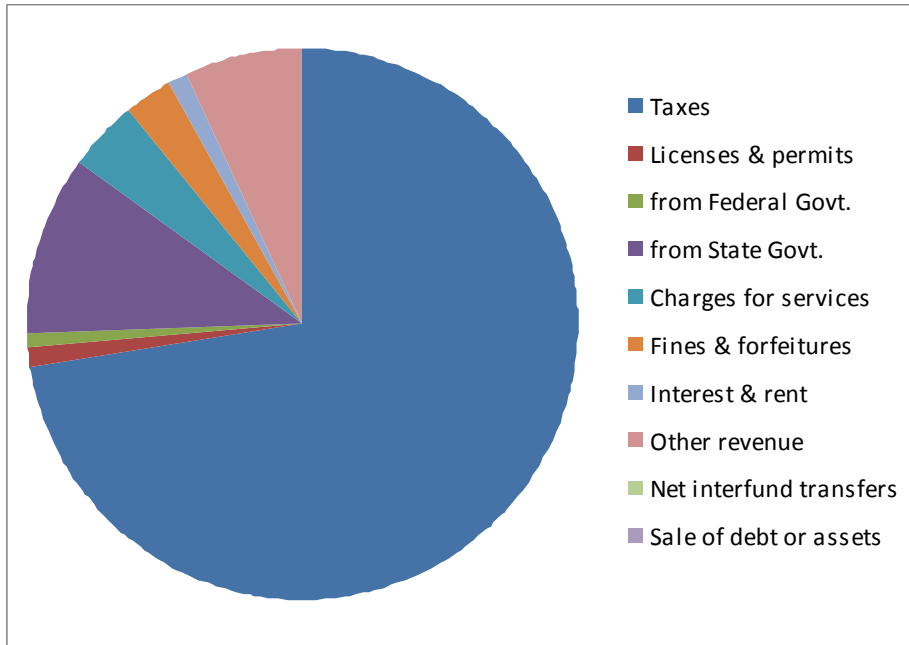


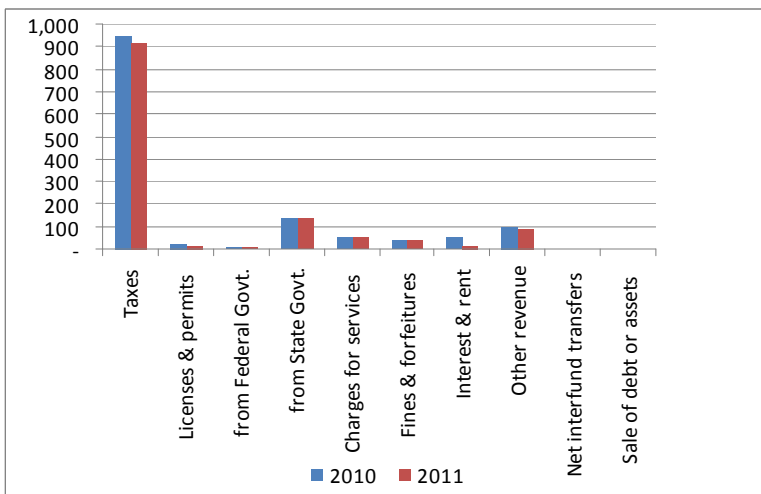
# CITIZENS' GUIDE TO LOCAL UNIT FINANCES - City of Grosse Pointe

