 2,800,180
Receivables:				
Customers	1,340,603	-	1,340,603	-
Accrued interest receivable	6,215	2,202	8,417	4,840
Due from other governmental units	16,273	-	16,273	-
Due from other funds (Note 6)	3,898	-	3,898	100,014
Prepaid expenses and other assets	12,713	2,718	15,431	53,861
Total current assets	6,723,919	1,085,664	7,809,583	2,958,895
Noncurrent assets:				
Restricted cash (Note 1)	319,000	-	319,000	-
Capital assets (Note 5):				
Assets not subject to depreciation	2,606,901	-	2,606,901	-
Assets subject to depreciation	25,964,553	514,675	26,479,228	501,442
Total noncurrent assets	28,890,454	514,675	29,405,129	501,442
Total assets	35,614,373	1,600,339	37,214,712	3,460,337
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	293,551	1,740	295,291	17,189
Due to other funds (Note 6)	-	16,500	16,500	-
Accrued liabilities and other	71,769	2,769	74,538	23,514
Compensated absences - less than 1 year	37,793	6,264	44,057	-
Provision for claims - less than 1 year	15,106	-	15,106	-
Current portion of long-term debt (Note 7)	710,000	-	710,000	-
Total current liabilities	1,128,219	27,273	1,155,492	40,703
Noncurrent liabilities:				
Compensated absences - greater than 1 year	19,146	5,306	24,452	-
Provision for claims - greater than one year	-	-	-	115,083
Other postemployment benefit obligation (Note 9)	1,295,674	323,710	1,619,384	487,738
Bond premium (Note 7)	254,436	-	254,436	-
Long-term debt (Note 7)	9,917,524	-	9,917,524	-
Total noncurrent liabilities	11,486,780	329,016	11,815,796	602,821
Total liabilities	12,614,999	356,289	12,971,288	643,524
<b>Net Position</b>				
Net investment in capital assets	17,943,930	514,675	18,458,605	501,442
Restricted - Debt Service	319,000	-	319,000	-
Unrestricted	4,736,444	729,375	5,465,819	2,315,371
Total net position	\$ 22,999,374	\$ 1,244,050	\$ 24,243,424	\$ 2,816,813

The Notes to Financial Statements are an  
Integral Part of this Statement.

# City of Grosse Pointe Woods, Michigan

## Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended June 30, 2014

	Enterprise Funds			Governmental Activities
	Major Enterprise Fund - Water and Sewer Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
<b>Operating Revenue</b>				
Water sales and charges for services	\$ 6,155,550	\$ -	\$ 6,155,550	\$ -
Penalties	96,574	-	96,574	-
Fees and violations	-	292,351	292,351	-
Dockings and launching fees	-	126,052	126,052	-
Commodity sales	-	34,214	34,214	-
Other revenue	59,156	474	59,630	4,800
Revenue and billings to other funds	-	-	-	1,058,924
Total operating revenue	6,311,280	453,091	6,764,371	1,063,724
<b>Operating Expenses</b>				
Cost of water and disposal	3,227,660	-	3,227,660	-
Insurance expense and contractual services	-	-	-	139,122
Operation and maintenance	257,699	143,251	400,950	520,934
General and administrative	713,213	94,994	808,207	166,201
Charges from internal service funds	50,000	7,550	57,550	-
Depreciation	780,455	47,515	827,970	162,699
Total operating expenses	5,029,027	293,310	5,322,337	988,956
<b>Operating Income</b>	1,282,253	159,781	1,442,034	74,768
<b>Nonoperating Revenue (Expenses)</b>				
Interest income	16,430	4,674	21,104	11,094
Expense from joint venture	3,748	-	3,748	-
Interest expense	(267,053)	-	(267,053)	-
Bonding costs	(128,055)	-	(128,055)	-
Gain on disposal of asset	2,000	-	2,000	190
Amortization of debt premium	28,271	-	28,271	-
Total nonoperating (expenses) revenues	(344,659)	4,674	(339,985)	11,284
<b>Income - Before transfers</b>	937,594	164,455	1,102,049	86,052
<b>Transfers In (Note 6)</b>	878	136,954	137,832	-
<b>Transfers Out (Note 6)</b>	(25,000)	(5,000)	(30,000)	-
<b>Change in Net Position</b>	913,472	296,409	1,209,881	86,052
<b>Net Position - Beginning of year</b>	22,085,902	947,641	23,033,543	2,730,761
<b>Net Position - End of year</b>	<u>\$ 22,999,374</u>	<u>\$ 1,244,050</u>	<u>\$ 24,243,424</u>	<u>\$ 2,816,813</u>



# City of Grosse Pointe Woods, Michigan

## Proprietary Funds Statement of Cash Flows Year Ended June 30, 2014

	Enterprise Funds			Governmental Activities
	Major Enterprise Fund - Water and Sewer Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Cash Flows from Operating Activities</b>				
Receipts from customers	\$ 6,221,788	\$ 453,127	\$ 6,674,915	\$ 1,074,439
(Payments to ) receipts for interfund services and reimbursements	(56,228)	6,500	(49,728)	(100,423)
Payments to suppliers	(3,596,950)	(150,154)	(3,747,104)	(321,615)
Payments to employees	(708,296)	(58,546)	(766,842)	(446,355)
Internal activity - Payments to other funds	-	(419)	(419)	-
Claims paid	9,854	-	9,854	21,643
Other receipts	186,681	-	186,681	(4,024)
Other payments	-	(2,718)	(2,718)	-
Net cash provided by operating activities	2,056,849	247,790	2,304,639	223,665
<b>Cash Flows from Noncapital Financing Activities -</b>				
Transfers from other funds	878	136,954	137,832	-
Transfers to other funds	(25,000)	(5,000)	(30,000)	-
Net cash (used in) provided by noncapital financing activities	(24,122)	131,954	107,832	-
<b>Cash Flows from Capital and Related Financing Activities</b>				
Proceeds from sales of capital assets	2,000	-	2,000	190
Purchase of capital assets	(1,981,605)	(148,234)	(2,129,839)	(47,211)
Principal and interest paid on capital debt	1,027,298	-	1,027,298	-
Debt service charge	(99,784)	-	(99,784)	-
Net cash used in capital and related financing activities	(1,052,091)	(148,234)	(1,200,325)	(47,021)
<b>Cash Flows from Investing Activities -</b>				
Interest received on investments	20,178	2,744	22,922	11,094
<b>Net Increase in Cash and Cash Equivalents</b>	1,000,814	234,254	1,235,068	187,738
<b>Cash and Cash Equivalents - Beginning of year</b>	4,662,403	846,490	5,508,893	2,612,442
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 5,663,217</u>	<u>\$ 1,080,744</u>	<u>\$ 6,743,961</u>	<u>\$ 2,800,180</u>
<b>Balance Sheet Classification of Cash and Cash Equivalents</b>				
Cash and investments	\$ 5,344,217	\$ 1,080,744	\$ 6,424,961	\$ 2,800,180
Restricted cash	319,000	-	319,000	-
Total cash and cash equivalents	<u>\$ 5,663,217</u>	<u>\$ 1,080,744</u>	<u>\$ 6,743,961</u>	<u>\$ 2,800,180</u>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>				
Operating income	\$ 1,282,253	\$ 159,781	\$ 1,442,034	\$ 74,768
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation and amortization	780,455	47,515	827,970	162,699
Changes in assets and liabilities:				
Receivables	(30,866)	(2,718)	(33,584)	6,691
Due from others	(6,228)	6,500	272	(100,423)
Other assets	-	-	-	1,123
Accounts payable	(267,378)	(1,954)	(269,332)	17,989
Due to other funds	-	(419)	(419)	-
Estimated claims liability	9,854	-	9,854	21,643
Accrued and other liabilities	160,704	39,085	199,789	39,175
Other assets	128,055	-	128,055	-
Net cash provided by operating activities	<u>\$ 2,056,849</u>	<u>\$ 247,790</u>	<u>\$ 2,304,639</u>	<u>\$ 223,665</u>

**Noncash Activity** - There were no noncash transactions for the year ended June 30, 2014

The Notes to Financial Statements are an  
Integral Part of this Statement.

# City of Grosse Pointe Woods, Michigan

## Fiduciary Funds Statement of Fiduciary Net Position June 30, 2014

	Pension and Other Employee Benefits	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 1,957,477	\$ 1,675
Investments:		
U.S. government securities	6,031,456	-
Stocks	29,230,986	-
Corporate bonds	128,755	-
Mutual funds	5,704,646	-
Receivables:		
Accrued interest receivable	21,976	-
Due from other governmental units	-	17,382
Total assets	<u>43,075,296</u>	<u>\$ 19,057</u>
<b>Liabilities</b>		
Accounts payable	267,567	\$ -
Due to other governmental units	-	17,719
Court bonds payable	-	1,338
Total liabilities	<u>267,567</u>	<u>\$ 19,057</u>
<b>Net Position Held in Trust for Pension and Other Employee Benefits</b>	<u>\$ 42,807,729</u>	



# City of Grosse Pointe Woods, Michigan

## Fiduciary Funds Statement of Changes in Fiduciary Net Position Year Ended June 30, 2014

	Pension and Other Employee Benefits
<b>Additions</b>	
Investment income:	
Interest and dividends	\$ 1,131,633
Net decrease in fair market value	6,066,394
Less investment expenses	(333,809)
Contributions:	
Employer	1,166,472
Employee	358,840
Total contributions	1,525,312
Total additions - Net	8,389,530
<b>Deductions - Pension payments</b>	3,349,904
<b>Net Increase</b>	5,039,626
<b>Net Position Held in Trust for Pension and Other Employee Benefits -     Beginning of year</b>	37,768,103
<b>Net Position Held in Trust for Pension and Other Employee Benefits -     End of year</b>	<u><u>\$ 42,807,729</u></u>

# **City of Grosse Pointe Woods, Michigan**

## **Notes to Financial Statements June 30, 2014**

### **Note I - Summary of Significant Accounting Policies**

The following is a summary of the significant accounting policies used by the City of Grosse Pointe Woods (the "City"):

#### **Reporting Entity**

The City was incorporated as a home rule village on January 4, 1927 and as a home rule city on December 11, 1950. The City has a population of 16,135 per the 2010 census and encompasses 3.2 square miles. The City is located approximately 10 miles north of downtown Detroit and is over 97 percent residential. There are no major industries or corporations located within the City limits.

The City is governed by an elected Mayor and six-member council. The City's administration operates under the overall direction of the elected mayor. In accordance with accounting principles generally accepted in the United States of America, there are no component units to be included in the City's reporting entity.

#### **Accounting and Reporting Principles**

The City follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Government Accounting Standards Board.

#### **Report Presentation**

Governmental accounting principles require that financial reports include two different perspectives - the government wide perspective, and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenues are reported instead as general revenue.



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note I - Summary of Significant Accounting Policies (Continued)

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

#### **Basis of Accounting**

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care related costs, or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims and judgments are recorded only when payment is due.

Revenues are not recognized until they are collected, or collected soon enough after the end of the year that they are available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period.

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

#### **Fund Accounting**

The City accounts for its various activities in several different funds, in order to demonstrate accountability for how we have spent certain resources – separate funds allow us to show the particular expenditures that specific revenues were used for. The various funds are aggregated into three broad fund types:



# City of Grosse Pointe Woods, Michigan

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## Notes to Financial Statements June 30, 2014

### Note I - Summary of Significant Accounting Policies (Continued)

**Governmental funds** include all activities that provide general governmental services that are not business type activities. This includes the General Fund, special revenue funds, debt service funds, capital project funds and permanent funds. The City reports the following funds as “major” governmental funds:

- The General Fund, which is the primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund;
- The Major Streets Fund accounts for the maintenance and replacement of all major streets within the City. Funding is provided by distribution of gas tax proceeds.
- The Solid Waste Fund is used to account for the collection, disposal, and recycling of all residential and commercial waste within the City. Financing is provided by a separate tax millage.
- The Grosse-Gratiot Drain Fund accounts for revenue received and used to pay principal and interest on the Grosse-Gratiot Drain long-term debt. Funding is provided by a specific property tax millage.

**Proprietary funds** include enterprise funds, which provide goods or services to users in exchange for charges or fees, and internal service funds, which provide goods or services to other funds of the City. The City reports the following fund as a “major” enterprise fund:

- The Water and Sewer Fund accounts for the activity of the water distribution system and sewage collection system. Funding is provided primarily through user charges.

The City’s internal service funds are used to allocate insurance costs and machinery and equipment purchases and maintenance to the various funds on a full accrual basis, so that the full costs are recognized and allocated to the various funds in the year that the costs are incurred. The City has two internal service funds:

- The Motor Vehicle Fund has been established to account for costs associated with vehicles purchased by the City and used by all departments within the City
- The Workers’ Compensation Fund is used to fund workers’ compensation claims and purchase insurance that provides coverage for employees. The fund is financed primarily by charges to various departments of the City.



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note I - Summary of Significant Accounting Policies (Continued)

**Fiduciary funds** include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our governments programs. Activities that are reported as fiduciary include:

- The pension and other employee benefit trust funds account for the activities of employee benefit plans that accumulate resources for pension and other postemployment benefit payments to qualified employees and are reported as fiduciary funds
- The other postemployment benefit trust fund accounts for mandatory employee and voluntary employer contributions to a retiree healthcare trust account.
- The agency funds record primarily tax collections received and remitted to other units of government (the county, community college, school district, etc.), as well as building bonds and deposits, held for temporary periods. The agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement or results of operations.

**Interfund activity:** During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

#### **Specific Balances and Transactions**

**Cash, Cash Equivalents, and Investments** - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value based on quoted market prices.



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note I - Summary of Significant Accounting Policies (Continued)

**Prepaid Items** - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

**Restricted Assets** - The revenue bonds of the Water and Sewer Fund require amounts to be set aside for debt service. The balance of the restricted asset account for revenue bond restrictions for debt payments is \$319,000 at June 30, 2014. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**Capital Assets** - Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Capital Asset Class	Lives
Infrastructure	10-50 years
Buildings	25 years
Vehicles	3-7 years
Equipment	5 years
Land improvement	10-40 years

**Long-term Obligations** - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method; bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as an "other financing source," as well as bond premiums and discounts.



# **City of Grosse Pointe Woods, Michigan**

## **Notes to Financial Statements June 30, 2014**

### **Note I - Summary of Significant Accounting Policies (Continued)**

#### **Net Position Flow Assumption**

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted – net position is applied.

#### **Fund Balance Flow Assumption**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### **Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### **Note I - Summary of Significant Accounting Policies (Continued)**

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

#### **Property Tax Revenue**

Properties are assessed as of December 31. The related property taxes are billed and become a lien on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county tax rolls.

The City's 2013 tax is levied and collectible on December 1, 2013 and is recognized as revenue in the year ended June 30, 2014 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2013 taxable valuation of the City totaled \$601 million, on which ad valorem taxes levied consisted of 14.0492 mills for operating purposes, 0.0810 mills for public relations, 2.0251 mills for solid waste disposal, and 4.5055 mills for the Grosse-Gratiot Drain.. This resulted in \$8.4 million for operating, \$0.05 million for public relations, \$1.21 million for solid waste disposal, and \$2.7 million for the Grosse-Gratiot Drain.. These amounts are recognized in the respective General, special revenue and debt service Fund financial statements as tax revenue.

**Pension and Other Postemployment Benefit Costs** - The City offers both pension and retiree health care benefits to retirees. The City receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, pension and OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the City reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any.

**Compensated Absences (Vacation and Sick Leave)** - It is the City's policy that employees earn vacation pay benefits on their anniversary date and sick benefits monthly. The government-wide and proprietary fund statements accrue all vacation and sick pay as it is used or vested (whichever is earlier). A liability for these amounts is reported in governmental funds as it comes due for payment (when the time is taken off, or employees terminate).



# City of Grosse Pointe Woods, Michigan

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## Notes to Financial Statements June 30, 2014

### **Note 1 - Summary of Significant Accounting Policies (Continued)**

**Proprietary Funds Operating Classification** - Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund and internal service funds are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

### **Note 2 - Change in Accounting**

During the current year, the City adopted GASB Statement Number 67, *Financial Reporting for Pension Plans*. This statement required changes to the actuarial valuations resulting in a different measurement of the liability of the employer to plan members for benefits provided through the pension plan. As a result, the disclosures within the pension footnote have changed considerably along with the related schedules in the Required Supplementary Information.

# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 3 - Stewardship, Compliance, and Accountability

**State Construction Code Act** - The City oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation, to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall at July 1, 2013	\$ (685,210)
Current year building permit revenue	434,812
Related expense - Direct costs	<u>397,976</u>
Current year surplus	<u>36,836</u>
Cumulative shortfall at June 30, 2014	<u><u>\$ (648,374)</u></u>

### Note 4 - Deposits and Investments

Michigan Compiled Laws section 129.91 (Public Act 20 of 1943, as amended), authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the State of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The City's pension and other employee benefit trust funds are also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 4 - Deposits and Investments (Continued)

The City has designated seven banks for the deposit of its funds. The investment policy adopted by the council (for nonpension assets) in accordance with Public Act 196 of 1997 has authorized investment in all of the state statutory authorities as listed above except for obligations of the State of Michigan or its political subdivisions. Also, the City's investment policy allows the City to invest not more than 50 percent of any one fund in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services. The City's deposits and investment policies are in accordance with statutory authority.

The City's cash and investments are subject to several types of risk, which are examined in more detail below:

**Custodial Credit Risk of Bank Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had \$3,268,648 of bank deposits (certificates of deposit, checking and savings accounts). Of that amount \$750,000 was covered by federal depository insurance and the remainder was uninsured and uncollateralized. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution it deposits funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

**Interest Rate Risk** - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy restricts investment maturities to securities maturing three years or less from the date of purchase, unless matched to a specific cash flow requirement. However, repurchase agreements may be collateralized using longer-dated investments not to exceed 30 years to maturity. Additionally, no more than 40 percent of the City's total investment portfolio, as of June 30 of the preceding year, shall be placed in securities maturing in more than three years. At year end, the average maturities of investments are as follows:

Primary Government	Fair Value	0-5 Years	5-15 Years	15 Years and More
U.S. government agencies and securities:				
Negotiable certificates of deposit	\$ 2,305,173	\$ 2,305,173	\$ -	\$ -
Federal Home Loan Mortgage Corporation	349,183	349,183	-	-
Federal National Mortgage Association	1,679,710	1,679,710	-	-
Federal Home Loan Bank	449,648	449,648	-	-
Federal Farm Credit Bank	2,798,198	2,798,198	-	-
Total	<u>\$ 7,581,912</u>	<u>\$ 7,581,912</u>	<u>\$ -</u>	<u>\$ -</u>



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 4 - Deposits and Investments (Continued)

Fiduciary Funds	Fair Value	0-5 Years	5-15 Years	15 Years and More
Mutual funds - Fixed-income shares	\$ 5,704,646	\$ 5,704,646	\$ -	\$ -
U.S. Treasury notes	2,905,688	-	2,905,688	-
U.S Treasury Inflation	1,447,750	1,447,750	-	-
Federal National Mortgage Association	1,045,329	-	-	1,045,329
Federal Home Loan Mortgage Corporation	632,689	-	-	632,689
Total	\$ 11,736,102	\$ 7,152,396	\$ 2,905,688	\$ 1,678,018

**Credit Risk** - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U. S. government) are as follows:

Investment Type	Fair Value	Rating	Rating Organization
Primary government:			
Negotiable CDs	\$ 2,305,173	Not rated	N/A
Federal Home Loan Mortgage Corporation	349,183	AAA	Moody's
Bank investment pools	5,637,762	AI/PI/FI	S&P
Bank investment pools	197,144	Not rated	N/A
Federal National Mortgage Association	1,082,416	AAA	Moody's
Federal National Mortgage Association Fixed Rate	597,294	AAA	Moody's
Federal Home Loan Bank Fixed Rate	449,648	AAA	Moody's
Federal Farm Credit Bank	2,798,198	AAA	Moody's
U.S. Treasury notes	550,732	AAA	Moody's
Fiduciary funds:			
Federal National Mortgage Association	1,045,329	AAA	Moody's
Federal Home Loan Mortgage Corporation	632,689	AAA	Moody's
U.S. Treasury notes	4,353,439	AAA	S&P

**Concentration of Credit Risk** - The City's investment policy places limits on the amount that the City may invest in any one issuer or security type, including no more than 50 percent of the total investment portfolio is to be invested in a single security type or 25 percent with a single financial institution. The City has more than 5 percent of its investments in the following.

Primary government:	
Federal Home Loan Bank	5.93 %
Federal National Mortgage Association	22.15 %
Federal Home Loan Mortgage Corporation	4.61 %
Federal Farm Credit Bank	36.91 %
Fiduciary funds - U.S. Treasury Note	6.83 %



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 5 - Capital Assets

Capital asset activity of the primary government's governmental and business-type activities was as follows:

	Balance July 1, 2013	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2014
<b>Governmental Activities</b>					
Capital assets not being depreciated -					
Land	\$ 1,547,967	\$ -	\$ -	\$ -	\$ 1,547,967
Capital assets being depreciated:					
Infrastructure	27,485,260	(11,800)	113,567	-	27,587,027
Buildings	9,010,681	-	170,150	60,000	9,120,831
Equipment and vehicles	6,783,075	11,800	187,622	45,423	6,937,074
Land improvements	263,120	-	-	-	263,120
Subtotal	43,542,136	-	471,339	105,423	43,908,052
Accumulated depreciation:					
Infrastructure	7,133,366	(11,800)	568,656	-	7,690,222
Buildings	4,148,164	-	299,773	43,200	4,404,737
Equipment and vehicles	6,551,595	11,800	358,038	44,983	6,876,450
Land improvements	160,052	-	20,623	-	180,675
Subtotal	17,993,177	-	1,247,090	88,183	19,152,084
Net capital assets being depreciated	25,548,959	-	(775,751)	17,240	24,755,968
Net governmental funds capital assets	\$ 27,096,926	\$ -	\$ (775,751)	\$ 17,240	\$ 26,303,935
<b>Business-type Activities</b>					
Capital assets not being depreciated -					
Construction in progress	\$ 3,257,320	\$ (2,454,627)	\$ 1,804,208	\$ -	\$ 2,606,901
Capital assets being depreciated:					
Infrastructure	35,257,646	2,454,627	177,397	-	37,889,670
Land improvements	1,755,212	-	148,234	-	1,903,446
Subtotal	37,012,858	2,454,627	325,631	-	39,793,116
Accumulated depreciation:					
Infrastructure	11,144,662	-	780,455	-	11,925,117
Land improvements	1,341,256	-	47,515	-	1,388,771
Subtotal	12,485,918	-	827,970	-	13,313,888
Net capital assets being depreciated	24,526,940	2,454,627	(502,339)	-	26,479,228
Net business-type capital assets	\$ 27,784,260	\$ -	\$ 1,301,869	\$ -	\$ 29,086,129

# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 5 - Capital Assets (Continued)

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:

General government	\$ 76,513
Public safety	73,596
Public works	633,290
Recreation and culture	300,992
Internal service funds	162,699
Total governmental activities	<u>\$ 1,247,090</u>

Business-type activities:

Water and sewer	\$ 780,455
Parking utility	15,464
Boat dock	32,051
Total business-type activities	<u>\$ 827,970</u>

**Construction Commitments** - The City has active construction projects at year end. At year end, the City spent \$2,397,696 in connection with the active construction project and the City's commitment with contractors was \$3,046,401.

### Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances in the fund statements is as follows:

Receivable Fund	Payable Fund	Amount
<b>Due to/from Other Funds</b>		
General Fund	Solid Waste Fund	\$ 149,277
	Nonmajor governmental funds	6,450
	Nonmajor enterprise funds	16,500
	Total General Fund	172,227
Major Streets Fund	General Fund	60,179
Nonmajor governmental funds	General Fund	393,619
Water and Sewer Fund	General Fund	3,898
Internal service funds	General Fund	100,014
	Total	<u>\$ 729,937</u>

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers reported in the fund financial statements are comprised of the following:

<u>Fund Transferred From</u>	<u>Fund Transferred To</u>	<u>Amount</u>
General Fund	Major Streets Fund	\$ 3,361
	Water and Sewer Fund	878
	Nonmajor enterprise funds	136,954
	Solid Waste Fund	180
	Nonmajor governmental funds	<u>577,378</u>
	Total General Fund (1)	718,751
Solid Waste Disposal	General Fund (2)	50,000
Nonmajor Enterprise funds	General Fund (2)	5,000
Water and Sewer Fund	General Fund (2)	<u>25,000</u>
	Total	<u>\$ 798,751</u>

- (1) The transfers between funds represent transfers of unrestricted resources to finance operations of the various departments in accordance with budgetary authorizations.
- (2) The transfers between funds represent transfers of restricted resources to finance operations of the various departments in accordance with budgetary authorizations.

# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 7 - Long-term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. Other long-term obligations include compensated absences and risk liabilities in which the activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>							
Long-term obligations:							
Employee compensated absences			\$ 856,820	\$ 522,839	\$ 603,305	\$ 776,354	\$ 565,072
Estimated liability for workers' compensation and health claims (Note 11)			178,338	1,499,814	1,371,722	306,430	-
Other postemployment benefit obligation (Note 9)			14,163,986	3,671,471	1,654,106	16,181,351	-
Total governmental activities			\$ 15,199,144	\$ 5,694,124	\$ 3,629,133	\$ 17,264,135	\$ 565,072
<b>Business-type Activities</b>							
Revenue bonds:							
2003 Revenue Bond:							
Amount of issue - \$5,300,000							
Maturing through 2022	3.13%	\$305,000	\$ 305,000	\$ -	\$ 305,000	\$ -	\$ -
2013 Revenue Refunding Bond:							
Amount of refunding - \$3,190,000	2.00% -	\$310,000 -					
Maturing through 2023	4.00%	\$415,000	3,190,000	-	-	3,190,000	310,000
2010 Drinking Water Revolving Fund Bond-7301-01:							
Amount of issue - \$1,915,991		\$95,000 -					
Maturing through 2030	2.50%	\$135,000	1,830,606	-	95,000	1,735,606	95,000
2010 Drinking Water Revolving Fund - 7332-01:							
Amount of issue - \$60,497	2.50% -	\$165,000 -					
Maturing through 2029	3.95%	\$250,000	3,339,804	36,388	160,000	3,216,192	165,000
2012 State Revolving Fund Bond - 5365-01:							
Amount of issue - \$3,525,000		\$140,000 -					
Maturing through 2033	2.50%	\$220,000	667,763	1,817,963	-	2,485,726	140,000
Total revenue bonds			9,333,173	1,854,351	560,000	10,627,524	710,000
Other long-term obligations:							
Employee compensated absences			81,112	39,745	52,348	68,509	44,057
Other postemployment benefit obligation (Note 9)			1,422,299	356,959	159,874	1,619,384	-
Estimated liability for workers' compensation and health claims (Note 11)			5,252	9,854	-	15,106	15,106
Bond premium			282,707	-	28,271	254,436	-
Total business-type activities			\$ 11,124,543	\$ 2,260,909	\$ 800,493	\$ 12,584,959	\$ 769,163



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 7 - Long-term Debt (Continued)

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund related to employee salaries and fringes. Additionally, for the business-type activities, claims and judgments and compensated absences are generally liquidated by the Water and Sewer Fund for employee salaries and fringes. Net pension obligations and net OPEB obligations are typically paid from the funds that the individual employee's salaries and wages are paid from.

The City has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the above water and sewer revenue bonds. The bonds are payable solely from the net revenue of the water and sewer system. The remaining principal and interest to be paid on the bonds total \$3,722,700. During the current year, net revenue of the system was \$937,594 compared to the annual debt requirements of \$400,700.

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Business-type Activities		
	Principal	Interest	Total
2015	\$ 710,000	\$ 294,949	\$ 1,004,949
2016	725,000	278,687	1,003,687
2017	745,000	261,974	1,006,974
2018	760,000	244,849	1,004,849
2019	785,000	227,462	1,012,462
2020-2024	3,915,000	747,839	4,662,839
2025-2029	2,660,000	166,714	2,826,714
2030-2033	327,524	1,920	329,444
Total	<u>\$ 10,627,524</u>	<u>\$ 2,224,394</u>	<u>\$ 12,851,918</u>

# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 8 - Pension and Other Employee Benefit Trust Funds

The following are condensed financial statements for the individual pension plans and postemployment healthcare plans:

	Pension Trust Fund	Supplementary Annuity Fund	OPEB Trust Fund	Total
<b>Statement of Net Position</b>				
Cash and cash equivalents	\$ 1,592,758	\$ 116,414	\$ 248,305	\$ 1,957,477
Investments:				
Mutual funds	5,704,646	-	-	5,704,646
U.S. government securities	6,031,456	-	-	6,031,456
Corporate bonds	128,755	-	-	128,755
Stocks	27,952,043	1,278,943	-	29,230,986
Accrued interest receivable	21,976	-	-	21,976
Contributions receivable	-	-	-	-
Accounts payable	(245,801)	(21,766)	-	(247,860)
Net position held in trust for pension and other employee benefits	\$ 41,185,833	\$ 1,373,591	\$ 248,305	\$ 42,807,729

	Pension Trust Fund	Supplementary Annuity Fund	OPEB Trust Fund	Total
<b>Statement of Changes in Net Position</b>				
Additions				
Investment income (loss):				
Interest and dividends	\$ 1,131,633	\$ -	\$ -	\$ 1,131,633
Net increase (decrease) in fair market value	5,827,296	230,643	8,455	6,066,394
Less investment expenses	(333,809)	-	-	(333,809)
Total investment income (loss)	6,625,120	230,643	8,455	6,864,218
Contributions:				
Employer	888,696	277,776	-	1,166,472
Employee	275,809	-	83,031	358,840
Total contributions	1,164,505	277,776	83,031	1,525,312
Deductions - Pension payments	3,092,015	257,889	-	3,349,904
Net increase	4,697,610	250,530	91,486	5,039,626
Net position held in trust for pension and other employee benefits:				
Beginning of year	36,488,223	1,123,061	156,819	37,768,103
End of year	\$ 41,185,833	\$ 1,373,591	\$ 248,305	\$ 42,807,729



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 9 - Other Postemployment Benefits

**Plan Description** - The City provides healthcare benefits to all full-time employees hired prior to August 2008 upon retirement or to individuals receiving system disability pensions, in accordance with various labor contracts. Currently, 184 individuals are eligible. This is a single-employer defined benefit plan administered by the City. The City includes pre-Medicare retirees and their dependents in its insured healthcare plan, with no contribution required by the participant. The City purchases Medicare supplemental insurance for retirees eligible for Medicare. The plan does not issue separate financial statements. Net OPEB obligations are typically paid from the funds that the individual employee's salaries and wages are paid from.

**Funding Policy** - The obligation to contribute to and maintain the system for these employees was established by negotiation with the City's collective bargaining units. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). The costs of administering the plan are borne by the City. Currently, the retirees are not required to contribute.

**Funding Progress** - For the year ended June 30, 2014 the City has estimated the cost of providing retiree health care benefits through an actuarial valuation as of June 30, 2013. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 3,482,819
Interest on the prior year's net OPEB obligation	545,520
Less adjustment to the annual required contribution	<u>(481,728)</u>
Annual OPEB cost	3,546,611
Amounts contributed	<u>(1,332,162)</u>
Increase in net OPEB obligation	2,214,450
Net OPEB obligation - Beginning of year	<u>15,586,284</u>
Net OPEB obligation - End of year	<u>\$ 17,800,734</u>

# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 9 - Other Postemployment Benefits (Continued)

Fiscal Year Ended	Actuarial Valuation Date	Annual OPEB Costs	Employer Contributions	Net OPEB Obligation
			Percentage OPEB Costs Contributed	
6/30/10	6/30/07	\$ 5,019,996	39.0 %	\$ 6,306,844
6/30/11	6/30/07	5,373,634	33.1	9,899,408
6/30/12	6/30/10	4,377,838	26.2	12,798,911
6/30/13	6/30/10	4,244,997	34.3	15,586,284
6/30/14	6/30/13	3,546,611	37.6	17,800,734

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
6/30/07	\$ -	\$ 60,894,963	\$ 60,894,963	-	\$ -	\$ -
6/30/10	-	57,033,150	57,033,150	-	5,454,568	1,045.6
6/30/13	-	52,414,605	52,414,605	-	5,003,250	1,047.6

**Actuarial Methods and Assumptions** - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented above, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### **Note 9 - Other Postemployment Benefits (Continued)**

In the June 30, 2013, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 3.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8.5 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after eight years. Both rates included a 4.0 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percent of active member payroll on an open basis over a period of 30 years. The UAAL was determined using the actuarial value of assets and actuarial accrued liability calculated as of the valuation date and projected to the beginning of the fiscal year at the assumed rate of investment return.

### **Note 10 - Deferred Compensation Plan**

The City offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan is available to all full-time City employees, which permits them to defer a portion of their salary until future years. Payment of the deferred compensation is not available to employees until retirement, death, or unforeseeable emergency. As of June 30, 2014, employees who had elected to participate in the Plan had contributed \$5,312,543.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the individual participants.

### **Note 11 - Risk Management**

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial general liability insurance for claims relating to property loss claims, torts, and errors and omissions. The City is self-insured for workers' compensation claims and participates in a self-funding program for medical claims with other communities. Under the workers' compensation program and medical program, the City is held liable for the first \$400,000 and \$25,000, respectively, of any occurrence. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 11 - Risk Management (Continued)

#### Medical

The City is self-funding medical benefits up to a retention amount, at which time the City's reinsurance coverage begins. The self-funding program is done in conjunction with the cities of Grosse Pointe Park, Grosse Pointe Farms, City of Grosse Pointe, and the Village of Grosse Pointe Shores. The City of Grosse Pointe Woods serves as the administrative agent for the program; however, each municipality is responsible for its individual claims.

The City estimates the liability for medical benefits claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. The City's liability is based on individual claims and management's evaluation of experience with respect to the probable number and nature of claims.

The City estimates the liability for workers' compensation and medical benefits that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported, which includes estimates of both future payments of losses and related claim adjustment expense, both allocated and unallocated. The liability is based on individual claims and management's evaluation of experience with respect to the probable number and nature of claims. Any adjustments resulting from the settlement of losses will be reflected in earnings at the time the adjustments are determined. These estimates are recorded in the Workers' Compensation Internal Service Fund and within the governmental activities and business-type activities columns of the statement of net assets for workers' compensation and in the modified accrual funds for medical claims. Changes in the estimated liability for the past two fiscal years were as follows:

	<u>Workers' Compensation</u>		<u>Medical Claims</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Estimated liability - Beginning of year	\$ 108,323	\$ 138,347	\$ 75,267	\$ 119,869
Estimated claims incurred, including changes in estimates	133,684	24,586	1,375,984	1,246,945
Claim payments	(129,442)	(54,610)	(1,242,280)	(1,291,547)
Estimated liability - End of year	<u>\$ 112,565</u>	<u>\$ 108,323</u>	<u>\$ 208,971</u>	<u>\$ 75,267</u>



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 12 - Joint Venture

The City is a member of the Grosse Pointes-Clinton Refuse Disposal Authority joint venture (the "Authority"), which provides refuse disposal services to participating municipalities in the counties of Wayne and Macomb, Michigan. Other members include the cities of Grosse Pointe Farms, Grosse Pointe Park, Grosse Pointe, Harper Woods, Mount Clemens, Grosse Pointe Woods, and the Township of Clinton. The City Council appoints one member to the Authority's governing board, which then approves its budget. The Authority currently contracts with a commercial refuse disposal company and bills members for their proportionate share of the costs.

The City's interest in the net position of the Authority totaled \$46,870 at June 30, 2013 and is reported as part of the governmental activities in the statement of net position. The City is unaware of any circumstances, including potential environmental remediation, that would cause an additional burden to the participating municipalities in the near future. Complete financial statements for the Authority can be obtained from its administrative offices at 27941 Harper Avenue, Suite 106, St. Clair Shores, MI 48081.

### Note 13 - Pension Plan Descriptions

#### Pension Trust Fund

**Plan administration** - The Grosse Pointe Woods Employee Retirement System Board administers the City of Grosse Pointe Woods Pension Plan - a single employer defined benefit pension plan that provides pensions for all permanent full-time general and public safety employees of the City. Benefit terms have been established negotiation with the City's competitive bargaining units and the Retirement System Ordinance.

Management of the Plan is vested in the Pension Board, which consists of five members: mayor, one member of City Council, a resident appointed by the City Council, two employees-one general and one public safety. Ex-officio members include the City Attorney and City Treasurer.

**Plan membership** - At June 30, 2014, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	96
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	81

**Benefits Provided** - The Pension Plan provides retirement, disability, and death benefits. Benefit terms are established by negotiation with the City's competitive bargaining units and the Retirement System Ordinance.



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 13 - Pension Plan Descriptions (Continued)

**Contributions** - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the Pension Board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the City ordinances and negotiation with the City's collective bargaining units. For the year ended June 30, 2014, the average active member contribution rate was 5 percent of annual pay for general employees and 6 percent for public safety employees, and the City's average contribution rate was 17.06 percent of annual payroll.

#### Supplemental Annuity Fund

**Plan administration** - The Grosse Pointe Woods Employee Retirement System Board Management of the Plan is vested in the Pension Board, which consists of five members: mayor, one member of City Council, a resident appointed by the City Council, two employees-one general and one public safety. Ex-officio members include the City Attorney and City Treasurer.

Management of the Plan is vested in the Pension Board, which consists of five members: mayor, one member of City Council, a resident appointed by the City Council, two employees-one general and one public safety. Ex-officio members include the City Attorney and City Treasurer.

**Plan membership** - At June 30, 2014, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	-
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	57

**Benefits Provided** - The Pension Plan provides retirement, disability, and death benefits. Benefit terms are established as a negotiable item within the various union contracts. Amounts paid to the retiree range from \$3,000 annually for 10 years of service to \$4,800 maximum for 25 years of service



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 13 - Pension Plan Descriptions (Continued)

**Contributions** - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the Pension Board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City pays 100 percent of the contribution made to the plan. The plan does not issue separate financial statements.

### Note 14 - City Pension Cost - Pension Trust Fund

The plan does not issue a separate financial report.

**Annual Pension Cost** - For the year ended June 30, 2014, the City was required to make a contribution to the plan of \$888,696 exclusive of \$275,809 of employee contributions, which was equal to the City's required and actual contribution. The pension cost for the three most recent years is as follows:

	Fiscal Year Ended June 30		
	2014	2013	2012
Annual pension cost (APC)	\$ 888,696	\$ 767,521	\$ 743,380
Percentage of APC contributed	100.0 %	100.0 %	100.0 %
Net pension obligation	-	-	-

**Funding Status and Funding Progress** - As of June 30, 2013, the most recent actuarial valuation date, the plan was 82.7 percent funded. The actuarial accrued liability for benefits was \$45 million, and the actuarial value of assets was \$37 million, resulting in an unfunded actuarial accrued liability of \$8 million. The covered payroll (annual payroll to active employees covered by the plan) was \$5 million.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability of benefits.



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 14 - City Pension Cost - Pension Trust Fund (Continued)

**Actuarial Methods and Assumptions** - The annual required contribution was determined as part of an actuarial valuation at June 30, 2012, using the entry age actuarial cost method. Significant actuarial assumptions used include (a) a 8 investment rate of return, (b) projected salary increases of 4.0 percent to 7.8 percent per year. the projected salary increases include an inflation component of 4.0. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a five-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period is 25 years perpetual.

### Note 15 - City Pension Cost -Supplemental Annuity Fund

The plan does not issue a separate financial report.

**Annual Pension Cost** - For the year ended June 30, 2014, the City was required to make a contribution to the plan of \$277,776 which was equal to the City's required and actual contribution. The pension cost for the three most recent years is as follows:

	Fiscal Year Ended June 30		
	2014	2013	2012
Annual pension cost (APC)	\$ 277,776	\$ 245,862	\$ 238,579
Percentage of APC contributed	100.0 %	100.0 %	100.0 %
Net pension obligation	-	-	-

**Funding Status and Funding Progress** - As of June 30, 2013, the most recent actuarial valuation date, the plan was 35.1 percent funded. The actuarial accrued liability for benefits was \$3 million, and the actuarial value of assets was \$1 million, resulting in an unfunded actuarial accrued liability of \$2 million. The covered payroll (annual payroll to active employees covered by the plan) was \$5 million.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability of benefits.

**Actuarial Methods and Assumptions** - The annual required contribution was determined as part of an actuarial valuation at June 30, 2012, using the entry age actuarial cost method. Significant actuarial assumptions used include (a) a 8 investment rate of return, (b) projected salary increases of 4.0 percent to 7.8 percent per year. The projected salary increases include an inflation component of 4.0 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a five-year period. The unfunded actuarial liability is being amortized as a level dollar on a closed basis. The remaining amortization period is 10 years.



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 16 - Net Pension Liability of the City - Pension Trust Fund

The City reports pension expense based on funding requirements, as directed by GASB 27. Beginning next year, the City will adopt GASB 68 which will require the measurement of pension expense as it is earned, rather than as it is funded. The net pension liability of the City has been measured as of June 30, 2014 and is composed of the following:

The components of the net pension liability of the City at June 30, 2014, were as follows:

Total pension liability	\$ 45,452,820
Plan fiduciary net position	<u>41,280,482</u>
City's net position liability	4,172,338
Plan fiduciary net position as a percentage of the total pension liability	90.8 %

**Actuarial Assumptions** - The total pension liability was determined by an actuarial valuation as of June 30, 2013, which used update procedures to roll forward the estimated liability to June 30, 2014. The valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	4 %
Salary increases	4-7.8 % average, including inflation
Investment rate of return	8 % net of pension plan investment expense, including inflation

Mortality rates were based on the 1994 uninsured pension mortality table, male and female. The actuary is in the process of considering the appropriateness of the mortality assumptions used.

**Discount Rate** - The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

### Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 16 - Net Pension Liability of the City - Pension Trust Fund (Continued)

The long-term expected rate of return on pension plan investments was not available.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the City, calculated using the discount rate of 8 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7 percent) or 1-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Net pension liability of the City	\$ 9,634,956	\$ 4,172,338	\$ (390,864)

### Note 17 - Net Pension Liability of the City - Supplemental Annuity Fund

The City reports pension expense based on funding requirements, as directed by GASB 27. Beginning next year, the City will adopt GASB 68 which will require the measurement of pension expense as it is earned, rather than as it is funded. The net pension liability of the City has been measured as of June 30, 2014 and is composed of the following:

The components of the net pension liability of the City at June 30, 2014, were as follows:

Total pension liability	\$ 3,037,948
Plan fiduciary net position	<u>1,278,943</u>
City's net position liability	1,759,005
Plan fiduciary net position as a percentage of the total pension liability	42.1 %

**Actuarial Assumptions** - The total pension liability was determined by an actuarial valuation as of June 30, 2013, which used update procedures to roll forward the estimated liability to June 30, 2014. The valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	0 %
Salary increases	0 % average, including inflation
Investment rate of return	8 % net of pension plan investment expense, including inflation



# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 17 - Net Pension Liability of the City - Supplemental Annuity Fund (Continued)

Mortality rates were based on the 1994 uninsured pension mortality table. The actuary is in the process of considering the appropriateness of the mortality assumptions used.

**Discount Rate** - The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. The actuary for the Supplemental Annuity is contemplating the appropriateness of a blended discount rate. The use of a blended discount rate is likely to result in a 1.0 percent reduction from the discount rate currently utilized. The impact of the 1.0 percent reduction in the Supplemental Annuity discount rate on that system's net pension liability is an approximate increase in the liability of \$610,000.

#### Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was not available.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the City, calculated using the discount rate of 8 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7 percent) or 1-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Net pension liability of the City	\$ 2,369,415	\$ 1,759,005	\$ 1,683,429

# City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements June 30, 2014

### Note 18 - Pension Plan Investments - Policy and Rate of Return

#### Pension Trust Fund

**Investment Policy** - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension Board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2014:

	<u>Target Allocation</u>
Asset class:	
Domestic equity	70%
Fixed income	30%

**Rate of Return** - For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.0 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### Supplemental Annuity Fund

**Investment Policy** - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension Board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2014:

	<u>Target Allocation</u>
Asset class:	
Domestic equity	70%
Fixed income	30%

**Rate of Return** - For the year ended June 30, 2014, the annual money-weighted rate of 8.0 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.



# City of Grosse Pointe Woods, Michigan

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## Notes to Financial Statements June 30, 2014

### Note 19 - Upcoming Accounting Pronouncements

In June 2012, the GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The Statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this Statement are effective for financial statements for the year ended June 30, 2015.

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## **Required Supplemental Information**

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# City of Grosse Pointe Woods, Michigan

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 8,547,697	\$ 8,547,697	\$ 8,741,747	\$ 194,050
Licenses and permits	588,074	588,074	847,839	259,765
State-shared revenue and grants	1,302,200	1,302,200	1,406,990	104,790
Charges for services	110,890	110,890	114,559	3,669
Fines and forfeitures	576,000	576,000	355,121	(220,879)
Interest income	35,000	35,000	25,878	(9,122)
Other revenue	992,786	1,023,251	231,315	(791,936)
Transfers in	80,000	80,000	80,000	-
<b>Total revenue</b>	<b>12,232,647</b>	<b>12,263,112</b>	<b>11,803,449</b>	<b>(459,663)</b>
<b>Expenditures</b>				
Current:				
General government:				
City council	65,630	65,630	56,091	9,539
City comptroller	340,793	341,345	318,985	22,360
Commission	19,000	19,000	12,138	6,862
Municipal court	466,917	467,367	366,200	101,167
City assessor	263,110	263,335	344,901	(81,566)
City clerk	317,320	317,770	317,686	84
Building inspection	390,974	391,649	397,976	(6,327)
City attorney	226,567	226,567	144,535	82,032
Administration	213,213	213,438	215,065	(1,627)
Fringe benefits	208,201	208,201	254,672	(46,471)
Other services and charges	152,713	152,713	139,444	13,269
<b>Total general government</b>	<b>2,664,438</b>	<b>2,667,015</b>	<b>2,567,693</b>	<b>99,322</b>
Public safety:				
Police service	3,144,617	3,144,617	3,057,661	86,956
Fire prevention and inspection	23,950	23,950	11,315	12,635
Fringe benefits	1,435,166	1,444,621	1,314,676	129,945
Support service	155,151	155,151	128,178	26,973
Administration	248,464	248,464	249,409	(945)
Other services and charges	219,287	219,287	207,227	12,060
<b>Total public safety</b>	<b>5,226,635</b>	<b>5,236,090</b>	<b>4,968,466</b>	<b>267,624</b>

# City of Grosse Pointe Woods, Michigan

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended June 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Expenditures (Continued)</b>				
Current (Continued):				
Public works:				
Street maintenance	\$ 178,571	\$ 178,571	\$ 150,926	\$ 27,645
Management information system	321,664	321,664	300,529	21,135
Forestry services	112,695	112,695	83,072	29,623
Other services and charges	1,259,589	1,259,797	1,401,170	(141,373)
Supervision and engineering	75,759	75,759	62,322	13,437
Fringe benefits	200,467	201,441	178,923	22,518
City building and grounds	143,651	143,651	145,925	(2,274)
Total public works	2,292,396	2,293,578	2,322,867	(29,289)
Parks and recreation:				
Other services and charges	28,747	28,747	28,701	46
Supervision and engineering	16,150	16,150	12,308	3,842
Lake Front Park	1,147,358	1,147,358	914,131	233,227
Fringe benefits	142,687	156,021	96,282	59,739
Community center	248,409	248,409	174,793	73,616
City parks	37,339	37,339	41,642	(4,303)
Total parks and recreation	1,620,690	1,634,024	1,267,857	366,167
Transfers out	1,014,344	1,018,469	718,751	299,718
Total expenditures	12,818,503	12,849,176	11,845,634	1,003,542
<b>Net Change in Fund Balance</b>	(585,856)	(586,064)	(42,185)	543,879
<b>Fund Balance - Beginning of year</b>	4,732,943	4,732,943	4,732,943	-
<b>Fund Balance - End of year</b>	<u>\$ 4,147,087</u>	<u>\$ 4,146,879</u>	<u>\$ 4,690,758</u>	<u>\$ 543,879</u>



# City of Grosse Pointe Woods, Michigan

## Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Major Streets Fund Year Ended June 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue</b>				
State-shared revenue and grants	\$ 600,000	\$ 600,000	\$ 648,809	\$ 48,809
Other revenue	39,000	39,000	41,129	2,129
Transfers in	130,456	131,317	3,361	(127,956)
Total revenue	769,456	770,317	693,299	(77,018)
<b>Expenditures - Current -</b>				
Public works				
Street construction	79,500	79,500	19,893	59,607
Routine maintenance	323,681	323,681	264,728	58,953
Winter maintenance	20,400	20,400	14,819	5,581
Traffic services	17,600	17,600	15,397	2,203
Administration	146,313	146,313	148,306	(1,993)
Fringe benefits	181,962	181,962	175,972	5,990
Total expenditures	769,456	769,456	639,115	130,341
<b>Net Change in Fund Balance</b>	-	861	54,184	53,323
<b>Fund Balance - Beginning of year</b>	305,326	305,326	305,326	-
<b>Fund Balance - End of year</b>	<u>\$ 305,326</u>	<u>\$ 306,187</u>	<u>\$ 359,510</u>	<u>\$ 53,323</u>

# City of Grosse Pointe Woods, Michigan

## Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Solid Waste Disposal Year Ended June 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 1,217,288	\$ 1,217,288	\$ 1,209,968	\$ (7,320)
Interest income	2,000	2,000	2,584	584
Transfers	98,499	98,499	180	(98,319)
Other revenue	1,000	1,000	660	(340)
Total revenue	1,318,787	1,318,787	1,213,392	(105,395)
<b>Expenditures - Current</b>				
Public works:				
Solid waste	1,203,949	1,203,949	1,113,500	90,449
Fringe benefits	64,838	65,018	70,283	(5,265)
Total public works	1,268,787	1,268,967	1,183,783	85,184
Transfers out	50,000	50,000	50,000	-
Total expenditures	1,318,787	1,318,967	1,233,783	85,184
<b>Net Change in Fund Balance</b>	-	(180)	(20,391)	(20,211)
<b>Fund Balance - Beginning of year</b>	369,813	369,813	369,813	-
<b>Fund Balance - End of year</b>	<u>\$ 369,813</u>	<u>\$ 369,633</u>	<u>\$ 349,422</u>	<u>\$ (20,211)</u>



# City of Grosse Pointe Woods, Michigan

## Required Supplemental Information Pension System Schedule of Funding Progress Year Ended June 30, 2014

### Pension Trust Fund

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
6/30/08	\$ 37,728,000	\$ 36,310,000	\$ (1,418,000)	103.9	\$ 5,739,000	(24.7)
6/30/09	37,149,000	40,417,000	3,268,000	91.9	6,214,000	52.6
6/30/10	36,074,000	41,541,000	5,467,000	86.8	5,546,000	98.6
6/30/11	37,667,000	42,738,000	5,071,000	88.1	5,249,000	96.6
6/30/12	37,369,000	44,747,000	7,378,000	83.5	5,210,000	141.6
6/30/13	37,171,000	44,950,000	7,779,000	82.7	5,003,000	155.5

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
6/30/08	9/23/09	\$ 1,016,356	100
6/30/09	2/24/10	1,115,843	100
6/30/10	2/27/11	754,106	100
6/30/11	2/21/12	786,228	100
6/30/12	2/21/12	743,380	100
6/30/13	11/9/12	767,521	100

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of June 30, 2013, the latest actuarial valuation, follows:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Amortization period (perpetual)	25 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases*	4.0% - 7.8%
*Includes inflation at	4.0%
Cost of living adjustments	2.5% - Compound

# City of Grosse Pointe Woods, Michigan

## Required Supplemental Information Pension System Schedule of Funding Progress (Continued) Year Ended June 30, 2014

### Supplemental Annuity Fund

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
6/30/08	\$ 869,000	\$ 2,836,000	\$ 1,967,000	30.6	\$ 5,739,000	34.3
6/30/09	905,000	2,882,000	1,977,000	31.4	6,214,000	31.8
6/30/10	989,000	2,975,000	1,986,000	33.2	5,545,000	35.8
6/30/11	1,155,000	3,040,000	1,885,000	38.0	5,249,000	35.9
6/30/12	1,087,000	3,125,000	2,038,000	34.8	5,249,000	38.8
6/30/13	1,078,000	3,069,000	1,991,000	35.1	5,003,000	39.8

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
6/30/09	9/24/10	\$ 246,823	100
6/30/10	2/27/11	213,202	100
6/30/11	2/21/12	227,345	100
6/30/12	2/21/12	238,579	100
6/30/13	11/9/12	245,862	100
6/30/14	6/30/13	277,776	100

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of June 30, 2013, the latest actuarial valuation, follows:

Actuarial cost method	Entry age, level dollar
Amortization method	Level dollar, closed
Remaining amortization period	10 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases*	4.0% - 7.8%
*Includes inflation at	4.0%
Cost of living adjustments	2.5% - Compound for retirements effective on or after July 1, 1990



## City of Grosse Pointe Woods, Michigan

### Required Supplemental Information Other Postemployment Benefits Schedule of Funding Progress Year Ended June 30, 2014

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
6/30/07	\$ -	\$ 60,894,963	\$ 60,894,963	-	\$ -	N/A
6/30/10	-	57,033,150	57,033,150	-	5,545,568	1,028.4
6/30/13	-	52,414,605	52,414,605	-	5,003,250	1,047.6

# City of Grosse Pointe Woods, Michigan

## Required Supplemental Information Pension Trust Fund Schedule of Changes in the City Net Pension Liability and Related Ratios Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Total Pension Liability</b>										
Service cost	\$ 675,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	3,499,326	-	-	-	-	-	-	-	-	-
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(579,977)	-	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds	(3,092,014)	-	-	-	-	-	-	-	-	-
Net change in total pension liability	503,134	-	-	-	-	-	-	-	-	-
Total pension liability - Beginning of year	44,949,686	-	-	-	-	-	-	-	-	-
Total pension liability - End of year	<u>\$ 45,452,820</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 888,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Member	275,808	-	-	-	-	-	-	-	-	-
Net investment income	6,764,622	-	-	-	-	-	-	-	-	-
Administrative expenses	(44,753)	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds	(3,092,014)	-	-	-	-	-	-	-	-	-
Other	(100)	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	4,792,259	-	-	-	-	-	-	-	-	-
Plan fiduciary net position - Beginning of year	36,488,223	-	-	-	-	-	-	-	-	-
Plan fiduciary net position - End of year	<u>\$ 41,280,482</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>City's Net Pension Liability - Ending</b>	<u>\$ 4,172,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position as a % of Total Pension Liability</b>	90.82 %	- %	- %	- %	- %	- %	- %	- %	- %	- %
<b>Covered Employee Payroll</b>	\$ 4,411,702	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>City's Net Pension Liability as a % of Covered Employee Payroll</b>	94.6 %	- %	- %	- %	- %	- %	- %	- %	- %	- %

GASB 67 was implemented for the FYE June 30, 2014 and does not require retroactive implementation.