## REVENUE SECTION

1. Where our money comes from (all governmental funds)



3. Revenue sources per capita - compared to the prior year



2. Compared to the prior year

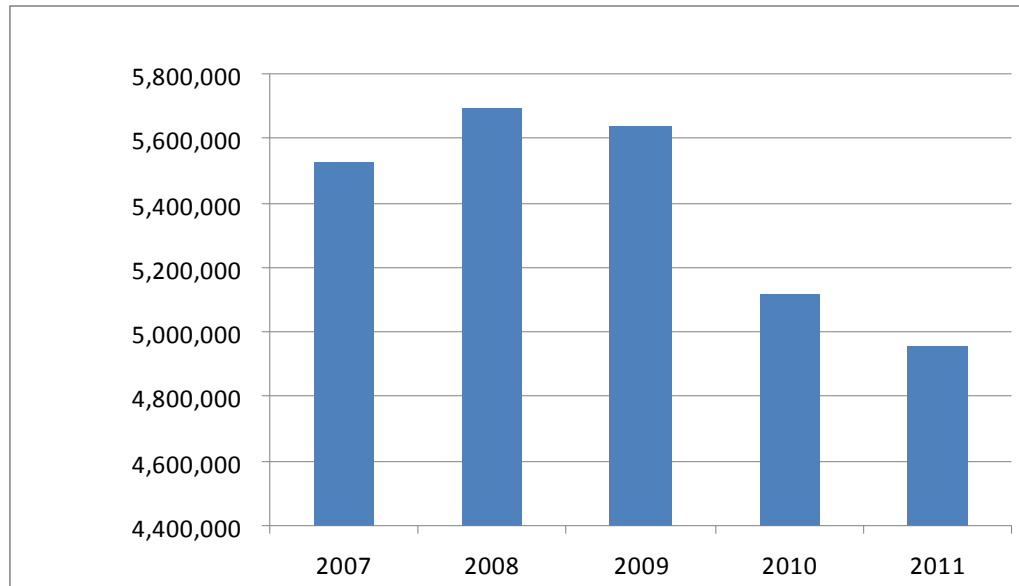
	<u>2010</u>	<u>2011</u>	<u>% change</u>
Taxes	\$ 5,118,549	\$ 4,959,866	-3%
Licenses & permits	108,132	87,762	(0)
from Federal Govt.	49,756	47,924	(0)
from State Govt.	753,262	723,319	-4%
Charges for services	280,281	286,704	2%
Fines & forfeitures	198,972	202,996	2%
Interest & rent	277,639	62,988	-77%
Other revenue	511,790	482,171	-6%
Net interfund transfers	-	-	n/a
Sale of debt or assets	-	-	n/a
	<u>\$ 7,298,381</u>	<u>\$ 6,853,730</u>	-6%

Commentary: The decline in the value of residential property assessments has resulted in a major decrease in residential property tax revenues used for general operations. This is critical as property taxes are by far the single largest revenue source for the City. It should also be pointed out that the City has also raised user fees over the last several years. However, there has been, in general, a rule of diminishing returns on these fees increases: as the frequency of the activities for which charges were made declined in number.

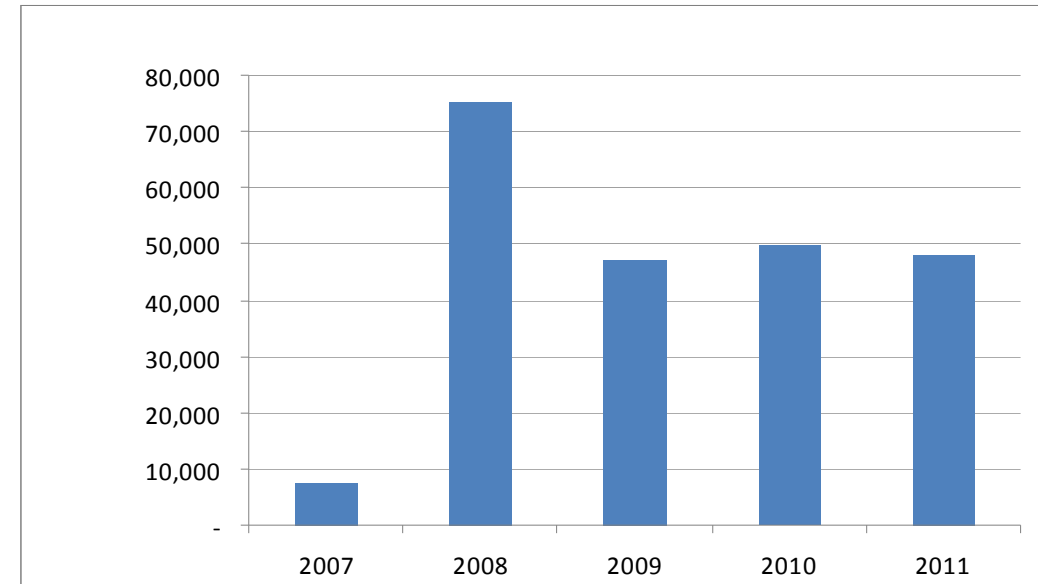
For more information on our unit's finances, contact Kimberly Kleinow at (313) 417-1170.