## City of Grosse Pointe Woods, Michigan

### Required Supplemental Information Pension Trust Fund Schedule of Investment Returns Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Annual money-weighted rate of return, net of investment expense	8.0 %	- %	- %	- %	- %	- %	- %	- %	- %	- %

GASB No. 67 was implemented for the FYE June 30, 2014 and does not require retroactive implementation.

# City of Grosse Pointe Woods, Michigan

## Required Supplemental Information Schedule of City Contributions - Pension Trust Fund Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 889,000	\$ 768,000	\$ 743,000	\$ 786,000	\$ 452,000	\$ 1,037,000	\$ 1,016,000	\$ 841,000	\$ 1,349,000	\$ 1,019,000
Contributions in relation to the actuarially determined contribution	889,000	768,000	743,000	786,000	452,000	1,037,000	1,016,000	841,000	1,349,000	1,019,000
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 5,210,000	\$ 5,249,000	\$ 5,546,000	\$ 6,214,000	\$ 5,739,000	\$ 5,740,000	\$ 5,452,000	\$ 5,436,000	\$ 5,050,000	\$ 3,063,000
Contributions as a percentage of covered employee payroll	17.1 %	14.6 %	13.4 %	12.6 %	7.9 %	18.1 %	18.6 %	15.5 %	26.7 %	33.3 %

### Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation Date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Covered employee payroll is as of June 30 of the fiscal year two years prior.
Methods and assumptions used to determine contribution rates	
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	25 years
Asset valuation method	5-year smoothed market
Inflation	4.0%
Salary increases	7.8 % - 4.0%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation
Mortality	1994 Group annuity Mortality Table



# City of Grosse Pointe Woods, Michigan

## Required Supplemental Information Supplemental Annuity Schedule of Changes in the City Net Pension Liability and Related Ratios Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Total Pension Liability</b>										
Service cost	\$ 33,212	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	236,533	-	-	-	-	-	-	-	-	-
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(42,908)	-	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds	(257,888)	-	-	-	-	-	-	-	-	-
Net change in total pension liability	(31,051)	-	-	-	-	-	-	-	-	-
Total pension liability - Beginning of year	3,068,999	-	-	-	-	-	-	-	-	-
Total pension liability - End of year	<u>\$ 3,037,948</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 277,776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Member	-	-	-	-	-	-	-	-	-	-
Net investment income	135,995	-	-	-	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds	(257,888)	-	-	-	-	-	-	-	-	-
Other	65,927	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	221,810	-	-	-	-	-	-	-	-	-
Plan fiduciary net position - Beginning of year	1,057,133	-	-	-	-	-	-	-	-	-
Plan fiduciary net position - End of year	<u>\$ 1,278,943</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>City's Net Pension Liability</b>	<u>\$ 1,759,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position as a % of Total Pension Liability</b>	42.10 %	-	-	-	-	-	-	-	-	-
<b>Covered Employee Payroll</b>	\$ 2,196,932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>City's Net Pension Liability as a % of Covered Employee Payroll</b>	80.1 %	-	-	-	-	-	-	-	-	-

GASB 67 was implemented for the FYE June 30, 2014 and does not require retroactive implementation. The actuary for the Supplemental Annuity is contemplating the appropriateness of a blended discount rate. The use of a blended discount rate is likely to result in a 1.0 percent reduction from the discount rate currently utilized. The impact of the 1.0 percent reduction in the Supplemental Annuity discount rate on that system's net pension liability is an approximate increase in the liability of \$610,000.

## City of Grosse Pointe Woods, Michigan

### Required Supplemental Information Schedule of Investment Returns - Supplemental Annuity Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Annual money-weighted rate of return, net of investment expense	8.0 %	- %	- %	- %	- %	- %	- %	- %	- %	- %

GASB 67 was implemented for the FYE June 30, 2014 and does not require retroactive implementation.



# City of Grosse Pointe Woods, Michigan

## Required Supplemental Information Supplemental Annuity Schedule of City Contributions Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 277,776	\$ 245,862	\$ 238,579	\$ 227,345	\$ 213,202	\$ 246,823	\$ 248,038	\$ 248,556	\$ 236,845	\$ 234,098
Contributions in relation to the actuarially determined contribution	277,776	245,862	238,579	227,345	213,202	246,823	248,038	248,556	236,845	234,098
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 2,196,932	\$ 2,376,609	\$ 2,636,547	\$ 2,769,200	\$ 3,085,293	\$ 3,407,360	\$ 3,127,089	\$ 3,009,545	\$ -	\$ -
Contributions as a percentage of covered employee payroll	12.6 %	10.3 %	9.0 %	8.2 %	6.9 %	7.2 %	7.9 %	8.3 %	N/A	N/A

### Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation Date	Actuarially determined dollar contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Covered payroll is as of June 30 of the fiscal year two years prior, Public Safety members retiring after December 31, 1994 are not covered.
Methods and assumptions used to determine contribution rates	
Actuarial cost method	Entry age
Amortization method	Level dollar, open as of June 30, 2014
Remaining amortization period	10 years
Asset valuation method	Market Value
Inflation	0.0%
Salary increases	0.0%
Investment rate of return	8.00%, net of pension plan investment expense, including inflation
Mortality	1994 Group annuity Mortality Table

# City of Grosse Pointe Woods, Michigan

## Note to Required Supplemental Information Year Ended June 30, 2014

**Budgetary Information** - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, all special revenue funds, and debt service funds except for operating transfers which are budgeted as revenues and expenditures and not other financing sources and uses. All annual appropriations lapse at fiscal year end; encumbrances are not included as expenditures. During the year, the budget was amended in a legally permissible manner.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or before the first council meeting in April, the city treasurer/comptroller and the city administrator prepare a proposed operating budget for the fiscal year commencing July 1 and submit it to the Council. The budget must be adopted through a passage of a budget resolution no later than the third Monday in May.
2. Public hearings are conducted to obtain citizen comments.
3. The legislative budget is adopted by fund on a departmental basis. Line item detail is provided as a general guideline. Throughout the year, the City Council receives requests to amend the activity budget. All amendments must be approved by a vote of the City Council. Changes in line items within an activity may be made with the approval of the city comptroller.

	Total Revenue	Total Expenditures	Net Change in Fund Balance
<u>General Fund</u>			
Amounts per operating statement	\$ 12,084,235	\$ 11,797,093	\$ 287,142
Local Streets Fund budgeted separately from the General Fund	(356,483)	(612,581)	256,098
Cable franchise funds budgeted separately from the General Fund	(4,303)	(57,629)	53,326
Operating transfers budgeted as revenue and expenditures	80,000	718,751	(638,751)
Amounts per budget statement	<u>\$ 11,803,449</u>	<u>\$ 11,845,634</u>	<u>\$ (42,185)</u>
	Total Revenue	Total Expenditures	Net Change in Fund Balance
<u>Major Streets Fund</u>			
Amounts per operating statement	\$ 689,938	\$ 639,115	\$ 50,823
Operating transfers budgeted as revenue and expenditures	3,361	-	3,361
Amounts per budget statement	<u>\$ 693,299</u>	<u>\$ 639,115</u>	<u>\$ 54,184</u>
	Total Revenue	Total Expenditures	Net Change in Fund Balance
<u>Solid Waste Disposal</u>			
Amounts per operating statement	\$ 1,213,212	\$ 1,183,783	\$ 29,429
Operating transfers budgeted as revenue and expenditures	180	50,000	(49,820)
Amounts per budget statement	<u>\$ 1,213,392</u>	<u>\$ 1,233,783</u>	<u>\$ (20,391)</u>



## City of Grosse Pointe Woods, Michigan

### Note to Required Supplemental Information (Continued) Year Ended June 30, 2014

**Excess of Expenditures Over Appropriations in Budgeted Funds** - During the year, the City of Grosse Pointe Woods incurred the following expenditures which were in excess of the amounts budgeted as a result of municipal street lighting costs:

	Budget	Actual
General Fund - Public Works	\$ 2,293,578	\$ 2,322,867

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## **Other Supplemental Information**

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# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Major Debt Service Fund - Grosse-Gratiot Drain Fund Budgetary Comparison Schedule Year Ended June 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 2,780,459	\$ 2,738,595	\$ 2,704,296	\$ (34,299)
Interest income	500	-	-	-
Total revenue	2,780,959	2,738,595	2,704,296	(34,299)
<b>Expenditures</b>				
Current - Public works	1,411,142	1,411,142	1,421,739	(10,597)
Debt service	-	-	828,847	(828,847)
Transfers out	120,000	120,000	-	120,000
Total expenditures	1,531,142	1,531,142	2,250,586	(719,444)
<b>Net Change in Fund Balance</b>	1,249,817	1,207,453	453,710	(753,743)
<b>Fund Balance - Beginning of year</b>	83,255	83,255	83,255	-
<b>Fund Balance - End of year</b>	<u>\$ 1,333,072</u>	<u>\$ 1,290,708</u>	<u>\$ 536,965</u>	<u>\$ (753,743)</u>

# City of Grosse Pointe Woods, Michigan

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## Other Supplemental Information Nonmajor Enterprise Funds Fund Descriptions

### Special Revenue Funds

These funds are used to account for specific revenue sources, which are legally restricted to expenditures for specific functions or activities. Restrictions may be imposed by state statute, the State Constitution, the City board resolution of action, or the electorate through the approval of special dedicated millages.

**Ambulance Fund** - This fund accounts for the operations and maintenance of the City-owned ambulance. Financing is a portion of the general City millage.

**Act 302 Training Fund** - This fund accounts for the costs of training courses for the police department. Financing is provided by state grants.

**Grants Fund** - This fund is used to account for the activity of the Community Development Block Grant Program and other federal grants. Financing is provided by the Wayne County Economic Development Grant Program.

**911 Emergency Service Fund** - This fund accounts for monies expended to maintain and operate an emergency response system. Monies are received from the AT&T and WOW Phone companies, which levy a surcharge on all phone users within the community.

**Drug Enforcement Fund** - This fund is used to account for monies seized in arrests for illegal drug activities and from various grants issued to the police department. Functions and activities include drug enforcement and education, departmental training, and expenses associated with the grants received.

**Parkway Beautification Fund** - This fund was created to account for monies provided by donors to finance parkway beautification activities.

### Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. Revenue sources include General Fund transfers, grants from other units of government, private contributions, and bond proceeds.

**Municipal Improvement Fund** - This fund accounts for the acquisition and construction of various construction projects in the City.

### Budgetary Funds

These funds are funds that were merged into the General Fund as a result of GASB Statement No. 54 but are budgeted as separate funds by Council.

**Local Streets Fund** - This fund accounts for the maintenance and replacement of all local streets within the City. Funding is provided by distribution of gas tax proceeds.

**Cable Franchise Fund** - This fund accounts for the investment of proceeds from the sale of the City's interest in a cable company's earnings used for capital improvements.



# City of Grosse Pointe Woods, Michigan

Special Revenue Funds						
	Ambulance Fund	Act 302 Training Fund	Grants Fund	911 Emergency Service	Drug Enforcement	Parkway Beautification Fund
<b>Assets</b>						
Cash and investments	\$ 40,191	\$ 44,595	\$ 6,485	\$ 156,053	\$ 8,001	\$ 196,988
Accounts receivable and other assets	-	-	-	-	-	668
Due from other funds	-	3,067	-	-	-	552
Prepaid expenses and other assets	914	-	-	1,703	-	200
<b>Total assets</b>	<b>\$ 41,105</b>	<b>\$ 47,662</b>	<b>\$ 6,485</b>	<b>\$ 157,756</b>	<b>\$ 8,001</b>	<b>\$ 198,408</b>
<b>Liabilities</b>						
Accounts payable	\$ 2,511	\$ -	\$ -	\$ 416	\$ 175	\$ 30,246
Due to other funds	-	-	6,450	-	-	-
Accrued liabilities and other	5,944	-	-	1,600	-	-
Provision for claims	10,071	-	-	2,518	-	-
<b>Total liabilities</b>	<b>18,526</b>	<b>-</b>	<b>6,450</b>	<b>4,534</b>	<b>175</b>	<b>30,246</b>
<b>Fund Balances</b>						
Nonspendable - Prepaids	914	-	-	1,703	-	200
Restricted:						
Public Safety	21,665	47,662	-	-	7,826	-
Community Development	-	-	35	-	-	-
Fireworks	-	-	-	-	-	79,102
Committed - Local Streets	-	-	-	-	-	-
Assigned:						
Public Safety	-	-	-	151,519	-	-
Capital Projects	-	-	-	-	-	-
Parkway Beautification	-	-	-	-	-	88,860
<b>Total fund balances</b>	<b>22,579</b>	<b>47,662</b>	<b>35</b>	<b>153,222</b>	<b>7,826</b>	<b>168,162</b>
<b>Total liabilities and fund balances</b>	<b>\$ 41,105</b>	<b>\$ 47,662</b>	<b>\$ 6,485</b>	<b>\$ 157,756</b>	<b>\$ 8,001</b>	<b>\$ 198,408</b>

**Other Supplemental Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2014**

Capital Projects Funds		
Total	Municipal Improvement Fund	Total Nonmajor Governmental Funds
\$ 452,313	\$ 10,706	\$ 463,019
668	6,025	6,693
3,619	390,000	393,619
2,817	-	2,817
<b>\$ 459,417</b>	<b>\$ 406,731</b>	<b>\$ 866,148</b>
\$ 33,348	\$ 19,791	\$ 53,139
6,450	-	6,450
7,544	-	7,544
12,589	-	12,589
59,931	19,791	79,722
2,817	-	2,817
77,153	-	77,153
35	-	35
79,102	-	79,102
-	11,500	11,500
151,519	-	151,519
-	375,440	375,440
88,860	-	88,860
399,486	386,940	786,426
<b>\$ 459,417</b>	<b>\$ 406,731</b>	<b>\$ 866,148</b>



## City of Grosse Pointe Woods, Michigan

	Special Revenue Funds			
	Ambulance Fund	Act 302 Training Fund	Grants Fund	911 Emergency Service Fund
<b>Revenue</b>				
Property taxes	\$ 315,015	\$ -	\$ -	\$ -
Federal financial sources	-	-	6,483	-
State and local sources	-	6,417	-	-
Interest income	316	-	-	-
Other revenue	191,860	310	-	100,451
Total revenue	507,191	6,727	6,483	100,451
<b>Expenditures - Current</b>				
General government	174,367	-	6,450	25,286
Public safety	435,411	4,520	-	63,565
Municipal improvements	-	-	-	-
Parks and recreation	-	-	-	-
Total expenditures	609,778	4,520	6,450	88,851
<b>Excess of Revenue (Under) Over Expenditures</b>	(102,587)	2,207	33	11,600
<b>Other Financing Sources - Transfers in</b>	563	-	-	113
<b>Net Change in Fund Balances</b>	(102,024)	2,207	33	11,713
<b>Fund Balances - Beginning of year</b>	124,603	45,455	2	141,509
<b>Fund Balances - End of year</b>	<u>\$ 22,579</u>	<u>\$ 47,662</u>	<u>\$ 35</u>	<u>\$ 153,222</u>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures, and Changes in**  
**Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2014**

Special Revenue Funds		Capital Projects Fund	Total Nonmajor Governmental Funds
Drug Enforcement Fund	Parkway Beautification Fund	Municipal Improvement Fund	
\$ -	\$ -	\$ -	\$ 315,015
-	-	-	6,483
-	-	-	6,417
-	1,710	-	2,026
13,100	72,826	28,925	407,472
13,100	74,536	28,925	737,413
-	-	-	206,103
8,683	-	-	512,179
-	-	299,786	299,786
-	69,398	-	69,398
8,683	69,398	299,786	1,087,466
4,417	5,138	(270,861)	(350,053)
-	-	576,702	577,378
4,417	5,138	305,841	227,325
3,409	163,024	81,099	559,101
<u>\$ 7,826</u>	<u>\$ 168,162</u>	<u>\$ 386,940</u>	<u>\$ 786,426</u>



# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Nonmajor Governmental Fund - Ambulance Fund Budgetary Comparison Schedule Year Ended June 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 216,397	\$ 216,397	\$ 315,015	\$ 98,618
Transfers	-	-	563	563
Interest income	4,000	4,000	316	(3,684)
Rental income	285,000	285,000	-	(285,000)
Other revenue	106,647	106,647	191,860	85,213
Total revenue	612,044	612,044	507,754	(104,290)
<b>Expenditures - Current</b>				
General government	176,840	177,403	174,367	3,036
Public safety	449,176	449,176	435,411	13,765
Total expenditures	626,016	626,579	609,778	16,801
<b>Net Change in Fund Balance</b>	(13,972)	(14,535)	(102,024)	(87,489)
<b>Fund Balance - Beginning of year</b>	124,603	124,603	124,603	-
<b>Fund Balance - End of year</b>	<u>\$ 110,631</u>	<u>\$ 110,068</u>	<u>\$ 22,579</u>	<u>\$ (87,489)</u>

## City of Grosse Pointe Woods, Michigan

### Other Supplemental Information Nonmajor Governmental Fund - Act 302 Training Fund Budgetary Comparison Schedule Year Ended June 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue</b>				
State-shared revenue and grants	\$ 7,500	\$ 7,500	\$ 6,417	\$ (1,083)
Other revenue	500	500	310	(190)
Total revenue	8,000	8,000	6,727	(1,273)
<b>Expenditures - Current - Public safety</b>	8,000	8,000	4,520	3,480
<b>Net Change in Fund Balance</b>	-	-	2,207	2,207
<b>Fund Balance - Beginning of year</b>	45,455	45,455	45,455	-
<b>Fund Balance - End of year</b>	<u>\$ 45,455</u>	<u>\$ 45,455</u>	<u>\$ 47,662</u>	<u>\$ 2,207</u>



# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Nonmajor Governmental Fund - Grants Fund Budgetary Comparison Schedule Year Ended June 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue - Federal grants</b>	\$ 7,000	\$ 7,000	\$ 6,483	\$ (517)
<b>Expenditures - Current - General government - Contractual services</b>	7,000	7,000	6,450	550
<b>Net Change in Fund Balance</b>	-	-	33	33
<b>Fund Balance - Beginning of year</b>	2	2	2	-
<b>Fund Balance - End of year</b>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 35</u>	<u>\$ 33</u>

# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Nonmajor Governmental Fund - 911 Emergency Service Budgetary Comparison Schedule Year Ended June 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue - Other revenue</b>	\$ 89,760	\$ 89,760	\$ 100,451	\$ 10,691
<b>Expenditures - Current</b>				
General government	28,901	29,014	25,286	3,728
Public safety	60,859	60,859	63,565	(2,706)
Total expenditures	89,760	89,873	88,851	1,022
<b>Excess of Revenue Over (Under) Expenditures</b>	-	(113)	11,600	11,713
<b>Other Financing Sources (Uses) -</b>				
Transfers in	-	113	113	-
<b>Net Change in Fund Balance</b>	-	-	11,713	11,713
<b>Fund Balance - Beginning of year</b>	141,509	141,509	141,509	-
<b>Fund Balance - End of year</b>	<u>\$ 141,509</u>	<u>\$ 141,509</u>	<u>\$ 153,222</u>	<u>\$ 11,713</u>



## City of Grosse Pointe Woods, Michigan

### Other Supplemental Information Nonmajor Governmental Fund - Drug Enforcement Budgetary Comparison Schedule Year Ended June 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue - Other revenue</b>	\$ 1,000	\$ 1,000	\$ 13,100	\$ 12,100
<b>Expenditures - Current - Public safety</b>	1,000	1,000	8,683	(7,683)
<b>Net Change in Fund Balance</b>	-	-	4,417	4,417
<b>Fund Balance - Beginning of year</b>	3,409	3,409	3,409	-
<b>Fund Balance - End of year</b>	<u>\$ 3,409</u>	<u>\$ 3,409</u>	<u>\$ 7,826</u>	<u>\$ 4,417</u>

# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Nonmajor Governmental Fund - Parkway Beautification Fund Budgetary Comparison Schedule Year Ended June 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue</b>				
Interest income	\$ 3,550	\$ 3,550	\$ 1,710	\$ (1,840)
Other revenue	66,725	66,725	72,826	6,101
Total revenue	70,275	70,275	74,536	4,261
<b>Expenditures - Current - Parks and recreation</b>	70,275	70,275	69,398	877
<b>Net Change in Fund Balance</b>	-	-	5,138	5,138
<b>Fund Balance - Beginning of year</b>	163,024	163,024	163,024	-
<b>Fund Balance - End of year</b>	<u>\$ 163,024</u>	<u>\$ 163,024</u>	<u>\$ 168,162</u>	<u>\$ 5,138</u>



# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Nonmajor Governmental Fund - Municipal Improvement Fund Budgetary Comparison Schedule Year Ended June 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue - Other revenue</b>	\$ 75,700	\$ 75,700	\$ 28,925	\$ (46,775)
<b>Expenditures - Current - Municipal improvements</b>	92,560	92,560	299,786	(207,226)
<b>Excess of Revenue Over (Under) Expenditures</b>	(16,860)	(16,860)	(270,861)	(254,001)
<b>Other Financing Sources - Transfers in</b>	16,860	576,702	576,702	-
<b>Net Change in Fund Balance</b>	-	559,842	305,841	(254,001)
<b>Fund Balance - Beginning of year</b>	81,099	81,099	81,099	-
<b>Fund Balance - End of year</b>	<u>\$ 81,099</u>	<u>\$ 640,941</u>	<u>\$ 386,940</u>	<u>\$ (254,001)</u>

# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Nonmajor Governmental Fund - Local Streets Fund Budgetary Comparison Schedule Year Ended June 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue</b>				
State-shared revenue and grants	\$ 240,000	\$ 240,000	\$ 265,806	\$ 25,806
Interest income	100	100	-	(100)
Other revenue	516,084	516,084	90,677	(425,407)
Total revenue	756,184	756,184	356,483	(399,701)
<b>Expenditures - Current</b>				
Public works:				
Routine maintenance	230,547	230,547	207,245	23,302
Traffic services	24,000	24,000	7,203	16,797
Winter maintenance	38,600	38,600	45,378	(6,778)
Administration	184,202	184,202	170,488	13,714
Fringe benefits	166,375	167,247	147,436	19,811
Municipal improvements	101,500	101,500	34,831	66,669
Total expenditures	745,224	746,096	612,581	133,515
<b>Net Change in Fund Balance</b>	10,960	10,088	(256,098)	(266,186)
<b>Fund Balance - Beginning of year</b>	197,461	197,461	197,461	-
<b>Fund Balance - End of year</b>	<u>\$ 208,421</u>	<u>\$ 207,549</u>	<u>\$ (58,637)</u>	<u>\$ (266,186)</u>

Note - As a result of GASB No. 54, the Local Streets Fund is now merged with the General Fund for reporting purposes but is budgeted as a separate fund.



# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Nonmajor Governmental Fund - Cable Franchise Fund Budgetary Comparison Schedule Year Ended June 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue - Interest income</b>	\$ -	\$ -	\$ 4,303	\$ 4,303
<b>Expenditures - Current - Public works - Streets</b>	-	-	57,629	(57,629)
<b>Fund Balance - Beginning of year</b>	586,140	586,140	586,140	-
<b>Fund Balance - End of year</b>	<u>\$ 586,140</u>	<u>\$ 586,140</u>	<u>\$ 532,814</u>	<u>\$ (53,326)</u>

Note - As a result of GASB No. 54, the Cable Franchise Fund is now merged with the General Fund for reporting purposes but is budgeted as a separate fund

## **City of Grosse Pointe Woods, Michigan**

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### **Other Supplemental Information Nonmajor Enterprise Funds Fund Descriptions**

**Parking Meter Utility Fund** - To account for the City's parking meters and costs associated with maintaining the meters. Funding is provided by parking meter fees and violation fees.

**Boat Dock Rental Fund** - To account for boat dock rental units that are available to the citizens of Grosse Pointe Woods on an annual basis. Boat launch ramps and other water craft maintenance services are available.

**Commodity Sales Fund** - To record the purchases and sale of rubbish bags and other miscellaneous items that the municipality holds for resale.

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# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Combining Statement of Net Position Nonmajor Enterprise Funds June 30, 2014

	Parking Meter Utility Fund	Boat Dock Rental Fund	Commodity Sales Fund	Total
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 676,975	\$ 260,319	\$ 143,450	\$ 1,080,744
Receivables	2,202	-	-	2,202
Prepaid expenses and other assets	2,718	-	-	2,718
Total current assets	681,895	260,319	143,450	1,085,664
Noncurrent assets - Depreciable capital assets - Capital assets	276,902	237,773	-	514,675
Total assets	958,797	498,092	143,450	1,600,339
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	675	1,065	-	1,740
Due to other funds	-	16,500	-	16,500
Accrued liabilities and other	2,363	406	-	2,769
Compensated absences - < 1 yr	6,264	-	-	6,264
Total current liabilities	9,302	17,971	-	27,273
Noncurrent liabilities:				
Compensated absences - > 1 yr	5,306	-	-	5,306
Other postemployment benefit obligation	323,710	-	-	323,710
Total noncurrent liabilities	329,016	-	-	329,016
Total liabilities	338,318	17,971	-	356,289
<b>Net Position</b>				
Net investment in capital assets	276,902	237,773	-	514,675
Unrestricted	343,577	242,348	143,450	729,375
Total net position	\$ 620,479	\$ 480,121	\$ 143,450	\$ 1,244,050

# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Position Nonmajor Enterprise Funds Year Ended June 30, 2014

	Parking Meter Utility Fund	Boat Dock Rental Fund	Commodity Sales Fund	Total
<b>Operating Revenue</b>				
Fees and violations	\$ 292,351	\$ -	\$ -	\$ 292,351
Dockings and launching fees	-	126,052	-	126,052
Commodity sales	-	-	34,214	34,214
Other revenue	474	-	-	474
Total operating revenue	292,825	126,052	34,214	453,091
<b>Operating Expenses</b>				
Operation and maintenance	85,333	57,918	-	143,251
General and administrative	94,994	-	-	94,994
Charges from internal service funds	-	7,550	-	7,550
Depreciation	15,464	32,051	-	47,515
Total operating expenses	195,791	97,519	-	293,310
<b>Operating Income</b>	97,034	28,533	34,214	159,781
<b>Nonoperating Revenue</b>	4,674	-	-	4,674
<b>Income - Before contributions</b>	101,708	28,533	34,214	164,455
<b>Transfers In</b>	136,729	225	-	136,954
<b>Transfers Out</b>	-	(5,000)	-	(5,000)
<b>Change in Net Position</b>	238,437	23,758	34,214	296,409
<b>Net Position - Beginning of year</b>	382,042	456,363	109,236	947,641
<b>Net Position - End of year</b>	<u>\$ 620,479</u>	<u>\$ 480,121</u>	<u>\$ 143,450</u>	<u>\$ 1,244,050</u>



# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Combining Statement of Cash Flows Nonmajor Enterprise Funds Year Ended June 30, 2014

	Parking Meter Utility Fund	Boat Dock Rental Fund	Commodity Sales Fund	Total
<b>Cash Flows from Operating Activities</b>				
Receipts from customers	\$ 292,825	\$ 126,088	\$ 34,214	\$ 453,127
Receipts from interfund services and reimbursements	-	6,500	-	6,500
Payments to suppliers	(85,283)	(64,871)	-	(150,154)
Payments to employees	(58,382)	(164)	-	(58,546)
Internal activity - Payments to other funds	(103)	-	(316)	(419)
Other payments	(2,718)	-	-	(2,718)
Net cash provided by operating activities	146,339	67,553	33,898	247,790
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers from other funds	136,729	225	-	136,954
Transfers to other funds	-	(5,000)	-	(5,000)
Net cash provided by (used in) noncapital financing activities	136,729	(4,775)	-	131,954
<b>Cash Flows from Capital and Related Financing Activities - Purchase of capital assets</b>	(136,277)	(11,957)	-	(148,234)
<b>Cash Flows from Investing Activities - Interest received on investments</b>	2,744	-	-	2,744
<b>Net Increase in Cash and Cash Equivalents</b>	149,535	50,821	33,898	234,254
<b>Cash and Cash Equivalents - Beginning of year</b>	527,440	209,498	109,552	846,490
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 676,975</u>	<u>\$ 260,319</u>	<u>\$ 143,450</u>	<u>\$ 1,080,744</u>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>				
Operating income	\$ 97,034	\$ 28,533	\$ 34,214	\$ 159,781
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation and amortization	15,464	32,051	-	47,515
Changes in assets and liabilities:				
Receivables	(2,718)	-	-	(2,718)
Due from others	-	6,500	-	6,500
Accounts payable	(2,551)	597	-	(1,954)
Due to others	(103)	-	(316)	(419)
Accrued and other liabilities	39,213	(128)	-	39,085
Net cash provided by operating activities	<u>\$ 146,339</u>	<u>\$ 67,553</u>	<u>\$ 33,898</u>	<u>\$ 247,790</u>

## **City of Grosse Pointe Woods, Michigan**

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### **Other Supplemental Information Internal Service Funds Fund Descriptions**

**Motor Vehicle Fund** - This fund accounts for the costs of acquiring and maintaining City-operated vehicles used by various City departments. The actual cost of labor and materials is reimbursed to this fund by the user departments through fees.

**Workers' Compensation Fund** - This fund was created to identify all costs associated with operating a self-insured workers' compensation fund. Funds are accumulated via transfers from other governmental and proprietary fund types and interest made on surplus earnings.

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# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Combining Statement of Net Position Internal Service Funds June 30, 2014

	Motor Vehicle Fund	Workers' Compensation Fund	Total
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 2,121,839	\$ 678,341	\$ 2,800,180
Accrued interest receivable	3,676	1,164	4,840
Due from other funds	99,891	123	100,014
Prepaid expenses and other assets	4,519	49,342	53,861
Total current assets	2,229,925	728,970	2,958,895
Noncurrent assets - Depreciable capital assets	501,442	-	501,442
Total assets	2,731,367	728,970	3,460,337
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	16,153	1,036	17,189
Accrued liabilities and other	23,514	-	23,514
Total current liabilities	39,667	1,036	40,703
Noncurrent liabilities:			
Provision for claims - > 1 yr	2,518	112,565	115,083
Other postemployment benefit obligation	487,738	-	487,738
Total noncurrent liabilities	490,256	112,565	602,821
Total liabilities	529,923	113,601	643,524
<b>Net Position</b>			
Net investment in capital assets	501,442	-	501,442
Unrestricted	1,700,002	615,369	2,315,371
Total net position	\$ 1,198,560	\$ 615,369	\$ 1,813,929

# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Position Internal Service Funds Year Ended June 30, 2014

	Motor Vehicle Fund	Workers' Compensation Fund	Total
<b>Operating Revenue</b>			
Other revenue	\$ 4,800	\$ -	\$ 4,800
Revenue and billings to other funds	1,058,924	-	1,058,924
Total operating revenue	1,063,724	-	1,063,724
<b>Operating Expenses</b>			
Insurance expense and contractual services	5,438	133,684	139,122
Vehicle operation and maintenance	481,477	39,457	520,934
General and administrative	166,201	-	166,201
Depreciation	162,699	-	162,699
Total operating expenses	815,815	173,141	988,956
<b>Operating Income (Loss)</b>	247,909	(173,141)	74,768
<b>Nonoperating Revenue</b>			
Interest income	5,601	5,493	11,094
Gain on disposal of asset	190	-	190
Total nonoperating revenue	5,791	5,493	11,284
<b>Change in Net Position</b>	253,700	(167,648)	86,052
<b>Net Position - Beginning of year</b>	1,947,744	783,017	2,730,761
<b>Net Position - End of year</b>	<u>\$ 2,201,444</u>	<u>\$ 615,369</u>	<u>\$ 2,816,813</u>



# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds Year Ended June 30, 2014

	Motor Vehicle Fund	Workers' Compensation Fund	Total
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 1,063,724	\$ 10,715	\$ 1,074,439
(Payments to) receipts from interfund services and reimbursements	(100,555)	132	(100,423)
Payments to suppliers	(190,090)	(131,525)	(321,615)
Payments to employees	(385,997)	(60,358)	(446,355)
Claims incurred but not paid	1,643	20,000	21,643
Other payments	(4,024)	-	(4,024)
Net cash provided by (used in) operating activities	384,701	(161,036)	223,665
<b>Cash Flows from Capital and Related Financing Activities</b>			
Proceeds from sales of capital assets	190	-	190
Purchase of capital assets	(47,211)	-	(47,211)
Net cash used in capital and related financing activities	(47,021)	-	(47,021)
<b>Cash Flows from Investing Activities - Interest received on investments</b>	5,601	5,493	11,094
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	343,281	(155,543)	187,738
<b>Cash and Cash Equivalents - Beginning of year</b>	1,778,558	833,884	2,612,442
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 2,121,839</u>	<u>\$ 678,341</u>	<u>\$ 2,800,180</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</b>			
Operating income (loss)	\$ 247,909	\$ (173,141)	\$ 74,768
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation and amortization	162,699	-	162,699
Changes in assets and liabilities:			
Receivables	(4,024)	10,715	6,691
Due from others	(100,555)	132	(100,423)
Prepaid and other assets	-	1,123	1,123
Accounts payable	16,953	1,036	17,989
Estimated claims liability	1,643	20,000	21,643
Accrued and other liabilities	60,076	(20,901)	39,175
Net cash provided by (used in) operating activities	<u>\$ 384,701</u>	<u>\$ (161,036)</u>	<u>\$ 223,665</u>

## City of Grosse Pointe Woods, Michigan

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### Other Supplemental Information Fiduciary Funds Fund Descriptions

Trust funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for the assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds.

**Agency Funds** - These funds account for the deposit of monies held by the City government in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

**Pension and Other Employee Benefit Trust Funds** - The City operates one retirement system, one supplementary annuity fund, and one retiree healthcare account, which are accounted for in three separate funds. These funds cover all full-time employees of the City.

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# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Statement of Net Position Fiduciary Funds June 30, 2014

	Pension Trust Funds			
	Pension Fund	Supplementary Annuity Fund	Other Post Employment Benefit Trust Fund	Total Pension Trust Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 1,592,758	\$ 116,414	\$ 248,305	\$ 1,957,477
Investments:				
U.S. government securities	6,031,456	-	-	6,031,456
Stocks	27,952,043	1,278,943	-	29,230,986
Bonds	128,755	-	-	128,755
Mutual funds	5,704,646	-	-	5,704,646
Receivables - Accrued interest receivable	21,976	-	-	21,976
Total assets	41,431,634	1,395,357	248,305	43,075,296
<b>Liabilities - Accounts payable</b>	245,801	21,766	-	267,567
<b>Net Position Held in Trust for Pension and Other Employee Benefits</b>	<u>\$ 41,185,833</u>	<u>\$ 1,373,591</u>	<u>\$ 248,305</u>	<u>\$ 42,807,729</u>

# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds Year Ended June 30, 2014

	Pension Fund	Supplementary Annuity Fund	Other Post- employment Benefit Trust Fund	Total
<b>Additions</b>				
Investment income:				
Interest and dividends	\$ 1,131,633	\$ -	\$ -	\$ 1,131,633
Net increase in fair market value	5,827,296	230,643	8,455	6,066,394
Less investment expenses	(333,809)	-	-	(333,809)
Net investment income	6,625,120	230,643	8,455	6,864,218
Contributions:				
Employer	888,696	277,776	-	1,166,472
Employee	275,809	-	83,031	358,840
Net contributions	1,164,505	277,776	83,031	1,525,312
Total additions	7,789,625	508,419	91,486	8,389,530
<b>Deductions - Pension payments</b>	3,092,015	257,889	-	3,349,904
<b>Net Increase in Net Assets Held in Trust</b>	4,697,610	250,530	91,486	5,039,626
<b>Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year</b>	36,488,223	1,123,061	156,819	37,768,103
<b>Net Position Held in Trust for Pension and Other Employee Benefits - End of year</b>	<u>\$ 41,185,833</u>	<u>\$ 1,373,591</u>	<u>\$ 248,305</u>	<u>\$ 42,807,729</u>



# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Combining Statement of Assets and Liabilities Agency Funds June 30, 2014

	Wayne County Tax Fund	Cash Bond Escrow Fund	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 337	\$ 1,338	\$ 1,675
Receivables - Due from other governmental units	17,382	-	17,382
Total assets	<u>\$ 17,719</u>	<u>\$ 1,338</u>	<u>\$ 19,057</u>
<b>Liabilities</b>			
Due to other governmental units	\$ 17,719	\$ -	\$ 17,719
Court bonds payable	-	1,338	1,338
Total liabilities	<u>\$ 17,719</u>	<u>\$ 1,338</u>	<u>\$ 19,057</u>

# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Schedule of Changes in Assets and Liabilities Agency Funds Year Ended June 30, 2014

	Balance at July 1, 2013	Additions	Reductions	Balance at June 30, 2014
<b><u>Wayne County Tax Fund</u></b>				
<b>Assets -</b> Cash and investments	\$ 24,595	\$ 41,947,232	\$ (41,954,108)	\$ 17,719
<b>Liabilities -</b> Due to other governmental units	\$ 24,595	\$ 41,947,232	\$ (41,954,108)	\$ 17,719
<b><u>Cash Bond Escrow Fund</u></b>				
<b>Assets -</b> Cash and investments	\$ 17,633	\$ 54,505	\$ (70,800)	\$ 1,338
<b>Liabilities -</b> Court bonds payable	\$ 17,633	\$ 54,505	\$ (70,800)	\$ 1,338
<b><u>Agency Funds</u></b>				
<b>Assets -</b> Cash and investments	\$ 42,228	\$ 42,001,737	\$ (42,024,908)	\$ 19,057
<b>Liabilities</b>				
Due to other governmental units	\$ 24,595	\$ 41,947,232	\$ (41,954,108)	\$ 17,719
Court bonds payable	17,633	54,505	(70,800)	1,338
Total liabilities	\$ 42,228	\$ 42,001,737	\$ (42,024,908)	\$ 19,057



## **Statistical Section**

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# City of Grosse Pointe Woods, Michigan

## Statistical and Continuing Disclosure Contents

### Statistical Information

Statistical information contained herein relates to the physical, economic, social, and political characteristics of the City. It is designed to provide a broader and more complete understanding of the City and its financial affairs than is possible from the financial statements, notes, and supporting schedules presented in the financial section.

#### **1. Financial Trend Information**

These schedules contain certain trend information to help the reader understand how the City's financial position and performance have changed over time.

Net Position by Component	103
Changes in Governmental Activities, Business-type Activities, and Primary Government Net Position	104-105
Fund Balances of Governmental Funds	106-107*
Changes in Fund Balances of Governmental Funds	108-109

#### **2. Revenue Capacity Information**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its main income source - property taxes.

General Governmental Revenue History	110
Property Tax Levies and Collections	111*
Assessed Value and Actual Value of Taxable Property	112*
Direct and Overlapping Property Tax Rates	113-114*
Principal Property Taxpayers (Major Taxpayers)	115*

#### **3. Debt Capacity Information**

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type	116-117
Pledged-revenue Coverage	118
Ratios of General Bonded Debt Outstanding	119*
Direct and Overlapping Debt	120
Legal Debt Margin	121-122

#### **4. Demographic and Economic Information**

These schedules present various demographic and economic indicators for the reader to understand the environment within the City that affect the City's financial statements.

Demographic and Economic Statistics	123
Principal Employers	124*



# City of Grosse Pointe Woods, Michigan

## Statistical and Continuing Disclosure Contents (Continued)

### 5. Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Full-time Equivalent Government Employees by Function	125
Operating Indicators by Function	126-127
Capital Asset Statistics by Function	128

### Continuing Disclosure

Continuing disclosure information contained herein complies with Rule 15c2-12, a federal regulation promulgated by the Securities and Exchange Commission, designed to improve disclosure practices in the municipal bond market. Municipal bonds issued after July 3, 1995 are subject to this mandatory requirement.

Continuing disclosure requires certain annual financial information and operating data, including audited financial statements for the preceding fiscal year. This information is generally consistent with the information contained or cross-referenced in the official statement relating to the bonds.

State-shared Revenue	129
Gas and Weight Taxes	130
Labor Agreements	131
Water and Sewer Customers and Consumption	132
Historical Net Earnings, Cash Flow, and Debt Service Coverage	133
Water Usage and Revenue of the Ten Largest Customers	134
Metered Water Rates	135

\* Indicates schedules included in statistical information that fulfill continuing disclosure requirements

# City of Grosse Pointe Woods, Michigan

## Financial Trend Information Net Position by Component Last Ten Fiscal Years (Accrual Basis of Accounting) (Unaudited)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 12,611,930	\$ 16,543,166	\$ 19,660,463	\$ 24,238,535	\$ 25,835,044	\$ 26,744,399	\$ 26,918,168	\$ 26,908,007	\$ 27,096,926	\$26,303,935
Restricted	6,368,884	4,540,093	1,935,523	2,018,840	782,422	727,050	772,268	923,644	924,572	835,294
Unrestricted	4,080,522	4,804,341	5,897,053	4,549,297	1,596,786	64,083	(2,595,090)	(4,608,002)	(6,341,023)	(7,745,764)
Total net position	\$ 23,061,336	\$ 25,887,600	\$ 27,493,039	\$ 30,806,672	\$ 28,214,252	\$ 27,535,532	\$ 25,095,346	\$ 23,223,649	\$ 21,680,475	\$ 19,393,465
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 16,548,499	\$ 17,634,292	\$ 17,640,281	\$ 18,626,103	\$ 18,921,503	\$ 18,573,221	\$ 18,345,231	\$ 18,585,076	\$ 18,451,087	\$ 18,458,605
Restricted	-	-	453,789	453,789	453,789	453,789	425,500	397,500	349,500	319,000
Unrestricted	2,298,649	1,434,870	1,524,686	1,484,347	1,191,484	1,802,604	2,461,914	3,213,270	4,232,956	5,465,819
Total net position	\$ 18,847,148	\$ 19,069,162	\$ 19,618,756	\$ 20,564,239	\$ 20,566,776	\$ 20,829,614	\$ 21,232,645	\$ 22,195,846	\$ 23,033,543	\$ 24,243,424
<b>Primary Government in Total</b>										
Net investment in capital assets	\$ 29,160,429	\$ 34,177,458	\$ 37,300,744	\$ 42,864,638	\$ 44,756,547	\$ 45,317,620	\$ 45,263,399	\$ 45,493,083	\$ 45,548,013	\$ 44,762,540
Restricted	6,368,884	4,540,093	2,389,312	2,472,629	1,236,211	1,180,839	1,197,768	1,321,144	1,274,072	1,154,294
Unrestricted	6,379,171	6,239,211	7,421,739	6,033,644	2,788,270	1,866,687	(133,176)	(1,394,732)	(2,108,067)	(2,279,945)
Total net position	\$ 41,908,484	\$ 44,956,762	\$ 47,111,795	\$ 51,370,911	\$ 48,781,028	\$ 48,365,146	\$ 46,327,991	\$ 45,419,495	\$ 44,714,018	\$ 43,636,889

Source: City annual financial statements



# City of Grosse Pointe Woods, Michigan

## Financial Trend Information Changes in Governmental Activities, Business-type Activities, and Primary Government Net Position Last Ten Fiscal Years (Accrual Basis of Accounting) (Unaudited)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental activities:										
General government	\$ 3,517,801	\$ 2,252,445	\$ 2,330,401	\$ 2,924,641	\$ 4,609,178	\$ 3,042,077	\$ 3,422,593	\$ 3,092,280	\$ 3,207,643	\$ 3,130,925
Public Safety	5,445,354	5,426,841	6,506,973	5,990,280	7,525,431	7,899,396	7,912,560	7,153,532	6,869,020	6,553,852
Public Works	3,401,183	4,777,246	4,346,770	4,128,878	5,027,700	5,215,575	5,655,876	6,016,942	5,841,495	6,091,819
Solid Waste	1,460,884	1,352,824	1,390,686	1,473,425	1,366,272	1,315,293	1,087,987	1,121,417	1,152,236	1,150,743
Municipal improvement	44,676	30,127	196,696	270,819	386,989	59,724	130,849	191,180	63,982	307,290
Recreation and culture	1,872,760	2,014,389	2,386,985	2,040,528	2,370,954	2,181,206	1,967,708	1,717,327	1,827,426	1,554,898
Interest on long-term debt	283,417	271,234	207,182	238,813	153,736	113,653	72,814	40,214	17,369	830,255
Total governmental activities expenses	16,026,075	16,125,106	17,365,693	17,067,384	21,440,260	19,826,924	20,250,387	19,332,892	18,979,171	19,619,782
Business-type activities:										
Water/Sewer	4,660,181	4,848,148	5,096,980	5,230,033	5,239,746	4,853,312	5,044,337	5,059,715	5,432,429	5,420,387
Parking	375,660	331,892	325,058	293,746	316,991	241,562	198,866	237,150	207,597	195,791
Boat dock	235,846	277,276	144,289	146,403	121,541	85,257	73,870	74,172	69,894	97,519
Commodity sales	84,762	186,296	52,789	46,518	45,185	68,571	30,689	26,018	40,085	-
Total business-type activities expenses	5,356,449	5,643,612	5,619,116	5,716,700	5,723,463	5,248,702	5,347,762	5,397,055	5,750,005	5,713,697
Total primary government expenses	21,382,524	21,768,718	22,984,809	22,784,084	27,163,723	25,075,626	25,598,149	24,729,947	24,729,176	25,333,479
<b>Program Revenue</b>										
Governmental activities:										
Charges for services:										
Municipal court	717,903	876,197	768,596	805,958	831,454	894,768	774,390	909,241	667,782	593,962
Building inspections and related	154,376	276,150	-	-	-	-	-	-	-	-
Recreation and culture	135,335	150,630	158,763	-	-	69,507	102,037	120,304	119,399	107,161
Other activities	1,743,905	1,326,003	509,323	872,235	675,914	826,085	435,796	541,545	639,214	614,984
Operating grants and contributions	81,447	41,464	1,011,171	943,139	908,512	873,343	886,569	907,211	912,762	943,540
Total governmental activities program revenue	2,832,966	2,670,444	2,447,853	2,621,332	2,415,880	2,663,703	2,198,792	2,478,301	2,339,157	2,259,647
Business-type Activities										
Charges for services:										
Water/Sewer	4,523,148	4,558,523	4,696,657	4,594,730	4,878,913	4,856,083	5,405,036	5,976,950	6,144,410	6,339,551
Parking	348,865	336,895	266,067	293,453	242,765	221,657	201,166	193,812	301,696	292,825
Boat dock	169,621	173,153	164,601	162,468	146,872	141,338	132,715	130,778	129,805	126,052
Commodity sales	81,683	-	-	-	48,410	45,560	40,225	40,918	37,922	34,214
Capital grants and contributions	-	-	125,373	731,943	146,962	-	-	-	-	-
Total business-type program revenue	5,123,317	5,068,571	5,252,698	5,782,594	5,463,922	5,264,638	5,779,142	6,342,458	6,613,833	6,792,642
Total primary government program revenue	7,956,283	7,739,015	7,700,551	8,403,926	7,879,802	7,928,341	7,977,934	8,820,759	8,952,990	9,052,289
<b>Net (Expense) Revenue</b>										
Governmental activities	(13,193,109)	(13,454,662)	(14,917,840)	(14,446,052)	(19,024,380)	(17,163,221)	(18,051,595)	(16,854,591)	(16,640,014)	(17,360,135)
Business-type activities	(233,132)	(575,041)	(366,418)	65,894	(259,541)	15,936	431,380	945,403	863,828	1,078,945
Total primary government net expense	\$ (13,426,241)	\$ (14,029,703)	\$ (15,284,258)	\$ (14,380,158)	\$ (19,283,921)	\$ (17,147,285)	\$ (17,620,215)	\$ (15,909,188)	\$ (15,776,186)	\$ (16,281,190)

Source: City annual financial statements

# City of Grosse Pointe Woods, Michigan

## Financial Trend Information Changes in Governmental Activities, Business-type Activities, and Primary Government Net Position Last Ten Fiscal Years (Continued) (Accrual Basis of Accounting) (Unaudited)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Revenue</b>										
Governmental activities:										
Property taxes	\$ 12,742,873	\$ 14,083,603	\$ 15,181,945	\$ 15,551,944	\$ 14,468,721	\$ 15,002,660	\$ 13,536,960	\$ 12,817,647	\$ 12,869,618	\$ 12,971,861
State-shared revenue	2,594,918	2,608,124	1,682,742	1,667,431	1,645,722	1,391,898	1,420,431	1,482,102	1,500,662	1,521,267
Investment earnings	219,518	246,448	238,139	733,693	153,512	44,655	63,272	63,694	27,817	46,301
Donations	139,312	97,251	-	-	-	-	-	-	-	-
Franchise fees	-	-	230,453	238,054	271,953	295,688	320,426	262,837	380,964	340,268
Other	-	-	-	-	-	-	234,820	368,060	287,779	301,260
Transfers	(754,000)	(754,500)	(810,000)	(802,000)	(218,060)	(250,400)	35,500	(11,446)	30,000	(107,832)
Total governmental activities	14,942,621	16,280,926	16,523,279	17,389,122	16,321,848	16,484,501	15,611,409	14,982,894	15,096,840	15,073,125
Business-type activities:										
Unrestricted investment earnings	24,480	42,555	106,012	79,589	21,534	11,960	7,151	6,352	3,869	21,104
Other	-	-	-	-	-	-	-	-	-	2,000
Transfers	754,000	754,500	810,000	802,000	218,060	250,400	(35,500)	11,446	(30,000)	107,832
Total business-type activities	778,480	797,055	916,012	881,589	239,594	262,360	(28,349)	17,798	(26,131)	130,936
Total primary government	15,721,101	17,077,981	17,439,291	18,270,711	16,561,442	16,746,861	15,583,060	15,000,692	15,070,709	15,204,061
<b>Change in Net Position</b>										
Governmental activities	1,749,512	2,826,264	1,605,439	2,943,070	(2,702,532)	(678,720)	(2,440,186)	(1,871,697)	(1,543,174)	(2,287,010)
Business-type activities	545,348	222,014	549,594	947,483	(19,947)	278,296	403,031	963,201	837,697	1,209,881
Total primary government	\$ 2,294,860	\$ 3,048,278	\$ 2,155,033	\$ 3,890,553	\$ (2,722,479)	\$ (400,424)	\$ (2,037,155)	\$ (908,496)	\$ (705,477)	\$ (1,077,129)

Source: City annual financial statements



# City of Grosse Pointe Woods, Michigan

	Fiscal Year				
	2005	2006	2007	2008	2009
<b>General Fund</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 37,750
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Unreserved:					
Designated	-	-	500,000	673,600	-
Undesignated	4,889,093	4,674,366	2,862,514	2,367,734	2,311,090
<b>Total General Fund</b>	<b>4,889,093</b>	<b>4,674,366</b>	<b>3,362,514</b>	<b>3,041,334</b>	<b>2,348,840</b>
<b>All Other Governmental Funds</b>					
Designated:					
Special Revenue Funds	-	-	317,247	77,609	247,647
Capital Project Funds	-	-	35,000	19,060	63,850
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Committed	-	-	-	-	-
Reserved	4,113,798	4,040,089	-	-	-
Unreserved, reported in:					
Special Revenue Funds	1,317,011	674,931	3,395,765	2,390,161	1,223,726
Capital Project Funds	138,075	-	50,033	210,272	167,083
Debt Service Funds	-	-	970,061	1,176,240	1,180,314
<b>Total General Fund and all other governmental funds</b>	<b>\$ 10,457,977</b>	<b>\$ 9,389,386</b>	<b>\$ 8,130,620</b>	<b>\$ 6,914,676</b>	<b>\$ 5,231,460</b>

Source: City annual financial statements

\* Fund balance classifications were changed as a result of implementation of GASB No. 54.