## REVENUE (cont)

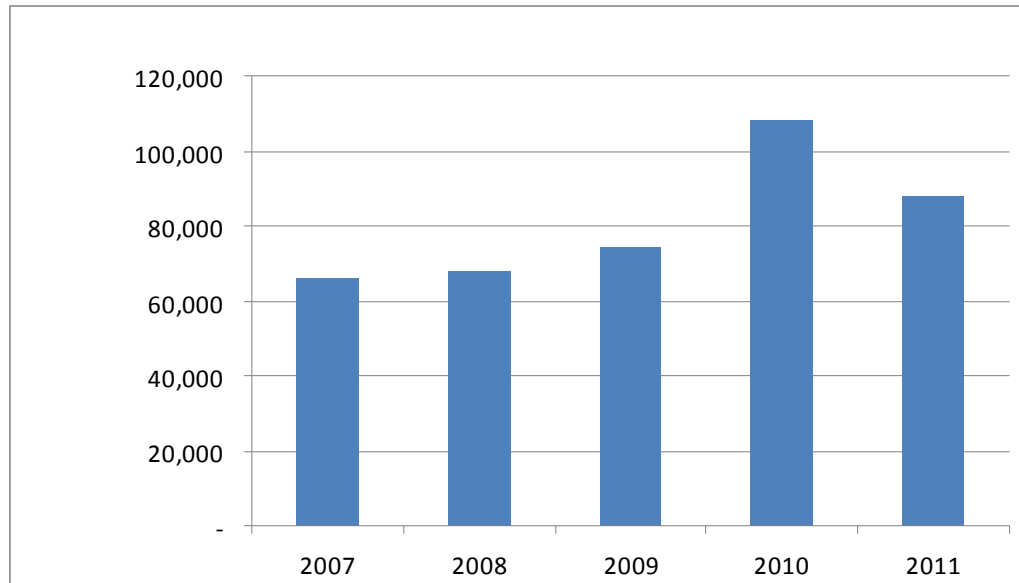
Source: Taxes



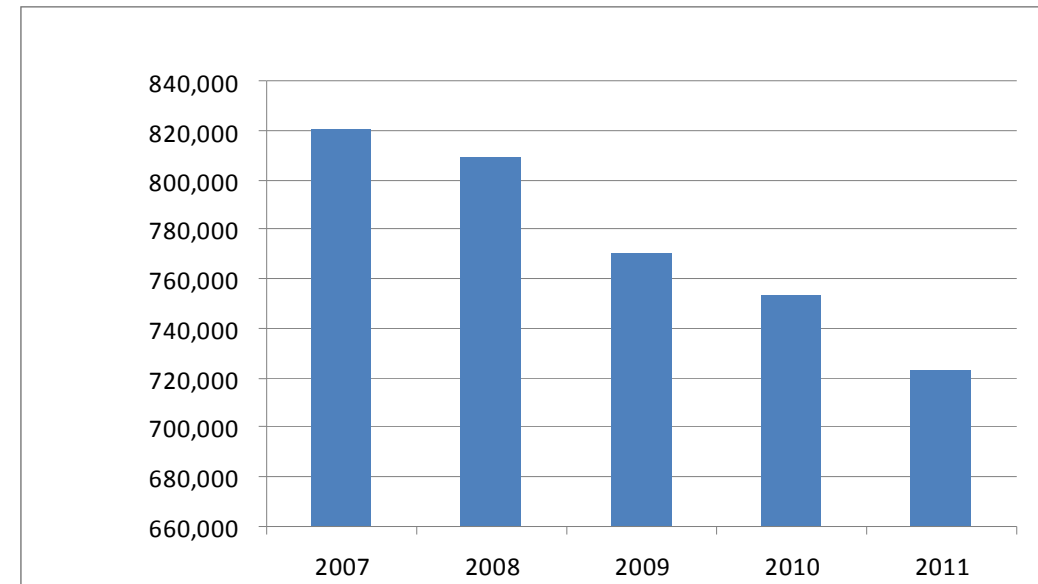
Source: Federal Government



Source: Licensing and Permits

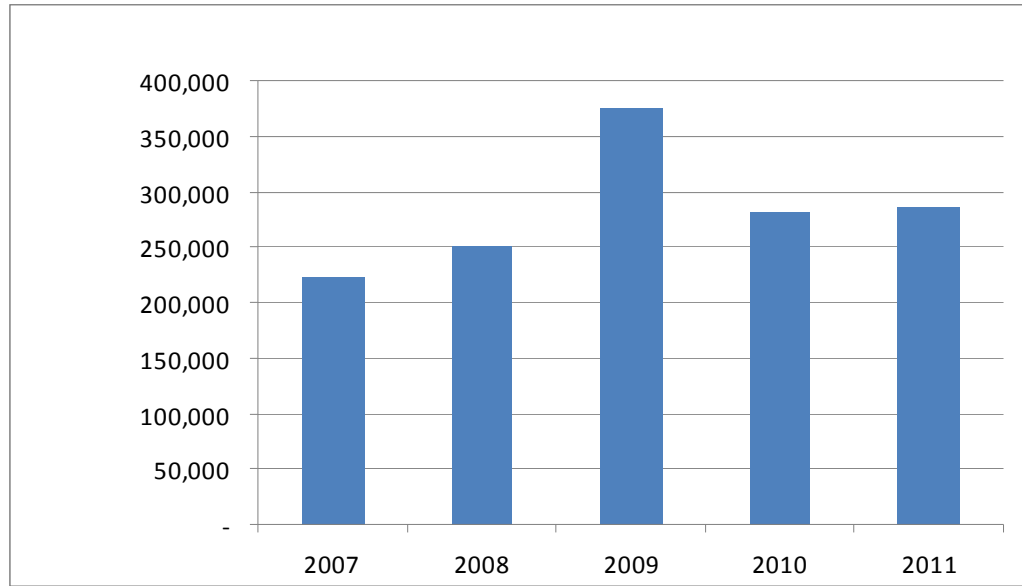


Source: State Government

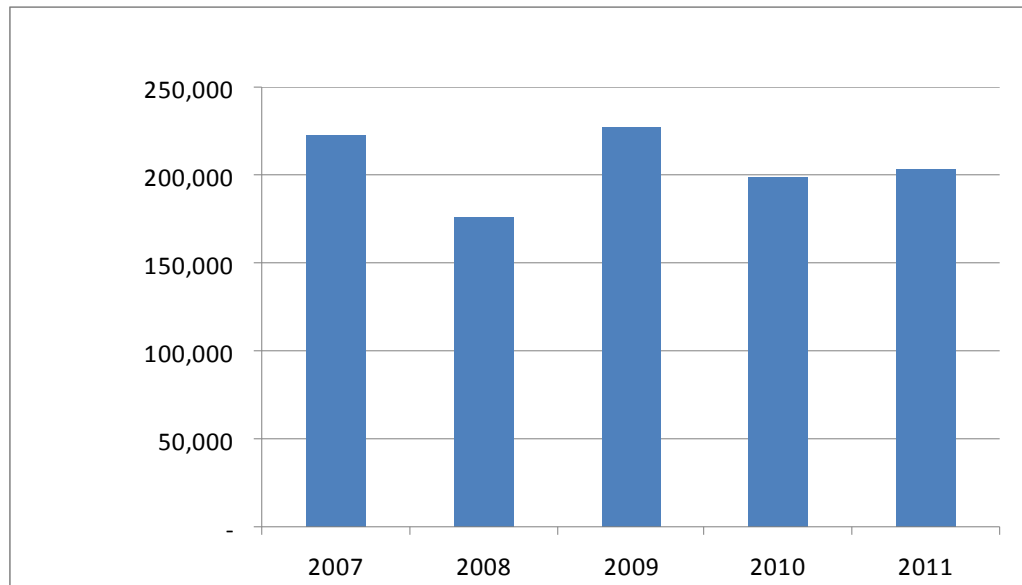


## REVENUE (cont)

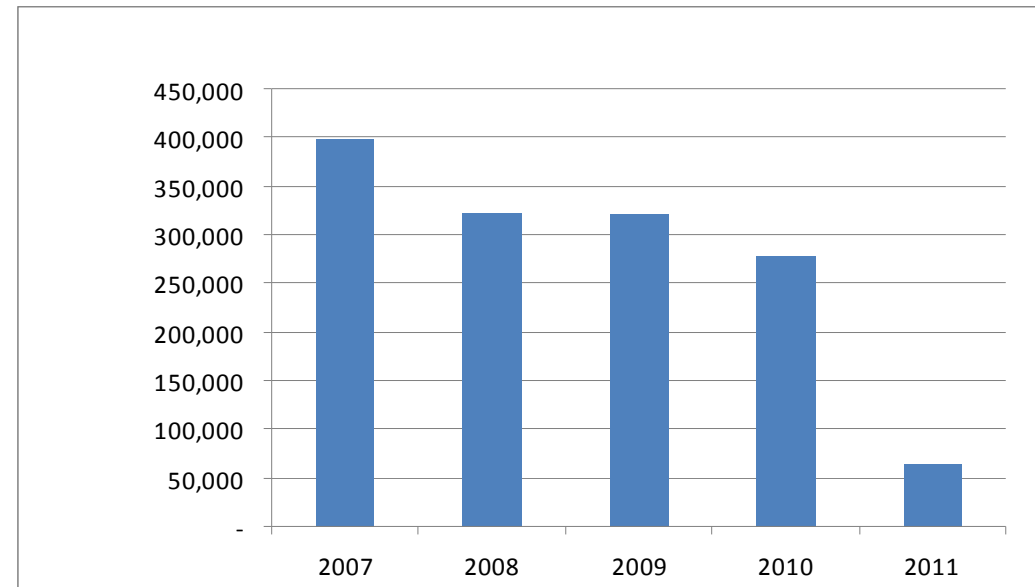
Source: Charges for Services



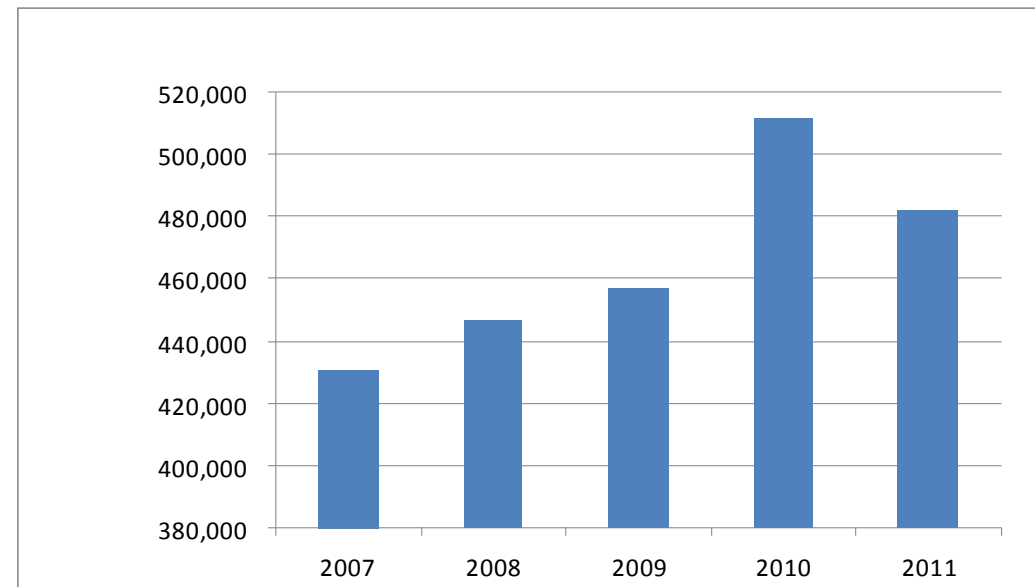