**Financial Trend Information**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

Fiscal Year				
2010	2011*	2012*	2013*	2014*
\$ 99,767	\$ 6,111	\$ 4,325	\$ 121,380	\$ 138,757
-	125,329	143,811	207,961	317,432
-	949,395	1,198,046	1,751,490	953,821
-	3,896,333	3,853,739	3,435,761	3,754,923
-	-	-	-	-
3,205,975	-	-	-	-
3,305,742	4,977,168	5,199,921	5,516,592	5,164,933
320,417	-	-	-	-
-	-	-	-	-
-	-	19,390	-	17,002
-	765,921	905,950	924,572	829,037
-	447,234	313,424	375,123	1,152,784
-	-	14,850	17,750	33,500
-	-	-	-	-
1,124,603	-	-	-	-
116,162	-	-	-	-
763,214	-	-	-	-
<u>\$ 5,630,138</u>	<u>\$ 6,190,323</u>	<u>\$ 6,453,535</u>	<u>\$ 6,834,037</u>	<u>\$ 7,197,256</u>



# City of Grosse Pointe Woods, Michigan

	Fiscal Year			
	2005	2006	2007	2008
<b>Revenue</b>				
Property taxes	\$ 12,742,873	\$ 14,083,603	\$ 14,727,101	\$ 15,082,641
State and local sources	2,594,914	2,608,124	2,565,900	2,481,832
Intergovernmental taxes	-	-	-	-
Delinquent interest and collection fee income	306,283	325,632	350,413	395,910
Federal financial assistance	81,447	41,464	20,564	-
Other revenue	2,445,239	2,303,348	1,929,902	2,193,987
Investment income	219,518	246,448	238,678	731,478
Donations	139,312	97,251	-	-
<b>Total revenue</b>	<b>18,529,586</b>	<b>19,705,870</b>	<b>19,832,558</b>	<b>20,885,848</b>
<b>Expenditures</b>				
Current:				
General government	2,253,072	2,342,482	3,013,153	3,749,368
Public safety	4,988,001	5,408,713	5,042,765	4,717,501
Public works	816,472	875,237	906,530	964,247
Recreation and culture	1,635,410	1,750,909	2,936,496	1,686,488
Miscellaneous	7,307,338	7,526,139	7,800,076	7,197,683
Capital outlay	283,238	393,476	196,696	270,819
Debt administration:				
Principal	3,867,764	1,406,272	1,458,497	2,823,747
Interest	-	271,234	252,109	260,502
<b>Total expenditures</b>	<b>21,151,295</b>	<b>19,974,462</b>	<b>21,606,322</b>	<b>21,670,355</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>(2,621,709)</b>	<b>(268,592)</b>	<b>(1,773,764)</b>	<b>(784,507)</b>
<b>Other Financing Sources (Uses)</b>				
Debt issuance / proceeds from sale of cap assets	-	-	1,325,000	-
Transfers in	3,461,977	4,102,869	5,091,500	3,170,034
Transfers out	(4,225,940)	(4,902,869)	(5,901,500)	(3,972,034)
<b>Total other financing sources (uses)</b>	<b>(763,963)</b>	<b>(800,000)</b>	<b>515,000</b>	<b>(802,000)</b>
<b>Net Change in Fund Balances</b>	<b>(3,385,672)</b>	<b>(1,068,592)</b>	<b>(1,258,764)</b>	<b>(1,586,507)</b>
<b>Fund Balances - Beginning of year (as restated)</b>	<b>13,843,648</b>	<b>10,457,976</b>	<b>9,389,384</b>	<b>8,501,183 *</b>
<b>Fund Balances - End of year</b>	<b>\$ 10,457,976</b>	<b>\$ 9,389,384</b>	<b>\$ 8,130,620</b>	<b>\$ 6,914,676</b>
Debt service as a percentage of noncapital expenditures	18.53%	8.57%	7.99%	14.41%

\* Beginning fund balance for fiscal years 2008 and 2009 was restated. See Note I for details.

Source: City annual financial statements  
Govt Funds: stmt rev, exp & chgs in FB

**Financial Trend Information**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

Fiscal Year						
2009	2010	2011	2012	2013	2014	
\$ 14,093,330	\$ 14,471,027	\$ 13,525,921	\$ 12,816,628	\$ 12,868,677	\$ 12,971,026	
2,382,912	2,197,887	2,209,151	2,220,847	2,263,244	2,328,022	
-	-	-	-	-	-	
293,797	511,840	-	-	-	-	
31,646	11,090	8,083	7,621	6,800	6,483	
1,986,433	2,153,729	1,968,095	2,363,851	2,166,176	2,088,772	
143,074	43,829	54,524	54,762	21,988	34,791	
-	-	-	-	-	-	
18,931,192	19,389,402	17,765,774	17,463,709	17,326,885	17,429,094	
3,764,577	2,580,898	2,728,228	2,726,596	2,884,058	2,773,796	
4,866,702	5,640,372	6,067,173	5,723,312	5,453,295	5,480,645	
887,819	950,521	5,618,581	5,824,444	5,905,623	6,202,883	
1,784,052	1,682,472	1,581,537	1,353,885	1,421,895	1,337,255	
5,467,476	5,529,332	-	-	-	-	
1,526,933	677,778	247,983	209,044	124,082	334,617	
1,552,022	1,539,247	1,152,522	1,185,797	1,173,754	828,847	
157,014	117,379	72,597	43,949	14,676	-	
20,006,595	18,717,999	17,468,621	17,067,027	16,977,383	16,958,043	
(1,075,403)	671,403	297,153	396,682	349,502	471,051	
-	-	-	500	1,000	-	
2,325,500	1,753,164	1,525,287	1,012,880	385,501	660,919	
(3,031,190)	(2,038,124)	(1,384,779)	(1,024,326)	(355,501)	(768,751)	
(705,690)	(284,960)	140,508	(10,946)	31,000	(107,832)	
(1,781,093)	386,443	437,661	385,736	380,502	363,219	
7,024,788	5,243,695	5,630,138	6,067,799	6,453,535	6,834,037	
<b>\$ 5,243,695</b>	<b>\$ 5,630,138</b>	<b>\$ 6,067,799</b>	<b>\$ 6,453,535</b>	<b>\$ 6,834,037</b>	<b>\$ 7,197,256</b>	
9.25%	9.18%	7.54%	7.76%	7.53%	5.14%	



## City of Grosse Pointe Woods, Michigan

### Revenue Capacity Information General Governmental Revenue History Last Ten Fiscal Years (Unaudited)

Fiscal Year	General Property Taxes	Inter-governmental Revenue	Licenses and Permits	Federal Financial Assistance	Charges for Services	Interest and Miscellaneous	Total Revenue
2005	\$ 12,742,873	\$ 2,594,914	\$ 306,283	\$ 81,447	\$ 2,445,239	\$ 358,830	\$ 18,529,586
2006	14,083,603	2,608,124	325,632	41,464	2,303,348	343,699	19,705,870
2007	14,727,101	2,565,900	350,413	20,564	1,929,902	238,678	19,832,558
2008	15,082,641	2,481,832	395,910	-	2,193,987	731,478	20,885,848
2009	14,093,330	2,382,912	293,797	31,646	1,986,433	143,074	18,931,192
2010	14,471,027	2,197,887	511,840	11,090	2,153,729	43,829	19,389,402
2011	13,525,921	2,217,234	609,115	-	108,795	1,304,709	17,765,774
2012	12,816,628	2,220,847	647,537	7,621	124,203	1,646,873	17,463,709
2013	12,868,677	2,263,244	875,743	6,800	121,379	1,191,042	17,326,885
2014	12,971,026	2,328,022	847,839	6,483	114,559	1,161,165	17,429,094

Source: City annual financial statements

# City of Grosse Pointe Woods, Michigan

## Revenue Capacity Information Property Tax Levies and Collections Ten-year Comparison (Unaudited)

Fiscal Year Ended June 30	Property Tax Levy	Current Tax Collections (1)	Percent Collected Current	Delinquent Tax Collections by Levy Year (2)	Total Tax Collections	Percent of Total Collections to Levy
2005	\$ 12,740,052	\$ 12,423,359	97.51	\$ 274,573	\$ 12,697,932	99.67
2006	14,033,157	13,660,396	97.34	323,441	13,983,837	99.65
2007	14,443,049	13,923,377	96.40	316,822	14,240,199	98.60
2008	14,931,695	14,474,262	96.94	446,046	14,920,308	99.92
2009	14,249,802	13,789,085	96.77	460,717	14,249,802	100.00
2010	14,465,586	13,993,400	96.74	472,187	14,465,587	100.00
2011	12,964,347	12,565,830	96.93	398,518	12,964,347	100.00
2012	12,178,436	11,860,159	97.39	318,277	12,178,436	100.00
2013	11,994,577	11,722,371	97.73	272,206	11,994,577	100.00
2014	12,364,679	12,083,808	97.73	280,870	12,364,679	100.00

(1) Figure includes delinquent taxes turned over to Wayne County for collections on March 1 of each year.

(2) Prior to 2004, the amount reported is adjusted for delinquent taxes collected for that year during subsequent years.

(3) Includes Drain Levy

Source: Comptroller's Office



# City of Grosse Pointe Woods, Michigan

## Revenue Capacity Information Assessed Value and Actual Value of Taxable Property Last Ten Years

Taxable Value by Property Type (1)								
Real Property								
Tax Year	Residential	Commercial	Industrial	Personal	Total Value	Tax Rate (Mills)	Estimated Actual Value	Taxable Value as a Percent of Total
2005	\$ 943,491,400	\$ 65,834,100	\$ 110,100	\$ 19,677,000	\$ 1,029,112,600	17.2597	\$ 2,058,225,200	50.00%
2006	767,561,190	55,621,330	89,670	15,270,200	838,542,390	17.2368	2,045,984,860	40.98%
2007	791,370,826	59,280,398	92,987	16,723,700	867,467,911	17.2368	2,054,582,340	42.22%
2008	772,678,570	61,718,263	95,125	14,187,800	848,679,758	16.7917	1,851,127,312	45.85%
2009	703,687,882	63,418,163	99,310	13,775,117	780,980,472	18.5417	1,561,960,944	50.00%
2010	622,799,835	61,345,908	99,012	15,022,091	699,266,846	18.5417	1,398,533,692	50.00%
2011	539,673,504	63,125,634	100,695	14,263,900	617,163,733	19.7082	1,234,327,466	50.00%
2012	523,811,319	64,481,399	103,413	15,534,000	603,930,131	20.4542	1,207,860,262	50.00%
2013	523,323,200	62,355,800	105,800	15,577,600	601,362,400	20.6834	1,202,724,800	50.00%
2014	534,100,330	71,785,000	107,400	12,500,000	618,492,730	18.8883	1,236,985,460	50.00%

(1) Under Michigan law, the revenue base is referred to as "taxable value." This amount represents assessed value (50% of true cash value), limited for each property by the lower of 5% or inflation.

Taxes levied in a particular "tax year" become revenue in the subsequent fiscal year.

Source: Comptroller's Office

# City of Grosse Pointe Woods, Michigan

Millage Rates - Direct City Taxes (1)						Overlapping Taxes		
Tax Year	General Operating	Voted EMS	Voted Park Bond	Statutory Solid Waste	Ch 20/21 Milk River Drain	Total Direct Taxes	County	H.C.M.A.
2005	10.2108	0.3690	0.5656	1.8443	4.2700	17.2597	8.4200	0.2146
2006	10.1847	0.3578	0.5665	1.8807	4.2471	17.2368	8.4120	0.2146
2007	10.1847	0.3578	0.5665	1.8807	4.2471	17.2958	8.4120	0.2146
2008	10.1847	0.3578	0.5665	1.8807	3.9986	17.0473	8.5120	0.2146
2009	11.2957	0.3578	0.5665	1.8807	2.6320	16.7917	8.5120	0.2146
2010	12.5012	0.3578	0.5665	1.8807	3.8050	19.1702	8.5120	0.2146
2011	13.0012	0.3578	-	1.8807	4.4685	19.7082	8.5120	0.2146
2012	13.5432	0.3578	-	2.0251	4.5281	20.4542	8.7120	0.2146
2013	13.5212	0.5280	-	2.0251	4.5281	20.6024	8.7120	0.2146
2014	14.1063	-	-	2.0251	2.7340	18.8654	8.7120	0.2146

(1) Includes general operating, public safety, recreation, and culture

(2) Previously termed homestead and nonhomestead

(3) 2010 Wayne County millage estimate at 2009 numbers, since no new information available

Note: Michigan law restricts the maximum millage that may be levied by the City without a vote of our residents as follows:

2006	15.0469	0.4476	0.6100	2.6859	n/a
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Source: Comptroller's office

\* 2014 Wayne County millage estimate at 2013 numbers, since no new information available on 9/30/14--WC rates avail in Nov



**Revenue Capacity Information**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Years**

Overlapping Taxes					Total Tax Rate (2)	
Community College	Grosse Pointe Library	Intermediate School District	School District Principal	School District Nonprincipal	Principal	Non-principal
2.4769	1.5000	3.4643	14.5498	26.2851	47.8853	59.6206
2.4769	1.5413	3.4643	14.5498	26.2851	47.8957	59.6310
2.4769	1.5412	3.4643	14.5498	26.2851	47.9546	59.6899
2.4769	1.5412	3.4643	14.0165	26.2499	47.2728	59.5062
2.4769	1.5412	3.4643	14.2900	26.3496	47.2907	59.3503
2.4769	1.5412	3.4643	14.2900	26.3496	49.6692	61.7288
2.2408	1.5412	3.4643	15.5790	26.6750	51.2601	62.3561
2.2408	2.0012	3.4643	16.0882	26.7587	53.1753	63.8458
3.2408	2.0412	3.4643	16.0890	26.7852	54.3643	65.0605
3.2408	2.0412	3.4643	15.9166	26.7550	52.4549	63.2933

# City of Grosse Pointe Woods, Michigan

## Revenue Capacity Information Principal Property Taxpayers (Major Taxpayers) Current Year and Nine Years Ago

Taxpayer	Type of Business	2014 Taxable Value	Percentage of Total City Value	2004 Taxable Value	2014 Percentage of Total
1 Rivers GP Development LLC	Assisted Living	\$ 13,872,000	0.02	N/A	0.0000
2 Health Care Reit Inc	Assisted Living	7,507,500	0.01	N/A	0.0000
3 Pointe Plaza	Office Bldg	4,729,500	0.01	\$ 3,915,380	0.0052
4 Detroit Edison	Utility	3,302,800	0.01	3,854,650	0.0052
5 Michigan Cons. Gas Co.	Utility	2,539,000	0.00	2,696,430	0.0036
6 Comerica	Bank	1,926,500	0.00	2,541,190	0.0034
7 Lochmoor Club	Private Club	1,753,700	0.00	4,416,220	0.0059
8 A H Peters Funeral Home	Mortuary	1,655,900	0.00	1,188,850	0.0016
9 GP Hunt Club	Private Club	1,417,000	0.00	1,248,430	0.0017
10 Kroger Co. of Mich.	Grocery	1,194,500	0.00	3,024,120	0.0040
Total		<u>\$ 39,898,400</u>	<u>0.065</u>	<u>\$ 22,885,270</u>	<u>0.0306</u>
Total City Taxable Value		<u>\$ 618,492,730</u>		<u>\$ 747,319,492</u>	

(i) A complete rank of top ten taxpayers in 1999 is unavailable

Source: City of Grosse Pointe Woods Assessing Department records



# City of Grosse Pointe Woods, Michigan

	2005	2006	2007	2008	2009
<b>Governmental Activities</b>					
General obligation bonds (GOB)	\$ 2,155,000	\$ 1,750,000	\$ 1,320,000	\$ 880,000	\$ 420,000
GOB installment note	-	-	1,325,000	-	-
GOB contract - Wayne County Drain	8,860,199	7,858,927	6,830,430	5,771,683	4,679,661
Total	11,015,199	9,608,927	9,475,430	6,651,683	5,099,661
<b>Business-type Activities</b>					
Installment purchase agreements	-	-	-	-	-
2010 DWRP Bonds	-	-	-	-	-
2012 SRF Bonds	-	-	-	-	-
Revenue bonds	5,705,000	5,510,000	5,300,000	5,050,000	4,795,000
Total	5,705,000	5,510,000	5,300,000	5,050,000	4,795,000
Total debt of the government	<u>\$ 16,720,199</u>	<u>\$ 15,118,927</u>	<u>\$ 14,775,430</u>	<u>\$ 11,701,683</u>	<u>\$ 9,894,661</u>
Total taxable value (1)	\$ 813,304,250	\$ 838,542,390	\$ 867,467,911	\$ 847,756,558	\$ 780,980,472
Ratio of total debt to taxable value	2.06%	1.80%	1.70%	1.38%	1.27%
Total population	17,080	17,080	17,080	17,080	17,080
Total debt per capita	\$ 979	\$ 885	\$ 865	\$ 685	\$ 579

(1) Personal income is not available

Source: City annual financial statements; population data reported from demographics schedule

**Debt Capacity Information  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

2010	2011	2012	2013	2014
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
3,560,414	2,407,892	1,222,095	-	-
3,560,414	2,407,892	1,222,095	-	-
-	-	-	-	-
1,976,488	2,723,141	4,195,364	5,170,410	4,951,798
			667,763	2,485,726
4,530,000	4,255,000	3,975,000	3,975,000	3,190,000
6,506,488	6,978,141	8,170,364	9,813,173	10,627,524
<b>\$ 10,066,902</b>	<b>\$ 9,386,033</b>	<b>\$ 9,392,459</b>	<b>\$ 9,813,173</b>	<b>\$ 10,627,524</b>
\$ 699,266,846	\$ 617,163,733	\$ 603,930,131	\$ 601,362,400	\$ 618,492,730
1.44%	1.52%	1.56%	1.63%	1.72%
17,080	16,135	16,135	16,135	16,135
\$ 589	\$ 582	\$ 582	\$ 608	\$ 659



# City of Grosse Pointe Woods, Michigan

## Debt Capacity Information Pledged-revenue Coverage Last Ten Fiscal Years

### Debt Service Requirements (3)

Fiscal Years Ended June 30	Gross Revenue (1)	Applicable Expenses (2)	Net Revenue	Principal	Interest	Total	Coverage
2005	\$ 4,523,148	\$ 4,463,250	\$ 59,898	\$ 205,000	\$ 196,933	\$ 401,933	0.15 (4)
2006	4,558,523	4,255,169	303,354	195,000	186,296	381,296	0.80 (4)
2007	4,696,657	4,310,669	385,988	210,000	172,524	382,524	1.01
2008	4,594,730	4,430,308	164,422	-	170,079	170,079	0.97 (4)
2009	4,878,913	4,414,039	464,874	-	164,167	164,167	2.83
2010	4,856,083	4,031,251	824,832	265,000	160,115	425,115	1.94
2011	5,405,036	4,164,564	1,240,472	275,000	151,741	426,741	2.91
2012	5,976,950	4,116,499	1,860,451	370,000	223,209	593,209	3.14
2013	6,144,410	5,168,865	975,545	290,000	135,279	425,279	2.29
2014	6,311,280	5,029,027	1,282,253	305,000	92,188	397,188	3.23

#### Notes

- (1) Exclusive of nonoperating revenue
- (2) Exclusive of depreciation charges and nonoperating expenditures
- (3) Includes principal and interest of revenue bonds only
- (4) The Water/Sewer Fund had operating transfers in from other funds in an amount which would cover the debt service requirement.

Source: CAFR, Statement of changes in revenue, expenditures and net position, Proprietary Funds

# City of Grosse Pointe Woods, Michigan

## Debt Capacity Information Ratios of General Bonded Debt Outstanding Last Ten Years

Fiscal Years Ended June 30	Population Per Federal Census	Adjusted Taxable Equalized Valuation	General Obligation Bonds Outstanding	Percent Debt to Assessed Value	Debt Per Capita
2005	17,080	\$ 813,304,250	\$ 11,015,199	1.35%	\$ 645
2006	17,080	838,542,390	9,608,927	1.15%	563
2007	17,080	867,467,911	9,475,430	1.09%	555
2008	17,080	847,756,558	6,651,683	0.78%	389
2009	17,080	780,980,472	5,099,661	0.65%	299
2010	17,080	699,266,846	3,560,414	0.51%	208
2011	16,135 (1)	617,163,733	2,407,892	0.39%	149
2012	16,135	603,930,131	1,222,095	0.20%	76
2013	16,135	601,362,400	-	0.00%	-
2014	16,135	618,492,730	-	0.00%	-

Source: Comptroller's Office

(1) Based upon 2010 federal census



## City of Grosse Pointe Woods, Michigan

### Debt Capacity Information Direct and Overlapping Debt June 30, 2014

	Debt Outstanding	Percent Applicable to City	Estimated Share of Overlapping Debt
Direct debt, general obligation debt	\$ 10,627,524	100.00	\$ 10,627,524
Overlapping debt:			
Grosse Pointe Public Library	13,365,000	24.13	3,224,975
Grosse Pointe Public Schools	43,785,000	24.13	10,565,321
County of Wayne Building Authority and Debt Fund	341,632,130	1.51	5,158,645
Wayne County Community College	-	2.42	-
Total overlapping debt	398,782,130		18,948,940
Total direct and overlapping debt	<b>\$ 409,409,654</b>		<b>\$ 29,576,464</b>

Source: Municipal Advisory Council of Michigan

# City of Grosse Pointe Woods, Michigan

	2005	2006	2007	2008
<b>Calculation of Debt Limit (1)</b>				
Taxable valuation	\$ 778,377,290	\$ 813,304,250	\$ 867,467,911	\$ 847,756,558
Debt limit (10% of equalized value)	77,837,729	81,330,425	86,746,791	84,775,656
<b>Calculation of Debt Subject to Limit</b>				
Total debt	16,720,199	15,118,927	14,775,430	11,701,684
<b>Less Debt Not Subject to Charter Limitations</b>				
Michigan Transportation Fund Bonds	-	-	-	-
Water and Sewer Revenue Bonds 1993	405,000	210,000	-	-
Grosse-Gratiot Drain/Milk River Debt	8,860,199	7,858,927	6,830,430	5,771,684
Water/Sewer Installment Note	-	-	-	-
2010 DWRF Bonds	-	-	-	-
2012 SRF Bonds	-	-	-	-
Water/Sewer Revenue Bonds 2003	5,300,000	5,300,000	5,300,000	5,050,000
Total debt not subject to Charter limitations	14,565,199	13,368,927	12,130,430	10,821,684
Total net debt (2)	2,155,000	1,750,000	2,645,000	880,000
Legal debt margin	<u>\$ 75,682,729</u>	<u>\$ 79,580,425</u>	<u>\$ 84,101,791</u>	<u>\$ 83,895,656</u>
Net debt subject to limit as percentage of debt limit	2.85%	2.20%	3.14%	1.05%

(1) The legal debt limit continues to be derived from state equalized value (SEV), not Taxable Value (TV).

(2) Amount does not include water and sewer and County contractual obligations.

Source: Comptroller's Office



**Debt Capacity Information**  
**Legal Debt Margin**  
**Last Ten Fiscal Years**

2009	2010	2011	2012	2013	2014
\$ 780,980,472	\$ 699,266,846	\$ 617,163,733	\$ 603,930,131	\$ 601,362,400	\$ 618,492,730
78,098,047	69,926,685	61,716,373	61,716,373	62,331,330	62,331,330
9,894,661	10,280,414	9,386,033	9,392,459	9,333,173	10,627,524
-	-	-	-	-	-
-	-	-	-	-	-
4,679,661	3,560,414	2,407,892	1,222,097	-	-
-	-	-	-	-	-
-	1,976,488	2,723,141	4,195,364	5,170,410	4,951,798
				667,763	2,485,726
4,795,000	4,530,000	4,255,000	3,975,000	3,495,000	3,190,000
9,474,661	10,066,902	9,386,033	9,392,461	9,333,173	10,627,524
420,000	213,512	-	(2)	-	-
<b>\$ 77,678,047</b>	<b>\$ 69,713,173</b>	<b>\$ 61,716,373</b>	<b>\$ 61,716,375</b>	<b>\$ 62,331,330</b>	<b>\$ 62,331,330</b>
0.54%	0.31%	0.00%	0.00%	0.00%	0.00%

# City of Grosse Pointe Woods, Michigan

## Demographic and Economic Information Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population		Personal Income (in thousands)	Estimated Number of Households	Per Capita Personal Income	Median Age	Unemployment Rate	School Enrollment
2005	17,080	(1)	(5)	(5)	\$ 44,720	(5)	1.74%	8,986
2006	17,080	(1)	(5)	(4)	46,151	(4)	3.26%	8,912
2007	17,080	(1)	(5)	6,420	(5)	(5)	4.60%	8,873
2008	17,080	(1)	(5)	(5)	(5)	(5)	9.30%	8,900 (3)
2009	17,080	(1)	(5)	(5)	(5)	(5)	14.10%	8,900 (3)
2010	17,080	(1)	(5)	(5)	(5)	(5)	14.10%	8,900 (3)
2011	16,135	(2)	(5)	6,396	(5)	(5)	12.70%	8,900 (3)
2012	16,135	(2)	(5)	6,416	(5)	(5)	11.40%	8,900 (3)
2013	16,135	(2)	(5)	6,819	(5)	(5)	11.40%	8,900 (3)
2014	16,135	(2)	(5)	6,819	(5)	(5)	11.40%	8,900 (3)

(1) 2000 population from U.S. Census

(2) 2010 population from U.S. Census

(3) Estimate

(4) 2005 Census Department - American Community Survey Data Profile Review

(5) Information not available



# City of Grosse Pointe Woods, Michigan

## Demographic and Economic Information Principal Employers

Taxpayer		Enterprise	2010 Employees	Percentage of Total Employment	2000 Employees	2004 Rank
1	GP Public School	School	384	10.63%	(1)	(1)
2	Van Elslander Center	Medical	250	6.92%	(1)	(1)
3	Kroger	Grocery	159	4.40%	(1)	(1)
4	Sunrise Assisted Living	Medical	140	3.87%	(1)	(1)
5	University of Liggett	School	128	3.54%	(1)	(1)
6	Great Lakes Cancer Mgt Specialist	Medical	103	2.85%	(1)	(1)
7	Lochmoor Club	Country Club	100	2.77%	(1)	(1)
8	St. John I.T. & Desktop Support	Medical Business	100	2.77%	(1)	(1)
9	Grosse Pointe Hunt Club	Private Club	80	2.21%	(1)	(1)
10	City of Grosse Pointe Woods	Municipal	79	2.19%	(1)	(1)

Total People Employed in City      2014      3,614

(1) Data from 2004 is not readily available

Source: City Business License Registry

# City of Grosse Pointe Woods, Michigan

## Operating Information Full-time Equivalent Government Employees by Function (1) Last Ten Fiscal Years

Department	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Percent of Total for 2014
Supervisor/Administrator	(2)	3	3	2	2	2	2	2	2	2	0.02
Assessing	(2)	2	2	2	2	1	1	1	1	1	0.01
Clerk's Office	(2)	3	3	3	3	3	3	3	3	3	0.04
Treasurer's Office	(2)	6	5	5	4	5	4	4	4	4	0.05
Municipal Court	(2)	3	3	3	3	3	3	3	3	3	0.04
Information Systems	(2)	2	2	2	2	2	2	2	2	2	0.02
Building	(2)	3	3	3	3	3	3	3	3	3	0.04
Parks and Recreation	(2)	4	4	4	3	2	2	2	2	2	0.02
Public Safety	(2)	52	54	54	52	50	44	43	42	39	0.48
Public Works	(2)	27	25	25	25	28	26	23	22	22	0.27
Total	-	<u>105</u>	<u>104</u>	<u>103</u>	<u>99</u>	<u>99</u>	<u>90</u>	<u>86</u>	<u>84</u>	<u>81</u>	<u>100.00</u>

(1) Full-time employees reported only; data is not available for equivalent part-time positions.