Source: Fines and Forfeitures



Source: Interest and Rent

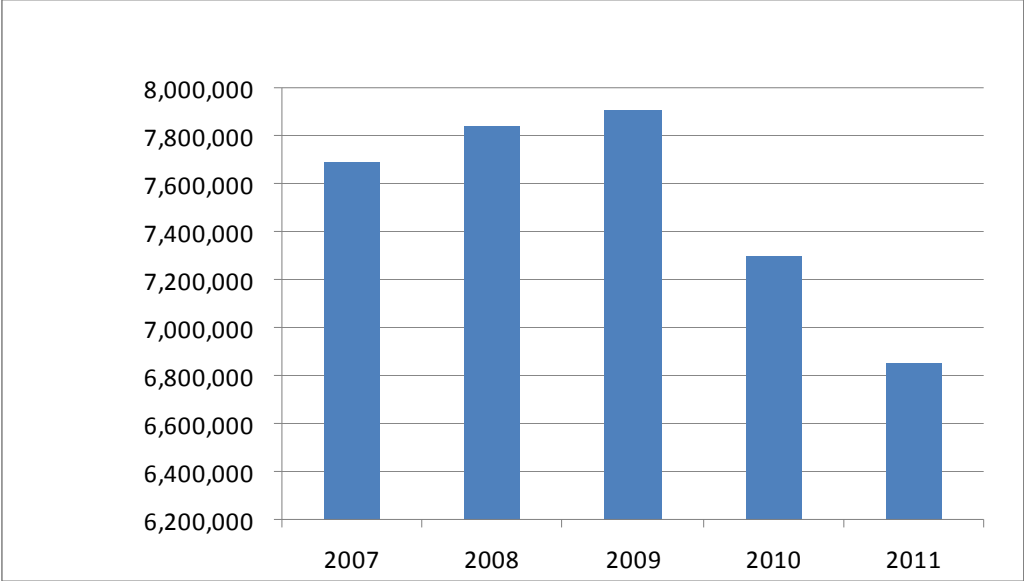


Source: Other Revenue



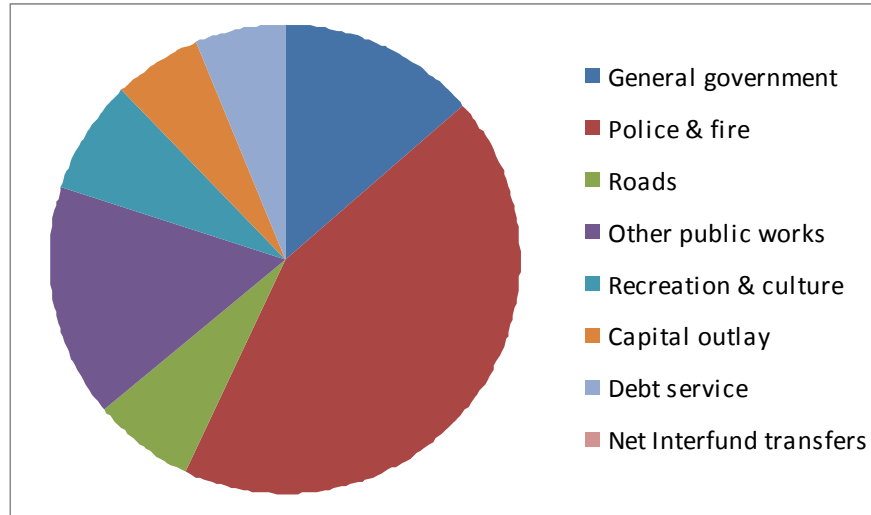
**REVENUE (cont)**

Total Revenue