(2) Data not available

(3) PS includes EMT's since they were on payroll thru 6-30-14

Source: City personnel records



## City of Grosse Pointe Woods, Michigan

Function/Program	2005	2006	2007	2008
Public safety (calendar year Jan 1 - Dec 31):			(3)	
Police physical arrests	770	478	805	676
Police traffic violations	6,045	2,887	4,181	4,635
Fire runs	80	39	55	71
Fire actual fires	16	4	4	14
Fire basic ambulance runs	466	466	424	368
Fire Advance Life Support ambulance runs	263	169	328	356
Fire inspections	53	66	215	180
Parks and recreation (estimated):				
Recreation programs - Lake Front Park	338	428	406	426
Community center programs	22	24	24	40
Water:				
New connections (calendar year Jan 1 - Dec 31)	5	3	5	1
Water main breaks	(1)	(1)	(1)	36
Total consumption (billed to customers - HCF)- FY	920,271	1,006,841	874,908	932,395

(1) Information not available

(2) Information not applicable, as function reports operating indicators on a calendar year

(3) Information is reported on calendar year.

Source: City Departmental Operational Reports

**Operating Information**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

2009	2010	2011	2012	2013	2014
				(3)	(3)
727	486	507	357	374	(2)
5,106	3,146	3,182	1,986	1,883	(2)
53	56	62	139	242	(2)
12	17	12	15	14	(2)
474	543	753	715	523	(2)
328	359	403	362	361	(2)
183	77	144	78	104	(2)
415	392	362	359	267	261
41	41	53	42	67	57
-	0	0	0	1	16
19	20	22	28	35	34
804,221	750,096	791,987	746,113	813,574	724,717



# City of Grosse Pointe Woods, Michigan

## Operating Information Capital Asset Statistics by Function

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	8	8	8	8	8	8	8	8	8	8
Fire trucks	3	3	3	3	3	3	3	3	3	3
Ambulances	1	1	1	1	1	1	1	1	1	1
Parks and recreation:										
Acreage	92	92	92	92	92	92	92	92	92	92
Playgrounds	5	5	5	5	5	5	5	5	5	5
Soccer fields	2	2	2	2	2	2	2	2	2	2
Baseball/Softball diamonds	5	5	5	5	5	5	5	5	5	5
Water:										
Mains (miles)	60	60	63	63	63	63	63	63	63	63
Fire hydrants	603	603	606	603	603	603	603	603	603	608
Sewer - Miles of sanitary sewers	75	75	78	78	78	78	78	78	78	78

Source: Departmental annual reports

## City of Grosse Pointe Woods, Michigan

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### Continuing Disclosure State-shared Revenue Last Ten Fiscal Years

<u>Fiscal Years Ended</u>	<u>Modified Accrual and Accrual Basis of Accounting</u>
2005	\$ 1,655,968
2006	1,682,170
2007	1,570,567
2008	1,584,047
2009	1,514,040
2010	1,339,744
2011	1,452,878
2012	1,352,529
2013	1,363,026
2014	1,413,776

Source: Comptroller's office



## City of Grosse Pointe Woods, Michigan

### Continuing Disclosure Gas and Weight Taxes Last Ten Fiscal Years

Fiscal Years Ended June 30	Type of Street		Total Gas and Weight Tax (Act 51) Receipts
	Major	Local	
2005	\$ 665,770	\$ 273,506	\$ 939,276
2006	656,119	269,835	925,954
2007	700,767	288,920	989,687
2008	636,344	261,441	897,785
2009	612,785	251,769	864,554
2010	602,084	247,497	849,581
2011	610,993	251,206	862,199
2012	624,586	255,891	880,477
2013	629,291	257,655	886,946
2014	648,809	265,806	914,615

Source: Comptroller's Office

# City of Grosse Pointe Woods, Michigan

## Continuing Disclosure Labor Agreements June 30, 2014

Bargaining Unit	Expiration Date	June 30, 2014 Number of Employees
<b>Police Officers Association of Michigan</b> Represents police officers	6/30/2014	22
<b>Command Officers Association of Michigan</b> Represents police corporals, sergeants, and lieutenants	6/30/2014	7
<b>Police Officers Labor Council</b> Represents all paramedics/fire specialists and dispatchers	6/30/2014	7
<b>Technical, Professional and Office Workers Assn of MI TPOAM</b> Represents clerical, public works employees, building, and ordinance officers	6/30/2014	24
<b>Nonunion Employees (Full-time)</b>		
City Administrator	N/A	1
Confidential Secretary to City Administrator	N/A	1
City Assessor	N/A	1
Treasurer/Comptroller	N/A	1
Accounting Manager	N/A	1
Utility Billing Manager	N/A	1
City Clerk	N/A	1
Deputy City Clerk	N/A	1
Public Safety Director	N/A	1
Court Clerk	N/A	1
Deputy Court Clerk	N/A	1
Information Technology Manager	N/A	1
Information Systems Technician	N/A	1
Building Official	N/A	1
Director of Public Works	N/A	1
Assistant Director of PW	N/A	1
Foreman	N/A	1
Recreation Supervisor	N/A	1
Confidential Administrative Assistant	N/A	3
		<u>21</u>



## City of Grosse Pointe Woods, Michigan

### Continuing Disclosure Water and Sewer Customers and Consumption June 30, 2014

User Type	Number of Meters	Water Consumption Volume (100 cubic feet)	Percentage of Consumption
Residential	6,545	6,291	86.81%
Commercial	286	692	9.55%
Churches, schools, and government	26	264	3.64%
Total	<b>6,857</b>	<b>7,247</b>	<b>100%</b>

Source: Comptroller's Office

# City of Grosse Pointe Woods, Michigan

## Continuing Disclosure Historical Net Earnings, Cash Flow, and Debt Service Coverage June 30, 2014

Fiscal Years		Operating Expenses	Net	Other Non-	Annual	Annual Revenue	
Ended	Operating	Exclusive of	Operating	operating	Income	Debt Service	Annual
June 30	Expense	Depreciation	Income	Income (I)	Available for	Requirements	Coverage
			(Loss)		Debt Service		
2005	\$ 4,523,148	\$ 4,463,250	\$ 59,898	\$ 251,133	\$ 311,031	\$ 401,933	0.77
2006	4,558,523	4,255,169	303,354	504,551	807,905	381,296	2.12
2007	4,696,657	4,310,669	385,988	52,093	438,081	262,789	1.67
2008	4,594,730	4,430,308	164,422	26,241	190,663	420,079	0.45
2009	4,878,913	4,414,039	464,874	19,799	484,673	164,167	2.95
2010	4,856,083	4,031,251	824,832	10,393	835,225	425,115	1.96
2011	4,837,093	4,164,564	672,529	6,192	678,721	426,741	1.59
2012	4,827,454	4,116,499	711,046	5,335	716,381	593,209	1.21
2013	5,168,865	4,447,042	721,823	3,718	725,541	425,279	1.71
2014	5,029,027	4,248,572	780,455	16,430	796,885	397,188	2.01

(1) Nonoperating income except connection fees net of nonoperating expenses other than interest expense



# City of Grosse Pointe Woods, Michigan

## Continuing Disclosure Water Usage and Revenue of the Ten Largest Customers June 30, 2014

Customer	Usage in Dollars	Volume of Water Used (in 100 cubic feet)
Grosse Pointe Board of Education	\$ 80,539	8,450
Lochmoor Club	69,910	12,279
St John Hospital	36,960	6,321
Shorepointe Condos	32,391	5,718
Berkshire Condo Association	24,154	4,048
Sunrise Development	23,795	4,152
Kroger	19,454	3,465
Original Pancake House	17,049	3,730
ANK Enterprises	15,904	3,176
The Rivers Condo Assn	14,939	1,039

Source: City of Grosse Pointe Woods financial reports

## City of Grosse Pointe Woods, Michigan

### Continuing Disclosure Metered Water Rates June 30, 2014

Meter Size	Residential	Commercial*
5/8"	\$ 44.00	\$ 8.85
3/4"	44.00	13.28
1"	61.60	22.13
1 1/2"	79.20	48.68
2"	127.60	70.80
3"	484.00	128.33
4"	616.00	177.00
6"	924.00	265.50
8"	1,276.00	318.50
10"	2,565.20	619.50
Billing Charge	2.00	2.00
Water Rate per 100 cubic feet	2.17	2.17
Sewer Rate per 100 cubic feet	2.35	2.35

\*Commercial rate includes churches, schools, and government



6A-2

## LIBRARY TRUSTEE APPLICATION



GROSSE POINTE  
PUBLIC  
LIBRARY

Library trustees serve appointed four year terms on the Library Board of Trustees. Each Grosse Pointe municipality and Harper Woods is represented on the board with one additional at-large member. Board members are responsible for hiring and evaluating the Director of the Library, and to oversee the fiscal management and general library business. The library board meets once a month with additional meetings required occasionally. This position requires a minimum commitment of six hours per month. Applicants must be a qualified elector of the library district. There are no other specific qualifications; however, current board members have demonstrated their belief in a strong, fiscally sound and progressive library.

Please complete the application below if you are a **resident of the City of Grosse Pointe Woods**. You may include a resume, if available. In addition to the application, please prepare a brief letter covering the following topics:

- How many years have you lived in the community?
- Why do you want to serve on the Library Board?
- What talents would you bring to the Library Board?
- Have you had experience working with or in a library? If yes, where?
- What do you feel is the most important issue facing the Grosse Pointe Public Library?

NAME: Lisa Abbey

ADDRESS: 20690 Vernier Circle GPW 48236

TELEPHONE: Home: 313.485.1414 Work: 734.744.2506  
Fax: \_\_\_\_\_ E-mail: LAbbey2028@gmail.com

OCCUPATION: Director of Business Services  
- Livonia Public Schools

LIST YOUR COMMUNITY SERVICE AND ORGANIZATIONS OF WHICH YOU ARE A MEMBER, Please indicate any leadership roles and note the dates of involvement.

Prior Member Board of Trustees Livonia Chamber Commerce

PLEASE NAME TWO REFERENCES:

NAME	RELATIONSHIP	TELEPHONE
1. <u>Kevin S. Hendrick</u>	<u>Business Associate</u>	<u>313 965 8315</u>
2. <u>Thomas Fleury</u>	<u>Business Associate</u>	<u>313 965 0857</u>

**Lisa Abbey**  
20690 Vernier Circle  
Grosse Pointe Woods, MI 48236  
313.485.1414  
Labbey2028@gmail.com

November 17, 2014

Mr. Paul Rentenbach, Secretary  
Grosse Pointe Public Library Board of Trustees  
10 Kercheval Ave.  
Grosse Pointe Farms, MI 48236

Re: Board of Trustees Application

Dear Mr. Rentenbach:

Please let this letter and the enclosed application and resume serve as my application for the Grosse Pointe Woods Trustee position.

I have lived in Grosse Pointe since 1984. It is my home and I care deeply for its well-being. It is my belief that the future of our community rests with the family unit, the children we raise and their off-spring. Knowledge and the sharing of knowledge with our youth is an essential building block of family life and what better way to share knowledge than through the written word and our library system and schools?

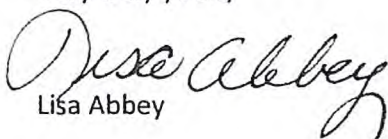
Maintaining and improving our library system is of great importance and to accomplish these goals there must be adequate funding. I was instrumental in the successful passage of a school bond of 195 million dollars and I also administer the bond and a school budget which exceeds 140 million dollars. My accomplishments and experience are adaptable to the needs of our library system and, as a trustee, I would be able to offer my professional input into securing the financial well-being of our Grosse Pointe Public Library.

I have not had the opportunity to deal directly with or serve on a library board but I do have substantial experience interacting with school boards and the public in general.

I would consider it a privilege to serve on the Board of Trustees and to contribute in whatever fashion I am able to endure the viability of our Grosse Pointe Public Library and our community in general.

Thank you in advance for the Board's valued review of my application and I look forward to the opportunity to further elaborate on my qualifications and interest in the position.

Very truly yours,

  
Lisa Abbey



LISA ABBEY, CPA  
20690 Vernier Circle  
Grosse Pointe Woods, MI 48236  
313.485.1414

**EDUCATION:**

**WALSH COLLEGE**

Master of Science in Professional Accountancy, 1994

Troy, MI

**UNIVERSITY OF MICHIGAN**

Bachelor of Arts, 1984

Dearborn, MI

**EXPERIENCE:**

6/03 – Present

**LIVONIA PUBLIC SCHOOLS**

Director of Business Services

Livonia, Michigan

- Chief Financial Officer directing all fiscal responsibilities of 16,000 student district including development and implementation of a \$150 million budget.
- Prepare financial statements and manage annual independent audit.
- Instrumental in the successful passage in May, 2013 of \$195 million capital projects bond.
- Lead member of the executive committee responsible for planning, estimating costs, preparing informational materials, implementation and selection of architects and engineers for bond implementation.
- Direct all business office functions including payroll and accounts payable with a staff of ten.
- Responsible for all treasury functions including cash management and investments.
- Oversee all district operations including risk management, food service, transportation, warehouse, printing, custodial and maintenance departments.
- Manage all federal, state and county grant reporting.
- Administer leasing, renting and sale of district real property.
- Serve on management's labor negotiation team with all employee groups.
- Supervise district elections and millage renewal operations.
- Manage \$5 million annual capital projects fund (Sinking Fund).
- Report directly to the district superintendent.

9/97 - 6/03

**TROY SCHOOL DISTRICT**

Director of Finance

Troy, Michigan

- Directed all accounting functions including payroll, accounts payable and receivable, cash flow, investments and all required financial reporting.
- Supervised all auditing functions, included was preparing year-end financial statements, work-paper preparation for auditors and establishing procedures for internal fiscal controls.
- Developed and maintained yearly budgets including assumptions and preparation of multi-year budget projections.

**LISA ABBEY, CPA**

Page 2

- Oversaw budget preparation, submission of applications and monitored the activity of the district's federal, state and county special education funding programs.
- Implemented new accounting software for financial, purchasing, human resource, invoicing/receiving and fixed asset functions.
- Assisted management with union negotiations.

9/96-9/97

**RIVERVIEW COMMUNITY SCHOOL DISTRICT**

Riverview, MI

Director of Business and Finance

- Directed all fiscal operations of a 2000 student district which included accounting, auditing and reporting functions required of a business office.
- Responsible for all budget development and projections, purchasing operations, insurance requirements including property, casualty and employee health and related benefits.
- Support and assist management team in negotiating contracts between unions and the school district.

9/94-9/96

**DELOITTE & TOUCHE, LLP**

Detroit, MI

Accountant

- Overview of all phases of consolidated financial statements and audit work papers to maintain compliance with current accounting pronouncements and regulatory agencies.
- Evaluated and tested controls of internal accounting procedures and electronic data processing systems.
- Prepared and reviewed corporate and individual tax returns.
- Client case included: Manufacturing concerns, financial institutions, health care and a sports franchise.

2000-2003

**WALSH COLLEGE**

Troy, Michigan

Instructor-Accounting

**ADDITIONAL ACHIEVEMENTS**

- Chairperson-Claims Committee, MAISL Joint Risk Management Trust
- Past President of Wayne County School Business Officials
- Present member Michigan School Business Officials (MSBO)
- Completed MSBO Leadership Institute
- Completed Chief Financial Officer requirements for MSBO
- Past member of Livonia Chamber of Commerce Board of Trustees.
- Excellent written and verbal communication skills.
- Versed in the preparation and submission of written and oral presentations to the board of education, employee groups, community organizations, governmental entities and other interested parties.





## LIBRARY TRUSTEE APPLICATION

Library trustees serve appointed four year terms on the Library Board of Trustees. Each Grosse Pointe municipality and Harper Woods is represented on the board with one additional at-large member. Board members are responsible for hiring and evaluating the Director of the Library, and to oversee the fiscal management and general library business. The library board meets once a month with additional meetings required occasionally. This position requires a minimum commitment of six hours per month. Applicants must be a qualified elector of the library district. There are no other specific qualifications; however, current board members have demonstrated their belief in a strong, fiscally sound and progressive library.

Please complete the application below if you are **a resident of the City of Grosse Pointe Woods**. You may include a resume, if available. In addition to the application, please prepare a brief letter covering the following topics:

- How many years have you lived in the community?
- Why do you want to serve on the Library Board?
- What talents would you bring to the Library Board?
- Have you had experience working with or in a library? If yes, where?
- What do you feel is the most important issue facing the Grosse Pointe Public Library?

NAME: SCOTT BROWN

ADDRESS: 1699 SEVERN RD GPW MI 48236

TELEPHONE: Home: 313 881-5164 Work: 239 821-3231  
Fax: \_\_\_\_\_ E-mail: sbrown94@gmail.com

OCCUPATION: ARTIST

LIST YOUR COMMUNITY SERVICE AND ORGANIZATIONS OF WHICH YOU ARE A MEMBER, Please indicate any leadership roles and note the dates of involvement.

GROSSE POINTE ART CENTER- BOARD MEMBER, PR & MKTING  
CHAIR AND EDUCATION COMMITTEE 7/13 - 7/15  
GROSSE POINTE MEMORIAL CHURCH - WORSHIP COUNCIL,  
COMMUNICATIONS LIAISON, ART COUNCIL 2/14 - 2/16

PLEASE NAME TWO REFERENCES:

NAME	RELATIONSHIP	TELEPHONE
1. <u>WENDY SCHMIDT</u>	<u>PRESIDENT OF THE BOARD</u>	<u>313 407 8830</u>
2. <u>MISSY RANCILLO</u>	<u>FRIEND/NEIGHBOR</u>	<u>248 496 1737</u>

Hello Secretary Rentenbach,

My name is Scott Brown and I write to apply for the vacant Trustee position.

I was born and raised in Grosse Pointe Woods 56 years ago. I moved away after college and just recently, moved back home, to Grosse Pointe Woods, in 2010.

I have lived in many beautiful cities, but very few, real communities. Grosse Pointe is a truly unique and special treasure, and I want very much to preserve its history, protect its present and help build and shape its future. I am a pastel painter, have a strong belief system and am a voracious reader/writer. I currently sit on the board at the Grosse Pointe Art Center and serve the Grosse Pointe Memorial Church on the Worship Committee. A position on the library board would lend symmetry to my trinity of passions.

I respect, value and always consider the fiscal, legal, and political viewpoint, but I think it is also important to have an artistic/eclectic perspective. I have enjoyed many successful years in telecommunications with GTE and Sprint, and in 2012, I started painting, after a 35 year hiatus, with pastels and haven't been able to put them down. I'm a bit of an anomaly, an artist with a business sense. I know how technology works, I was there, I understand its many applications, and I have a creative eye for opportunity.

The Grosse Pointe Public Libraries are important, their contributions to the community and its residents are significant and many. I think art galleries, churches and libraries share similar challenges; dwindling memberships/patrons/customers and a lack of traditional interest. They face a continuous quest to remain relevant and progressive in an ever changing marketplace. I am confident that I can help the Grosse Pointe Public Library continue to be an important and dominate force.

I possess an optimistic, creative, engaging attitude and have many additional attributes, skills, qualifications and positive relevant experience that I would enjoy sharing with you and your fellow trustees. I appreciate your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Scott Brown', written in a cursive style.

Scott Brown  
1699 Severn Road  
Grosse Pointe Woods, MI 48236  
239 821-3231  
sbrownglf@gmail.com





GROSSE  
POINTE  
PUBLIC  
LIBRARY

## LIBRARY TRUSTEE APPLICATION

Library trustees serve appointed four year terms on the Library Board of Trustees. Each Grosse Pointe municipality and Harper Woods is represented on the board with one additional at-large member. Board members are responsible for hiring and evaluating the Director of the Library, and to oversee the fiscal management and general library business. The library board meets once a month with additional meetings required occasionally. This position requires a minimum commitment of six hours per month. Applicants must be a qualified elector of the library district. There are no other specific qualifications; however, current board members have demonstrated their belief in a strong, fiscally sound and progressive library.

Please complete the application below if you are a resident of the City of Grosse Pointe Woods. You may include a resume, if available. In addition to the application, please prepare a brief letter covering the following topics:

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- What talents would you bring to the Library Board?
- Have you had experience working with or in a library? If yes, where?
- What do you feel is the most important issue facing the Grosse Pointe Public Library?

NAME: Karin Gross

ADDRESS: 2030 Kenmore, GPW, MI 48236

TELEPHONE: Home: 313-886-1645 Work: 248-594-8540  
Fax: \_\_\_\_\_ E-mail: gross\_kar@yahoo.com

OCCUPATION: Controller / Accountant

LIST YOUR COMMUNITY SERVICE AND ORGANIZATIONS OF WHICH YOU ARE A MEMBER, Please indicate any leadership roles and note the dates of involvement.

please see attached

PLEASE NAME TWO REFERENCES:

NAME	RELATIONSHIP	TELEPHONE
1. <u>Henry Cooney</u>	<u>Represents Employer</u>	<u>248-901-4019</u>
2. <u>Linda Adler</u>	<u>Friend</u>	<u>313-600-7121</u>

2030 Kenmore  
Grosse Pointe Woods, MI 48236  
November 20, 2014

Mr. Paul Retenbach  
Secretary of the Library Board  
Library Board of Trustees  
10 Kercheval  
Grosse Pointe Farms, MI 48236

Dear Mr. Retenbach:

I would like to submit my application for the trustee opening on the Library Board. I have lived in Grosse Pointe for most of my life. I grew up in Grosse Pointe Woods, attended the G.P. Public Schools, and have been a life-long user of the Grosse Pointe Public Library. I have been a property owner in the Woods for the last 17 years.

I would like to serve on the library board because I value the libraries as a resource for our community; because I care about their continued longevity, and because of the importance the library system has to our property values. Additionally, I would like to contribute and give back to my community.

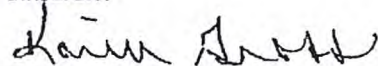
I am currently employed by the law firm, Plunkett Cooney, in the position of Controller, which I have held for the last 15 years. My undergraduate degree, in Accounting, was earned at Walsh College. I have an MBA from Wayne State. I would bring my professional financial experience and knowledge to the trustee position. I enjoy working with others and understand that listening, patience and compromise are all skills that could be necessary for success in this position.

I have not had experience working with or in a library. I am not currently involved in any community organizations, though I previously lived in a condominium complex and served on its Board of Directors, as secretary, for approximately eight years.

I think there are many important issues facing the library system today. Continued funding, is of course, a primary issue, given the challenges the library has faced in recent years with changes in property values. I also believe that keeping the library current and relevant, in a time when technology is constantly changing how we do things, is very vital. I am encouraged to see the GPPL finding new ways to expand its services, continuing to bring value to the community in new and different ways.

I look forward to learning more about this position and possibly serving.

Sincerely,



Karin Gross



## LIBRARY TRUSTEE APPLICATION



GROSSE  
POINTE  
PUBLIC  
LIBRARY

Library trustees serve appointed four year terms on the Library Board of Trustees. Each Grosse Pointe municipality and Harper Woods is represented on the board with one additional at-large member. Board members are responsible for hiring and evaluating the Director of the Library, and to oversee the fiscal management and general library business. The library board meets once a month with additional meetings required occasionally. This position requires a minimum commitment of six hours per month. Applicants must be a qualified elector of the library district. There are no other specific qualifications; however, current board members have demonstrated their belief in a strong, fiscally sound and progressive library.

Please complete the application below if you are **a resident of the City of Grosse Pointe Woods**. You may include a resume, if available. In addition to the application, please prepare a brief letter covering the following topics:

- How many years have you lived in the community?
- Why do you want to serve on the Library Board?
- What talents would you bring to the Library Board?
- Have you had experience working with or in a library? If yes, where?
- What do you feel is the most important issue facing the Grosse Pointe Public Library?

NAME: Michael A. Lentine

ADDRESS: 1570 Anita

TELEPHONE: Home: 313-318-1553 Work: N/A  
Fax: N/A E-mail: mike-313@hotmail.com

OCCUPATION: disabled / USPS Mail Processor

LIST YOUR COMMUNITY SERVICE AND ORGANIZATIONS OF WHICH YOU ARE A MEMBER, Please indicate any leadership roles and note the dates of involvement.

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PLEASE NAME TWO REFERENCES:

NAME	RELATIONSHIP	TELEPHONE
1. <u>Virginia Lentine</u>	<u>Mother</u>	<u>313-884-1363</u>
2. <u>Brenda Eberhardt</u>	<u>Friend</u>	<u>313-657-9226</u>



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- What talents would you bring to the Library Board?
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- What do you feel is the most important issue facing the Grosse Pointe Public Library?

NAME: JAMES M. NAVIN

ADDRESS: 1389 BAYS DR.

TELEPHONE: Home: (313) 926-6691 Cell: (313) 214-8093  
Fax: \_\_\_\_\_ Work: (313) 214-8093  
E-mail: JNAVIN1@ATT.NET

OCCUPATION: RETIRED.

LIST YOUR COMMUNITY SERVICE AND ORGANIZATIONS OF WHICH YOU ARE A MEMBER, Please indicate any leadership roles and note the dates of involvement.

FERRY School PTO - present  
AMERICAN LEGION - present  
VIETNAM VETERANS of AMERICA - present

PLEASE NAME TWO REFERENCES:

NAME	RELATIONSHIP	TELEPHONE
1. <u>DENNY RASCH</u>	<u>NEIGHBOR</u>	C - <u>(313) 622-5885</u> R - <u>(313) 885-7146</u>
2. <u>DAN McCARY</u>	<u>AM. LEGION COMMANDER</u>	C - <u>(313) 492-7462</u> R - <u>(313) 823-4337</u>



New Text Document

Secretary of Library Board

10 Kercheval

Grosse Pointe Farms, MI

48236

To whom it May Concern:

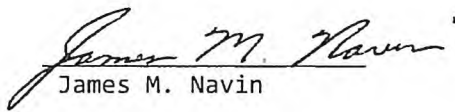
Enclosed please find an application for the the position of Library Trustee, as well as a resume.

I have lived in Grosse Point Woods for a period of 4 years. Recently I received legal custody of my six (6) year old grandson from West Virginia. He attends Ferry School. Thus my involvement with the PTO.

Since I feel that the finances for the Library System, as well as the Services provided are two (2) of the constant challenges. I feel that it's time to get off the sidelines and become physically involved.

My vast experience with both Canadian and U.S. governmental agencies should prove to be valuable assets to the Board.

Thank you in advance for your consideration.

  
James M. Navin

**James M. Navin**  
1389 Brys Drive  
Grosse Pointe Woods, MI 48236  
(313) 926-6691 (residence)  
(313) 214-8093 (cell)  
**jnavin1@att.net**

### **PERSONAL INFORMATION**

**CITIZENSHIP:** United States  
**PLACE OF BIRTH:** Detroit, Michigan U.S.A  
**MARITAL STATUS:** Married

### **SKILLS AND ACCOMPLISHMENTS**

Health and Safety Specialist with **Magna Corporation**  
Journeyman Millwright – graduate apprentice  
Skilled Trades Supervisor

Effective work and communication skills demonstrated by detailed written annual, quarterly and monthly reports in both Unionized and non-Unionized work environments.

Liased with Governmental Regulatory Agencies and Emergency Agencies in dual countries at Federal, Provincial/State and Municipal levels.

Developed/implemented successful Occupational Health & Safety programs and procedures for industries who have gone without a disabling injury or fatality, having worked more than 5.5 million man-hours.

Recruited and conducted performance appraisals for unionized and staff personnel.

Negotiated contracts for personnel in a unionized work environment.

Approved previously negotiated contracts for Fire, Health and Safety supplies and equipment.

Assisted with the writing of QS 9000 and ISO 14000 manuals for facilities in both the U.S. and Canada

Authored Occupational Health and Safety manuals, including a Control Program for Isocyanates now used by the Ontario Ministry of Labour, Employee Safety Handbooks and Contractor Safety Indoctrination manuals.

Investigated accidents, near misses, property loss and/or damage to determine cause and to recommend remedial action(s).



Inspected work areas for Fire, Health and Safety hazards, as well as machinery equipment and working conditions to ensure conformance with dual government regulations and company policies.

Analysed complaints, unsafe working conditions and other potential hazards with recommendations to eliminate such hazards.

Set up cost effective Occupational Health and Safety Programs for up to 1600 employees in alignment with Corporate Policy. Maintained a high level of program effectiveness by constantly reviewing and evaluating performance against industry standards.

. Designed, implemented, and/or teach:

- Orientation programs for new employees and contracted personnel
- Transportation of Dangerous Goods (TDG)
- Emergency/Evacuation Plans, including Bomb Threats
- Monthly Safety Talks
- Storage and usage of Hazardous and/or Flammable products
- Implemented and Co-Chaired various Joint Health and Safety Committees.
- WHMIS (Canadian) and HazMat (U.S.) training
- Spill Control Plans and Procedures
- Experience with Compensation Audits
- Forklift Operation and Propane Handling
- Lock-Out/Tag-Out Procedures
- Bloodborne Pathogens

Established Health and Safety Training needs for Workers, Supervisors, Middle and Upper Management personnel. **Involved in QS9000, ISO14001 and 18001 certification process for multiple Plants. Current Internal Auditor.**

## **WORK HISTORY**

### **2005 – April 2009: Magna Group**

Senior Safety Specialist for an 850 employee (Unionized) Plant. Permanent lay-off.

### **1993-2005: Windsor Mold Group**

Corporate Health, Safety and Environmental Coordinator for eight (8) Plants

- a. Pulaski, Tennessee
- b. Pharr, Texas
- c. Bellevue, Ohio (2)
- d. Amherstburg, Ontario CANADA
- e. Windsor, Ontario CANADA (3)

**Knapp Plastics**

Contract position as Health & Safety Coordinator to set up programs and procedures for the firm while it was under Receivership.

**DNN Galvanizing/RPA Consultants**

\$240 Million Hot Dipped Galvanizing Line. Safety Consultant. Attained over 1 million man-hours without a Lost Time injury. Upon completion of construction phase, coordinated transition from Construction Regulations to Industrial Regulations.

**Chrysler Corporation**

Contract position as a skilled trades supervisor. Responsible for Electricians, Pipefitters and Millwrights. Member of Joint Health and Safety Committee.

**Wickes Manufacturing**

Skilled trades maintenance supervisor and member of the Joint Health and Safety Committee. This firm went out of business.

**Allied Chemical/General Chemical**

Promoted to Health and Safety Officer from skilled trades Maintenance Department. Responsible for safety equipment, safety documentation and reporting, contractor indoctrinations, safety work permits, in-plant training, accident investigations and the supervision of hourly and Security staff.. Liaison with contracted firms, emergency agencies and Government agencies.

**Chrysler Corporation, Detroit, Michigan U.S.A.**

Supervisor of skilled trades personnel at Mack Ave. Stamping and Mound Rd. Engine Plants.

**United States Army**

Two year commitment. Tour of duty in Vietnam (13+ months)

Basic Training: Ft. Knox, KY

Advanced Training: Ft. Gordon, GA

Overseas Training: Long Binh, Vietnam

**Honorable Discharge in 1973**

**Chrysler Corporation, Detroit, Michigan U.S.A.**

Skilled trades apprenticeship (8000 hours). Graduated to Journeyman status prior to being drafted into the U.S. Army.



**EDUCATION**

**H.D.C. Military School** - Monroe, Michigan  
Course of study: High School Prep

**Salesian High School** – Detroit, Michigan  
Course of Study: College Prep

**Chrysler Corporation** – Detroit, Michigan  
Mack Ave. Stamping and Mound Road Engine Plants  
Millwright Apprentice – 8000 hours  
Graduated as a **Millwright Journeyman**

**Macomb County Community College** – Warren, Michigan  
Transferred to .....

**Oakland University** – Troy, Michigan  
Course of Study – Pre-Law and Political Science

**ADDITIONAL COURSES:**

1. Lambton College - Emergency Response
2. Internal Auditor for ISO environmental aspects
3. QS 9000 - Eastern Michigan University
4. Workplace Inspection Seminar
5. AAA Driver Improvement & Defensive Driving Course with Update
6. Introduction to Occupational Health
7. Chemical Hazard Identification
8. Safety Inspector Supervisors Plus Course (16 weeks)
9. Consumer & Commercial Relations
10. Scott Self-Contained Breathing Apparatus Training
11. Safety, Health and the Law

12. Designated Substance Assessment
13. Hazard Recognition and Control
14. Management Guide to Loss Control
15. Education Program by Construction Safety Assn.
16. Ambulance Safety Oriented First Aid and CPR
17. International Hand Signals (crane)
18. Microcomputer Courses, St. Clair College
19. Hazmat/WHMIS legislation (Instructor)
20. Advanced Health and Safety Representative
21. Core Safety “certification” Training (120 hours)
22. OSHA Voluntary Compliance – U.S. Department of Labor
23. Interpersonal Communication Skills – CareerTrack
24. SARA Title 111 Workshop – U.S. Environmental Protection Agency (EPA)
25. Ergonomics Workshop
26. Environmental Protection Agency (EPA) Seminar – Cincinnati, Ohio
27. Propane Handling – Certified Trainer (3 licenses)
28. Forklift Truck Operation – Certified Trainer
29. ISO 140000 Seminars
30. “Achieving Compliance” Seminar
31. Loss Prevention Education series by FM Global Insurance
32. Transportation of Dangerous Goods – Emergency Response Training



- 33. R11i Implement and Use Order Management – Oracle University
- 34. Several classes in “Excel”
- 35. Emergency Planning at Ontario Fire College
- 36. Transportation of Dangerous Goods
- 37. ASA Racking Standard (2008)

**ADDITIONAL ACTIVITIES**

**Current VAVS between American Legion and John D. Dingell VA Medical Center**

**Current volunteer at John Dingell VA Medical Center (Volunteer Services)**

**American Legion Service Officer Grosse Pointe Post #303**

Ferry School PTO Member

Current volunteer at Homeless Shelter - Detroit

Member of Vietnam Veterans of America

Former volunteer for the Canadian Child Abuse Council

Former volunteer at Hiatus House - a home for battered women

Former Board member of Association for Persons with Physical Disabilities (APPD)

Permanent member and advisor to the Canadian Construction Safety Association

Advisor to the Canadian Industrial Accident Prevention Assn. Committee

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- What do you feel is the most important issue facing the Grosse Pointe Public Library?

NAME: GARY R. PATROSSO

ADDRESS: 1647 Edmuntton DR., Grosse Pointe Woods, MI 48236

TELEPHONE: Home: 313-886-7239 Work: 313-770-0359  
Fax: 313-881-9566 E-mail: garyp.realty@gmail.com

OCCUPATION: Grosse Pointe Realtor

LIST YOUR COMMUNITY SERVICE AND ORGANIZATIONS OF WHICH YOU ARE A MEMBER, Please indicate any leadership roles and note the dates of involvement.

Current Director Grosse Pointe Board of Realtors. Board Member of  
Grosspointe Christian Church, GPW; Sat on By-Laws Committee to re-write 2014  
By-Laws and Budget Finance Committee. V.P. G.P. North Drama Boosters (2012-201

PLEASE NAME TWO REFERENCES:

NAME	RELATIONSHIP	TELEPHONE
1. <u>Bob Ihrie</u>	<u>Friend</u>	<u>586-778-7778</u>
2. <u>Steve Londo</u>	<u>Friend</u>	<u>313-920-5343</u>





**Gary R. Patrosso**  
Associate Broker  
**Real Estate In The Pointes**  
18472 Mack Avenue  
Grosse Pointe Farms, MI 48236  
Office: 313-886-1000  
Mobile: 313-770-0359

November 20, 2014

Grosse Pointe Public Library  
Secretary of Library Board  
10 Kercheval  
Grosse Pointe, MI 48236

Dear Secretary of Library Board:

With regard to the vacant Trustee position on the Grosse Pointe Public Library Board of Trustees for the Office of the Trustee representing the Grosse Pointe Woods portion of the Grosse Pointe School District, I am interested in serving the Board, and the community, in this capacity. Please be advised, therefore, that I would like to be considered for this position.

I have lived in Grosse Pointe Woods all of my 54 years of life, with the exception of 10 years that I lived and worked in Silicon Valley, CA, between 1984 and 1994.


Having grown up in the Grosse Pointe Public School District, I am acutely aware of the importance of our children's education, and I believe it is crucial that we keep our School District in the top 5% nationally. Our twin daughters attended Grosse Pointe North H.S. from 2009 to 2013, and we are proud that they received such a fine education. Keeping our libraries as critical, state-of-the-art resources for our students plays an important role in the future success of our children, as well as the School District locally and nationally.

I'd like to serve on the Board to acquire a better understanding of the inner-workings of the Board, as well as how it branches out into our community, and I feel my knowledge, integrity and professionalism will be an asset effectively utilized. I am prepared to commit the time necessary to be an integral member of the team.

I feel the most important issue facing the Grosse Pointe Public Library at this time is keeping its Net Position in check by continually growing its Revenue, while maintaining Controlled Spending so that its expenditures are fair and balanced. Monitoring future budgets is essential as property values continue to fluctuate. As a Grosse Pointe Realtor, I'll be able to contribute my knowledge of the real estate market and the role it plays in the Library's budgeting and in our community as a whole.

I look forward to meeting the Trustees of the Board to discuss my position in this endeavor and I thank you for your time in this matter.

Sincerely,



Gary R. Patrosso

/jmp

Enclosures: Library Trustee Application and Resume

## **GARY R. PATROSSO**

1647 Edmundton Drive  
Grosse Pointe Woods, MI 48236

Cell: 313.770.0359  
Home: 313.886.7239

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### **SUMMARY OF QUALIFICATIONS**

- 11 years of full-time Real Estate experience, encompassing all aspects of helping clients buy and sell real estate. In-depth knowledge of Southeast Michigan real estate market, focusing extensively on the Grosse Pointes.
- Extensive Negotiating skills.
- Skilled in acquiring and developing strong relationships with people.
- 30+ of experience in various work environments, i.e. outside sales, inside sales.
- Highly self-motivated. Eager to apply background and expertise in new arenas.
- B.S. Communications – Strong organizational and interpersonal skills
- Eagle Scout

### **EXPERIENCE**

- Realtor – Real Estate In The Pointes, Grosse Pointe Farms, MI 7/14 – Current
- Realtor – Adlhoch & Associates, Grosse Pointe Woods, MI 4/11 – 7/14
- Realtor – Keller Williams Lakeside, Shelby Twp., MI 2/09 – 9/09
- Realtor – Keller Williams Great Lakes, St. Clair Shores, MI 8/04 – 2/09
- Realtor – Real Estate One, Utica Road, Fraser, MI 6/03 – 8/04
- Outside and Inside Sales for various electrical contractors throughout Southeast Michigan. 9/94 – 6/03
- Outside and Inside Sales for various electrical contractors in and around the Silicon Valley, CA. 5/84 – 9/94

### **EDUCATION/TRAINING**

- B.S. – Communications with Journalism Minor – Western Michigan University, Kalamazoo, MI 1982. School newspaper reporter. Diving Team Member.
- Extensive on-going Real Estate Market Analyses and Continuing Education.

### **REFERENCES**

Furnished upon request





GROSSE  
POINTE  
PUBLIC  
LIBRARY

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NAME: Thomas G. Peck

ADDRESS: 1306 Blairmoor Court Grosse Pointe Woods

TELEPHONE: Home: (313) 884-3659 Work: (313) 882-8803  
Fax: \_\_\_\_\_ E-mail: tompeck102@yahoo.com

OCCUPATION: Attorney

LIST YOUR COMMUNITY SERVICE AND ORGANIZATIONS OF WHICH YOU ARE A MEMBER, Please indicate any leadership roles and note the dates of involvement.

Religious Education Program Instructor, St. Joan of Arc Parish (2007-  
Grosse Pointe Historical Society (Contributing author and future  
member) (2014)

PLEASE NAME TWO REFERENCES:

NAME	RELATIONSHIP	TELEPHONE
1. <u>Loretta Baker</u>	<u>Former colleague</u>	<u>(313) 882-9639</u>
2. <u>Charles Loeken</u>	<u>Neighbor</u>	<u>(313) 886-7848</u>

## LAW OFFICE OF THOMAS G. PECK

17212 MACK AVENUE  
GROSSE POINTE, MI 48230  
TELEPHONE: (313) 882-8803  
TELEFACSIMILE: (313) 343-9701

*Hand Delivered*

November 20, 2014

Board of Trustees  
Grosse Pointe Public Libraries  
10 Kercheval  
Grosse Pointe Farms, MI

### **Re: Library Trustee Position**

Dear Board Members:

I am hereby applying for the Grosse Pointe Woods position as a trustee of the board. I am enclosing a completed Library Trustee Application and a resume for your consideration.

My wife and I have resided in Grosse Pointe Woods for 20 years, and our three children attended Grosse Pointe Public Schools from kindergarten through 12<sup>th</sup> grade.

Becoming a board member would afford me an opportunity to serve the community, while providing me with a role in the operation of a vital institution-one that I have enjoyed patronizing ever since I was a child.

A lifelong love of reading was nurtured in me by my parents, other family members and friends. I spent countless hours as a boy exploring the libraries in my hometown, and reading as many books as possible on my favorite topics of history and biography. Those literary interests expanded over the decades to include mysteries and historical fiction.

From an early age, I appreciated the fact that the public library is an invaluable asset to a community, serving as a learning resource, social hub and place of relaxation and quiet contemplation. I simply cannot imagine having to do without it, and I want everyone in the Grosse Pointe communities, especially its youngest residents, to have the same chance that I did to enjoy the benefits of the library, and to consequently



expand their literary, cultural and social horizons.

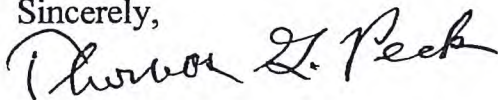
Today, in an age where many individuals increasingly devote their leisure time to television and social media and electronic reading devices, I believe that the greatest challenge that faces the Grosse Pointe Public Library is to remain not only relevant, but indispensable to the community.

To its credit, the GPPL sometime ago recognized the need to expand its services beyond the traditional core. Events such as preschool reading activities and "meet the author" forums undoubtedly help elevate the library's profile, and reach out to different constituencies. More such programs should be considered, evaluated and, if found to be worthwhile, implemented.

In addition to a passion for literature and learning, the talents I would bring to the board include problem solving, excellent verbal and written communications skills, a strong work ethic and being a team player. Further, due in large part to the nature of my profession, I have diligently cultivated the ability to discuss and debate current issues, and listen to differing viewpoints, while being aware of the need to remain objective, and to not allow personalities, prejudices or biases to influence my opinion.

Thank you very much for your consideration of my application, and feel free to contact me if you should have any questions.

Sincerely,

A handwritten signature in black ink, reading "Thomas G. Peck". The signature is written in a cursive, flowing style with a large initial 'T'.

Thomas G. Peck

# Thomas Gerard Peck

---

1306 Blairmoor Court  
Grosse Pointe Woods, MI 48236  
Home Telephone: (313) 884-3659  
E-mail address: tompeck102@yahoo.com

## **PROFILE AND CAREER GOALS**

I am a seasoned commercial and consumer litigation attorney who has worked in-house at a major regional financial institution, and in both large law firm and small law firm environments. I am seeking to develop my law practice, and to expand and diversify my existing client base.

## **PROFESSIONAL EXPERIENCE**

**Law Office of Thomas G. Peck** 2006-Present  
*Attorney*  
Commenced operations in March, 2006.

Primary practice areas consist of Commercial Litigation, Estate Administration, Trust Administration, Landlord/Tenant matters and Traffic cases.

**University of Detroit Mercy School of Law** Winter Term, 2013  
*Adjunct Professor of Law*

Taught Estates & Trusts course in school's Evening Division.

**Kelly Law Registry** 2010-2011  
*Contract Attorney*

As member of attorney teams, worked on two electronic document review projects for corporate defendants in anti-trust cases.

**Calligaro & Meyering, P.C.** 2005-2006  
*Attorney*  
Joined Firm in November, 2005.

Practice areas included bankruptcy litigation, commercial litigation, commercial collections, commercial transactions, personal injury actions and real estate litigation.

## **Representative Clients**

Darnell & Meyering, P.C.  
International Paint Stripping, Inc.  
Rack Burn Off, L.L.C.  
W.S.I. Industrial Services, Inc.



**Simon, Galasso & Frantz, PLC**

2002-2004

*Senior Attorney*

Joined Firm in November, 2002.

Practice areas included commercial collections, commercial loan workouts and related litigation, commercial and consumer defense litigation, estate and trust litigation, real estate litigation, representation of creditors in probate court proceedings and bankruptcy litigation.

Representative clients

Bank One, N.A.

Charter One Bank, N.A.

Comerica Bank

Franklin Bank

National City Bank of Michigan/Illinois

National City Leasing Corporation

Paramount Bank

Republic Bank

**Dickinson Wright PLLC**

1999-2002

*Of Counsel*

*Member, Commercial Litigation Group*

2000-2002

*Member, Banking & Bankruptcy Group*

1999-2000

Joined Firm in January, 1999.

Practice areas included commercial collections, commercial loan workouts and related litigation, trust and estate administration and related litigation, commercial and consumer defense litigation, representation of creditors in probate court proceedings, bankruptcy and insurance litigation.

Representative Clients

Aetna Life Insurance Company

Bank One, N.A. and affiliated entities

Household Bank and affiliated entities

John Hancock Life Insurance Company

UNICARE

**NBD Bank 1981-1998**

*Law and Public Affairs Division, Vice President and Legal Counsel*

- Elected Assistant Legal Officer, June, 1981
- Elected Legal Officer and appointed Staff Attorney, June, 1984
- Elected Assistant Vice President, June, 1986
- Elected Second Vice President and appointed Senior Attorney, June, 1988
- Elected Vice President and appointed Counsel Specialist, June, 1992

Practice areas included commercial loan workouts and related litigation, consumer collections, consumer defense litigation, personal trust and estate administration, corporate trust administration, probate litigation and bankruptcy.

#### Representative In-House Clients

General Consumer

Corporate Banking

Private Banking & Investments

Middle Market

Small Business

#### ADMISSIONS & MEMBERSHIPS

United States District Court, Eastern District of Michigan, 1980; United States Supreme Court, 1986; United States Court of Appeals for the Sixth Circuit, 2002; United States District Court, Western District of Michigan, 2004; State Bar of Michigan, Probate and Estate Planning Section; American Bar Association.

#### EDUCATION

University of Detroit Law School

**Juris Doctor, 1980**

- Recipient of Dean's Scholarship for Academic Excellence

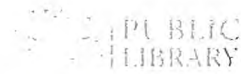
University of Notre Dame

**Bachelor of Arts in Government, 1977**

- Dean's Honor List



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NAME: Christopher Profeta

ADDRESS: 513 Vernier Rd

TELEPHONE: Home: 313-926-6693 Work: 248-918-9850  
Fax: \_\_\_\_\_ E-mail: cjprofeta@yahoo.com

OCCUPATION: College Instructor

LIST YOUR COMMUNITY SERVICE AND ORGANIZATIONS OF WHICH YOU ARE A MEMBER, Please indicate any leadership roles and note the dates of involvement.

St Paul Lutheran Church Call committee  
GPW Residents for Roads Committee

PLEASE NAME TWO REFERENCES:

NAME	RELATIONSHIP	TELEPHONE
1. <u>Jen Evans</u>	<u>Friend</u>	<u>jmevans73@yahoo.co</u>
2. <u>Karen Villegas</u>	<u>Friend</u>	<u>Vilegk@gmail.com</u>

513 Vernier Rd.

Grosse Pointe Woods, MI 48236

November 5, 2014

Library Board of Trustees  
10 Kercheval  
Grosse Pointe Farms MI 48236

Library Board of Trustees:

I am writing to apply for the open seat on the Grosse Pointe Public Library Board of Trustees representing Grosse Pointe Woods. I offer a wide range of experience that will move our libraries forward in a positive direction.

I am currently an English instructor at Macomb Community College. In this position I have received training in the media center and library services. As an instructor, I have collaborated with colleagues to coordinate these services with curriculum and develop quality instruction. This facilitates students in taking full advantage of library services.


Additionally, I have worked as a community volunteer for the Grosse Pointe Public School System to help build a new library curriculum for K-12 students. These experiences with academic libraries give me valuable insight into what we can do to reach out to and engage our residents through multiple venues. This will keep the Grosse Pointe Public Libraries a vital asset to the community and its residents.

I was born and raised in Grosse Pointe Woods. I attended Monteith Elementary School, Parcels Middle School, and Grosse Pointe North High School where I graduated with honors. I have been an active member of our community, most recently by helping to pass our road bond here in Grosse Pointe Woods. I am also an active member of St. Paul Lutheran Church in Grosse Pointe Farms where I have been a lifelong member, a participant in our recent call committee, and a Sunday School teacher.

My children are currently participating in many of the same Library programs my parents took me to as a child. My mother, also a life-long Grosse Pointe Woods resident, participated in some of the same programs. Story time, summer reading programs, and the children's play groups have continued for generations. They are important pillars in Grosse Pointe and are part of what define the character of our community. In order to continue in a positive direction, it is important to recognize the value of these traditions.

To make positive progress, however, it is important to work with people in a professional way. In my work as a college instructor and my community involvement, I have worked hard to respect and understand all points of view. I strive to treat others with a level of professionalism that is necessary in all productive work environments. As a member of the Grosse Pointe Public Library Board of Trustees, I look forward to continuing to work in this manner and to serve the best needs of our community.

Thank you,

  
Chris Profeta





## LIBRARY TRUSTEE APPLICATION

Library trustees serve appointed four year terms on the Library Board of Trustees. Each Grosse Pointe municipality and Harper Woods is represented on the board with one additional at-large member. Board members are responsible for hiring and evaluating the Director of the Library, and to oversee the fiscal management and general library business. The library board meets once a month with additional meetings required occasionally. This position requires a minimum commitment of six hours per month. Applicants must be a qualified elector of the library district. There are no other specific qualifications; however, current board members have demonstrated their belief in a strong, fiscally sound and progressive library.

Please complete the application below if you are a resident of the City of Grosse Pointe Woods. You may include a resume, if available. In addition to the application, please prepare a brief letter covering the following topics:

- How many years have you lived in the community?
- Why do you want to serve on the Library Board?
- What talents would you bring to the Library Board?
- Have you had experience working with or in a library? If yes, where?
- What do you feel is the most important issue facing the Grosse Pointe Public Library?

NAME:

Guiana Smith

ADDRESS:

1960 Kenmore Grosse Pointe Woods, MI

TELEPHONE:

Home: 313-378-9121

Work:

248-593-4855

Fax:

E-mail: GuianaKSmith@hotmail.com

OCCUPATION:

Director of Accounts

LIST YOUR COMMUNITY SERVICE AND ORGANIZATIONS OF WHICH YOU ARE A MEMBER. Please indicate any leadership roles and note the dates of involvement.

Grosse Pointe Public Library Board of Trustees (Harper Woods) 2011  
Grosse Pointe Lions Club  
Detroit Curling Club (Board member 2010-2013)

Treasurer

PLEASE NAME TWO REFERENCES:

NAME

RELATIONSHIP

TELEPHONE

1. Chase Wakefield

Personal

313-549-2401

2. Liz Vogel

Board member

313-516-7970

Quinn Smith  
1960 Kenmore  
Grosse Pointe Woods, MI 48236  
November 18, 2014

Secretary, Library Board of Trustees  
Grosse Pointe Public Library  
10 Kercheval Avenue  
Grosse Pointe Farms, MI 48236

Dear Board of Trustees:

I am writing in response to the open library trustee seat for Grosse Pointe Woods. I have lived in the district for the last fifteen years; four in the City of Grosse Pointe, ten in Harper Woods, and since August I have been a resident of Grosse Pointe Woods. During my time on the Grosse Pointe Public Library Board in 2013-14, I was the Harper Woods Trustee as well as the Grosse Pointe Library Board Treasurer.

I hold dual degrees in Family Community Services and Community Relations from Michigan State University, and feel that with this educational background I could be a real asset to the board. As a husband of a Grosse Pointe Public Schools educator, and a father of two GPPS students, I feel I have a real grasp on what the libraries mean to the members of our community. I have never seen my sons happier than the day in Kindergarten when they received their own library cards and were able to check out books on their own, or the sense of accomplishment they both feel after leaving the GPPL Reader Dog Program every Monday. I want to make sure that future generations of students are able to have that same experience. If I am selected for the trustee position, I would like to work closely with the school district to continue and grow the relationship between school district and library district.

As a previous member of the Board of Trustees, and their Treasurer, I was involved in the Finance, Policy, and Foundation and Director Evaluation committees. I was also involved in developing the budget for 2015. As a Trustee, I helped pass the current restoration of the Central Branch, the much-needed replacements of the failed boilers at the Woods Branch and the new union contracts for the next 3 years. I am proud to say that we were able to do all of this without taking increases in the millage passed by our communities in 2012.

Andrew Carnegie once stated, "A library outranks any other one thing a community can do to benefit its people. It is a never failing spring in the desert." I could not agree with him more. It is up to the community as a whole to make sure that the vast resources of the library are used, but it is up to the Board of Trustees to make sure that these opportunities are provided and available for all. It is because of this that I would feel honored if I were selected for the Grosse Pointe Woods Trustee position. I not only look forward to the challenges ahead, but also feel it is my duty to serve the community in which I reside.

I have attached a copy of my current resume and the application form provided on the library website. If you have any questions please feel free to contact me at the contact info provided below.

Regards,



Quinn Smith  
[quinnksmith@hotmail.com](mailto:quinnksmith@hotmail.com)  
313-378-9121 (cell)



# Quinn Smith

1960 Kenmore  
Grosse Pointe Woods, MI 48236

[quinnsmith@hotmail.com](mailto:quinnsmith@hotmail.com)

Home: 313-343-0506  
Cell: 313-378-9121

- 
- Experienced transportation operations director with extensive knowledge of truck, rail, air, ocean, LTL and warehousing operations.
  - Customer relations specialist, acting as the face of the company on a day-to-day basis for clients in the areas of project bidding, operations status, and problem resolution.
  - Proven leader who has worked independently and with team members to streamline the transportation process to not only be the most efficient for the customer, but also supply cost savings at the same time.
- 

## Areas of Expertise

*Customer Service Management  
Complaint Handling & Resolution  
Oral Communication*

*Equipment and Fleet Management  
Business Intelligence  
Sales & Margin Improvement*

*Teambuilding & Training  
Cost-Reduction Strategies  
Order Fulfillment*

---

## Professional Experience

Reliable Logistics Inc. – Bingham Farms, MI

06/2005 to Present

**Director of Accounts – Domestic and International**

Helped take the company from a start-up third party logistics firm to an \$8 million a year operation. The lead representative in all areas of transportation including: customer service, load planning and rates, warehousing storage and cross-docking, and problem resolution. Responsibilities also include:

- Primary contact for clients pertaining to the completion of bid packages and rate requests.
  - Controlling client reviews to ensure their transportation needs and costs are in line with their expectations while increasing profitability for our company.
  - Maintaining relationships with rail, over the road, steamship and air cargo lines to guarantee the most cost efficient transportation methods for our company and clients.
  - Overseeing the management and logistical movement of over 100 ocean containers per day.
  - Manage a team of employees to maintain accurate tracking and time sensitive deliveries in both domestic and international lanes.
  - Responsible for shipments, ensuring they leave the port on time, are received at warehouses for offloading and storage, and coordinating expedited shipments to locations nationwide.
- 

Pacer Global Logistics – Sylvan Lake, MI

01/2001-05/2005

**Rail Operations Manager**

Advanced through various positions with increasing responsibility, culminating in the management of the agency's entire rail operation.

- Specialized in the overseeing of transit and delivery of time sensitive assembly line shipments for major automotive companies.
  - Supervised the operations of high volume beer and liquor shipments to local distributors.
  - Built relationships with customers to retain existing business and help create new opportunities.
  - Assisted in the billing and collections of payments from customers.
- 

## Education

Michigan State University – East Lansing, MI

1995-2000

**Bachelor of Arts – Community Relations**

**Bachelor of Science – Community Services**

**Additional information and professional references available upon request.**



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- What talents would you bring to the Library Board?
- Have you had experience working with or in a library? If yes, where?
- What do you feel is the most important issue facing the Grosse Pointe Public Library?

NAME: GREGORY L. ULRICH

ADDRESS: 770 PEAR TREE LANE G.P. Woods 48236

TELEPHONE: Home: 313-885-2341 Work: 586-772-0010  
Fax: 313-884-7557 E-mail: gulrich@ulrich-law.com

OCCUPATION: ATTORNEY

LIST YOUR COMMUNITY SERVICE AND ORGANIZATIONS OF WHICH YOU ARE A MEMBER, Please indicate any leadership roles and note the dates of involvement.

Please see Resume

PLEASE NAME TWO REFERENCES:

NAME	RELATIONSHIP	TELEPHONE
1. <u>Edward Pappas</u>	<u>Professional</u>	<u>248-433-7228</u>
2. <u>John Berry</u>	<u>Professional</u>	<u>850-561-5774</u>



Attorneys and Counselors at Law  
23100 Jefferson Avenue  
St. Clair Shores, MI 48080  
Office: 586-772-0010  
Facsimile: 313-884-7557



Law, plc

Gregory L. Ulrich  
gulrich@ulrich-law.com

November 20, 2014

Secretary of Library Board  
10 Kercheval  
Grosse Pointe Farms, MI 48236

RE: Grosse Pointe Library Trustee

My interest in appointment to the Grosse Pointe Library Board for Grosse Pointe Woods is based on my public finance and operations experience, along with a long-standing appreciation for the value of libraries to a community, and its schools.

I have been a resident of the Library District for over 58 years. Ranging from Notre Dame High School through the University of Detroit Law School, I have worked in libraries as a staff member. From time to time I have advised libraries on legal issues through my law practice.

The Grosse Pointe Library is facing the pressure of scarce dollars, and the forces of technology. Yet, a library is really the core information center of a community that must evolve its services to deliver information to varied audiences. I would strive to ensure the Library's role in the Grosse Pointes.

Sincerely,

Gregory L. Ulrich



**GREGORY L. ULRICH**  
Attorney at Law

LAW, PLC

770 Pear Tree Lane  
Grosse Pointe Woods, MI 48236-2725

Office: 313-885-2341  
586-772-0010  
Fax: 313-884-7557  
Email: gulrich@ulrich-law.com

**Greg Ulrich is a Member with Ulrich Law, PLC. Representation includes civil litigation, corporate/business, real estate, probate, estates and trusts, personal and business planning, public and private finance, governmental affairs/municipal law, judicial administration, utilities, employment law, legislation, environmental, technology, and non-profits. Offices in Grosse Pointe Woods, St. Clair Shores and Northville, Michigan**

Fortune 500 business and public sector litigation and transactional representation for investors, real estate developers, retailers; municipal, judicial and court, non-profits, utility, food, wholesale, franchise, manufacturing and technology clients. City and township attorney, and defense counsel.

18 years experience as real estate practice group head and partner with large Michigan-based multi-state law firm. Michigan real estate broker.

Business and corporate organization and governance, labor negotiations, civil rights, ADA, and employment litigation. Risk management and insurance counsel.

Commercial finance, construction, contract, leasing, condominiums, shopping centers, professional offices, land use, development, environmental, ADA and due diligence matters.

For 15 years with the Michigan Supreme Court, provided oversight and counsel to over 280 judges and 64 trial courts in Michigan. Pioneered designs for Michigan's standardized pleadings.

Defense and counsel to mental health agencies and schools throughout Michigan. Counseled state and local government officials on inter-governmental relations, finance/budget and political matters. Mediation of multi-million Dollar governmental disputes, including funding of Circuit, Probate and District courts in Michigan. Representation of courts in funding disputes.

Judicial administration, including HR, labor, facilities, computerization, caseload and budgeting. Judicial, attorney and public official wrongdoing, fraud and liability. Counsel to Judges and Courts in consolidation, pilot projects and internal disputes and reorganization. Oversaw Wayne County Probate Court improvements to the Estates, Mental and Juvenile Divisions.

Estates, trust administration, business and succession planning. Pro bono work with special needs and U.S. Marine support groups.

Legal association involvement and leadership, including local bars, State Bar of Michigan, and the American Bar Association. Substantive committee work in trial courts and ethics, strategic planning, finance, member services and governance. Non-profit leadership and member programs.

Adjunct Law Professor, Cooley Law School Graduate Law Program: Global and Complex Litigation; Entrepreneur Law & Practice.

#### EMPLOYMENT

2011-present	Member	<b>ULRICH LAW, PLC</b> Grosse Pointe Woods, St. Clair Shores, Northville, MI
2011-present	Adjunct Professor of Law	<b>Thomas M. Cooley Law School</b> Corporate & Finance LL.M. Program Auburn Hills, Lansing, MI
1993-2010	Partner Real Estate Practice Group Head	<b>Cummings, McClorey, Davis &amp; Acho, P.L.C.</b> Livonia, Sterling Heights, MI
1986-1993	Attorney	<b>Michigan Supreme Court</b> Detroit, MI Oversight of 64 Trial Courts
1978-1985	Attorney	<b>Michigan Supreme Court</b> Detroit, MI



1983	Acting Associate State Court Administrator	<b>Michigan Supreme Court</b> Lansing, MI Assignment of Judges; Oversight of Probate Courts
1979-1981	Special Judicial Administration	<b>Special Assignment by Chief Justice Mary S. Coleman</b> Implement wide-scale improvements to Wayne County Probate Court: Juvenile, Estates and Mental Divisions Detroit, MI
1977-1993	Attorney at Law	Grosse Pointe Woods, MI
1976-1977	Deputy County Court Clerk	<b>Hon. Myron H. Wahls; Hon. Irwin Burdick;</b> <b>Hon. Robert J. Colombo, Sr.</b> Wayne County Circuit Court, Detroit, MI
1975-1976	Judicial Law Clerk	<b>Chief Judge Hon. James N. Canham</b> Wayne County Circuit Court Detroit, MI

#### EDUCATION

##### UNIVERSITY OF DETROIT SCHOOL OF LAW

J.D., 1977

President, Student Bar Association 1976-1977

Moot Court Finalist 1974

Publisher, In Brief

##### UNIVERSITY OF DETROIT

A.B., Magna Cum Laude, 1974

Dean's List 1970-1974

President's Scholarship 1970-1974

#### PROFESSIONAL LISTINGS

Martindale-Hubbell AV Preeminent® peer review rating

Who's Who in American Law

Who's Who Emerging Leaders in America

AVVO Rated: 10

dBUSINESS, Top Lawyers 2010

2013 Top Rated Lawyer in Labor & Employment, American Lawyer Media

2014 Top Lawyers in Michigan

Licensed Michigan Real Estate Broker

#### BAR ADMISSIONS

U.S. Supreme Court, 1984

U.S. 6th Circuit Court of Appeals, 1978

U.S. District Court, E.D. of Michigan, 1977

U.S. District Court W.D. of Michigan, 2005

State Bar of Michigan, 1977

#### LEADERSHIP

Commissioner, 3rd Judicial Circuit, State Bar of Michigan; 1991-1992; 2001-2010; 2011-2017

Commissioner, State Bar of Michigan 1986-1991

Chairperson, State Bar of Michigan Representative Assembly 1990-1991

Assembly Clerk, Representative Assembly 1989-1990

American Bar Association House of Delegates 1984-1988; 1991-1992; 1994; 2005-2012; 2013-2015

American Bar Association HOD Resolution & Impact Review Committee 2008-2010

American Bar Association HOD Select Committee 2012-2014

American Bar Association Legal Assistance to Military Personnel Standing (LAMP) Committee 2014-2017

Chairperson, ABA Resolution & Impact Review Subcommittee on Technology 2008-2010

Chairperson, State Bar of Michigan Young Lawyers Section 1986-1987

State Bar of Michigan Representative Assembly, 3rd Circuit 1980-1986; 1988-1991; 1993-2001; 2010-2013

Councilmember, State Bar of Michigan Young Lawyers Section 1981-1988

Founding Councilmember, Alternative Dispute Resolution Section Council 1991-1997

Councilmember, Computer Law Section Council 2000-2005

Chairperson, State Bar of Michigan Senior Lawyer Planning Group 2007-2008

Co-Chairperson, Master Lawyers Section Planning Group 2008-2010  
Bar Leadership Liaison Advisory Committee, 2010-2013  
SBM Representative Assembly Liaison to Master Lawyers and Bar Leadership 2010-2011  
Chairperson, SBM Master Lawyers Section, 2011-2012  
Immediate Past Chairperson, SBM Master Lawyers Section, 2012-2013

#### **State Bar of Michigan**

SBM Board of Commissioners Finance Committee 2002-2014  
Commissioner Liaison to the Military and Veterans Law Section 2013-2014  
Judicial Ethics Committee Liaison 2009-2010  
Bar Leadership Conference, Commissioner Liaison 2007-2008  
Member, Character and Fitness, District I 2007-2014  
Senior Lawyers Section, Commissioner Liaison 2007-2008  
Commissioner Liaison to the Special Committee on Grievance  
Member, Lawyer and Judicial Ethics Committee 2001-2004; Commissioner Liaison 2006-2007  
Member, Public Policy, Image & Identity Commissioner Committee 2002-2003  
Member, Programs and Services Committee 2001-2002  
Member, Bench/Bar Conference Planning Committee, 1998-2001  
Member, Special Task Force on the Establishment of a Law Practice 1995-1996  
Chairperson, Representative Assembly Review Committee 1995-1996  
Chairperson, Representative Assembly Nominating Committee 1993-1994  
Chairperson, Member Services Committee 1992-1995; Member 1992-1997  
Chairperson, SBM Nominating Committee 1987-1988; member 1990-1991  
Board of Commissioners' Race & Gender Bias Task Force Committee 1990-1992  
Fiscal Committee 1989-1991; Office Technology sub-committee 1990-1992  
Legislation Committee 1989-1991  
State Trial Courts Administration Committee 1990-1996; 1998-1999  
Scope & Correlation Committee 1990-1994  
Arbitration & Alternate Methods of Dispute Resolution Committee 1990-1991  
Law & Media Committee 1990-1991  
Victims of Crime Committee 1986-1987  
Senior Justice Committee Liaison 1986-1991  
Personnel Committee 1986-1987  
Client Security Fund Review Committee 1987-1988  
Criminal Assigned Counsel Task Force 1988-1991  
Communications Committee 1980-1996, 2000-2002  
Law Day 1985-1986  
Plain English Committee 1984-2001  
Michigan Supreme Court Standardized Court Forms Committees 1979-1987  
Legal Economics Section, past member  
Member and Commissioner Liaison to Real Property Law Section  
Business Law Section  
Probate & Estate Planning Section  
Real Property Law Section  
Labor & Employment Law Section  
Commissioner Liaison to the Computer Law Section  
Chairperson, YLS Long-Range Planning Committee  
Founding Councilmember, SBM Law Student Section 1976-1977  
ADR Section Annual Program Coordinator 1992  
U.S. Supreme Court Admissions Co-Chairperson  
Federal Bar Association/SBM-YLS New Lawyer Seminars Committee  
Editor, *Inter Alia*, SBM-YLS publication  
Life Fellow, Michigan Bar Foundation

#### **American Bar Association**

Chairperson, Awards of Achievement 1985-1986  
Vice-Chairperson, Awards of Achievement 1984-1985  
FEMA-Disaster Relief Legal Services Chairperson, Michigan 1986-1988  
FEMA Flood Relief Chairperson, 1987  
YLD Issues Affecting the Legal Profession Committee 1982-1987  
YLD Assembly Delegate 1981-1988  
Fellow, American Bar Association Young Lawyers Division  
Real Property, Probate and Trust Law Section



Law Practice Management Section  
Business Law Section  
General Practice Section, past member  
Judicial Administration Division, Lawyers Conference, past member  
Labor & Employment Law Section  
Litigation Section  
Torts & Insurance Practice Section  
Science & Technology Section, past member

#### COMMUNITY ACTIVITIES

Vice Chair, New Detroit, Inc. Public Safety & Justice Committee 1978-1990  
Coleman Commission on Permanency Planning for Children, Member 1983  
Washtenaw County Juvenile Services Task Force, Member 1982  
National Vice President, University of Detroit National Alumni Association 1986-1989  
Director, University of Detroit National Alumni Association 1978-1989  
Director, University of Detroit School of Law Alumni Board 1977-1980  
Legal Aid & Defender Association of Detroit Task Force  
Our Lady Star of the Sea Catholic Church, Grosse Pointe Woods, MI  
Eucharistic Minister, Our Lady Star of the Sea Catholic Church, Grosse Pointe Woods, MI  
Our Lady Star of the Sea School Board, Member 2004-2007  
Our Lady Star of the Sea School Board Strategic Planning Committee 2004-2007  
Our Lady Star of the Sea School Board, President 2005-2007  
Lector, Our Lady Star of the Sea Catholic Church  
Our Lady Star of the Sea "Rising Star" Planning Group 2011-2012  
Very Special Arts of Michigan, 191983-1993  
Volunteer, Oakland Schools Autism Program and Special Olympics  
Grant a Wish of Michigan 1982-1985, Counsel  
Semper Fi Moms, U.S. Marine Support Group  
University of Detroit Mercy School of Law Veterans Law Clinic;  
Lance Corporal Scott Winter Ulrich Memorial Fund  
Judicial Candidate, Grosse Pointe Woods Municipal Court 2009  
Helping Children One Inning at a Time, Inc., non-profit baseball project for old Tiger Stadium  
in the City of Detroit 2010-present  
University of Detroit-Mercy School of Law Alumni Board of Directors 2010-2013  
Secretary, University of Detroit-Mercy Law School Alumni Executive Committee, 2011-2013  
University of Detroit-Mercy President's Cabinet, member

#### PUBLICATIONS AND PRESENTATIONS

Electronic Mail Policy, Michigan Municipal Risk Management Authority February 1998  
Small Claims Handbook, State Bar of Michigan 1984; 1993  
Contributor to: Downs, William T., Juvenile Law and Practice in the Michigan, West, 1983  
"Plain English in Judicial Administration: Michigan Standardized Court Forms" 63 Michigan Bar Journal  
390, 1984  
Columnist, CMDA "On Law" client communications 1996-2010  
Coordinator, American Bar Association YLD Leadership Institute  
Michigan Judicial Institute 1979-1993  
SCAO Training and Resource Programs  
Speaker, MI Judicial Conferences  
Instructor, Michigan District Court Administrators Training  
Negotiation Seminar Panelist, SBM-YLS Annual Meeting  
Panelist, Alternative Law Practice Seminar: "There's More to Law than Law"  
Speaker and Member, Southeast Michigan Court Administrators Association 1978-1994  
Panelist, ABA/YLD Affiliate Outreach Conference, Detroit, 1995  
Chairperson, SBM 1995 Annual Meeting Program: "The Law Practice Supermarket"  
Consultant, Michigan Municipal Risk Management Authority, and Member municipalities  
State Bar of Michigan Bench/Bar Conference, Facilitator 1999, 2001  
"Hot Topics in Real Estate Law", MI Association of Real Estate Appraisers, Speaker 2005; 2007  
"Legal Career Trends and the ABA" Cooley Law School and MI State University Law School 2010  
"Preventive Measures for Business Owners" CMDA On Law, 2011  
"Effective Meetings for Bar Leaders", SBM Leadership Institute, 2011  
"Civic Education for Bar Leaders", SBM Leadership Institute, 2012  
"Professionalism in Action" program for law students at Cooley Law School and University of Detroit-  
Mercy School of Law

Speaker for community groups, local bar associations, law schools, and schools.





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Library trustees serve appointed four year terms on the Library Board of Trustees. Each Grosse Pointe municipality and Harper Woods is represented on the board with one additional at-large member. Board members are responsible for hiring and evaluating the Director of the Library, and to oversee the fiscal management and general library business. The library board meets once a month with additional meetings required occasionally. This position requires a minimum commitment of six hours per month. Applicants must be a qualified elector of the library district. There are no other specific qualifications; however, current board members have demonstrated their belief in a strong, fiscally sound and progressive library.

Please complete the application below if you are **a resident of the City of Grosse Pointe Woods**. You may include a resume, if available. In addition to the application, please prepare a brief letter covering the following topics:

- How many years have you lived in the community? *(18 years GPW + 10 years GPCity)*
- Why do you want to serve on the Library Board? *TO help make the library a great place.*
- What talents would you bring to the Library Board?
- Have you had experience working with or in a library? If yes, where?
- What do you feel is the most important issue facing the Grosse Pointe Public Library?

NAME: VINCENT T. VAN TIEM

ADDRESS: 1314 ALINE DR., GROSSE PTE. WOODS MI 48236

TELEPHONE: Home: (586) 945-9176 Work: Same  
Fax: (586) 773-3355 E-mail: vincentvantiem@gmail.com

OCCUPATION: ATTORNEY (since 1995)

LIST YOUR COMMUNITY SERVICE AND ORGANIZATIONS OF WHICH YOU ARE A MEMBER, Please indicate any leadership roles and note the dates of involvement. *Dean / President 2004*  
*(1991-present)*  
GIR SOUTH GRADUATE 1986, DELTA THETA PHI LAW FRATERNITY  
UNIVERSITY OF MICHIGAN ALUMNI ASSOC. (1990-present)  
Detroit College of Law ALUMNI ASSOC. (1994-present)  
STATE BAR OF MICH. (1995-present) NAT. FAOLE SCOUT ASSOC.  
G.P. WOODS RESIDENT (1998-present) GPCITY RESIDENT (1981-present)

PLEASE NAME TWO REFERENCES:

NAME	RELATIONSHIP	TELEPHONE
1. <u>JOHN L. deClaire</u>	<u>Friend of 20+ years</u>	<u>313.350.2319</u>
2. <u>Matthew S. Weaver</u>	<u>Friend of 24+ years</u>	<u>313.574.4316</u>
3. <u>JAMES C. TOTTH</u>	<u>Friend of 21+ years</u>	<u>586.747.5133</u>



Vincent T. Van Tiem  
1314 Aline Drive  
Grosse Pointe Woods, MI. 48236  
(c) 586.945.9176

November 14, 2014

Secretary of the Library Board  
10 Kercheval  
Grosse Pointe Farms, MI 48230

Dear Secretary of the Library Board:

I am writing this letter to indicate my interest in serving on the Library Board as the trustee from Grosse Pointe Woods. I have lived in Grosse Pointe Woods for 16 years and I also lived in Grosse Pointe City for 11 years from 1975 to 1986. I am a 1986 graduate of Grosse Pointe South High School.

I would like to serve on the board to insure and help the library continue to be the great asset and resource it is to the Grosse Pointe community. I am also a frequent user of the library and enjoy the library immensely. I have been impressed with the two newer buildings and also the Central Library Branch.

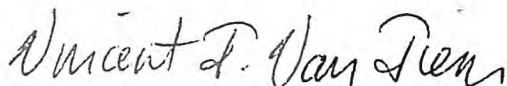
The talents that I would bring to the Library Board are: I am a licensed attorney for the past nineteen years. As an attorney I would be able to spot legal issues and concerns. My wife, Doris Neal, is also an attorney and we have a general practice law firm. I am a dedicated and hard worker and I would be an asset to the Library Board.

The experience that I have with the Grosse Pointe Library is as a consumer and frequent visitor. I have always been impressed with the library system that we have in the Grosse Pointes.

The most important issue facing the Grosse Pointe Library system is to continue to make the library system the outstanding asset that it is for our community and being able to fund the library system. I noticed in the Grosse Pointe Newspaper that the Grosse Pointe Woods library branch is having a heating and cooling system replacement this year. I realize that these are the types of issues that face the Library Board on a regular basis. I would like to help the Library Board, as a Trustee of that Board, in making those difficult and important decisions.

Thank you for your consideration and I hope that I can be of service to the community as the next Library Board Trustee from Grosse Pointe Woods.

Sincerely,

A handwritten signature in cursive script that reads "Vincent T. Van Tiem".

Vincent T. Van Tiem



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- What talents would you bring to the Library Board?
- Have you had experience working with or in a library? If yes, where?
- What do you feel is the most important issue facing the Grosse Pointe Public Library?

NAME: TOM WARNEZ

ADDRESS: 589 S. Brys Dr. Grosse Pointe Woods

TELEPHONE: Home: 313-884-2667 Work: 586-447-4284  
Fax: 586-772-9054 E-mail: twarnez@metcom-inc.com

OCCUPATION: President/CEO Metcom, Inc.

LIST YOUR COMMUNITY SERVICE AND ORGANIZATIONS OF WHICH YOU ARE A MEMBER. Please indicate any leadership roles and note the dates of involvement.

Facilitator & Emcee: ChristLife; Sep. 14 - Current  
Merit Badge Counselor: Boy Scouts; Sep. 08 - Current  
Member & Past President: GPN Band & Orchestra Boosters; May 09 -  
Member & Major Sponsor: University Christian Outreach; May 11 - Current

PLEASE NAME TWO REFERENCES:

NAME	RELATIONSHIP	TELEPHONE
1. <u>Mark Wollenweber</u>	<u>Friend</u>	<u>313-304-2842</u>
2. <u>Gary Pentalis</u>	<u>Friend</u>	<u>313-515-8703</u>

**Thomas R. Warnez**  
**589 S. Brys Dr.**  
**Grosse Pointe Woods, MI 48236**  
**Mobile: 586.873.8860**  
**E-Mail: [twarniez@metcom-inc.com](mailto:twarniez@metcom-inc.com)**

October 29, 2014

Secretary of Library Board  
Library Board of Trustees  
10 Kercheval  
Grosse Pointe Farms, MI 48236

Dear Trustees:

Enclosed is a completed Library Trustee Application. I moved to Grosse Pointe Woods in 1988, at the age of 27. My wife Annie and I have lived in our current home since 1996. Our children graduated from the Grosse Pointe Public Schools - Ferry, Parcels & Grosse Pointe North.

Annie and I have discussed the possibility of assisting the Grosse Pointe Public Library several times over the years. She has convinced me that my marketing and financial experience, both gained from running a business, combined with my knowledge of library operations, could further promote the image of the GPPL, as well as bolster its finances.

Since 1986, I have owned and run Metcom, Inc., a St. Clair Shores-based print and promotional management company. One of our specialties is working with Michigan-based libraries. We are proud to serve over 20 public and district libraries, as well as 2 library cooperatives. Metcom provides libraries with patron cards, barcode labels, RFID tags, all designed to improve the flow and tracking of assets, as well as a variety of imprinted products and creative services designed to promote libraries in their communities. Metcom has exhibited at the annual Michigan Library Association Conference for five consecutive years.

If appointed a Trustee representing Grosse Pointe Woods, I will block Metcom, Inc. from doing business with the GPPL during my four year term. Having said this, I will also agree, if appointed, to work hard and to the best of my ability, help to enhance GPPL's image and financial condition, both of which, I believe, are the most important challenges facing our library today. Thank you for your consideration.

Sincerely,

  
Thomas R. Warnez