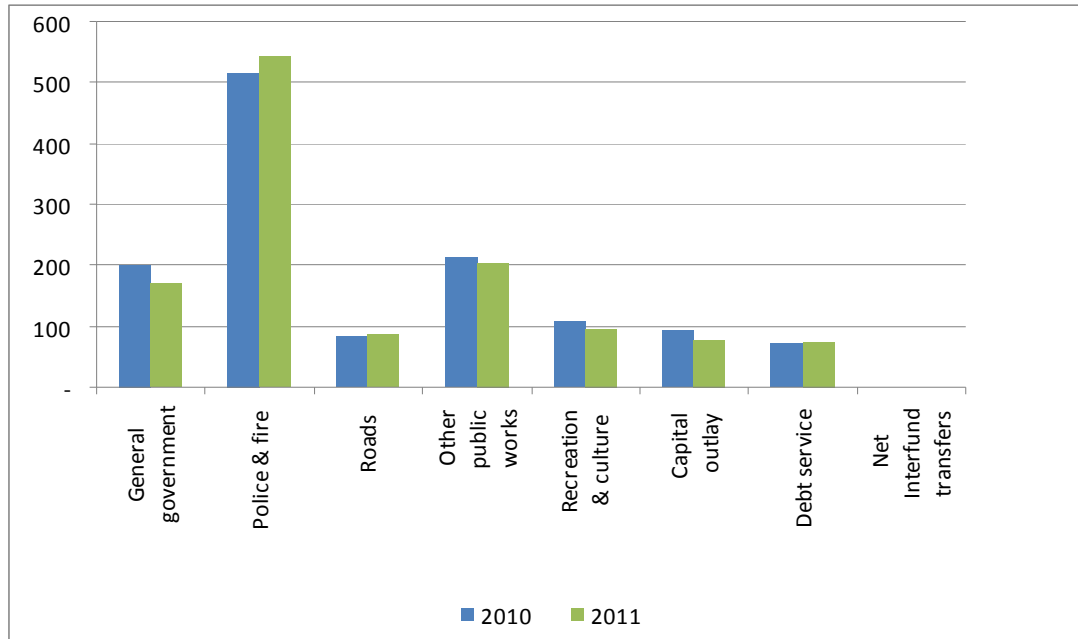


## EXPENDITURE SECTION

### 1. Where we spend our money (all governmental funds)



### 2. Spending per capita - compared to the prior year



### 3. Compared to the prior year

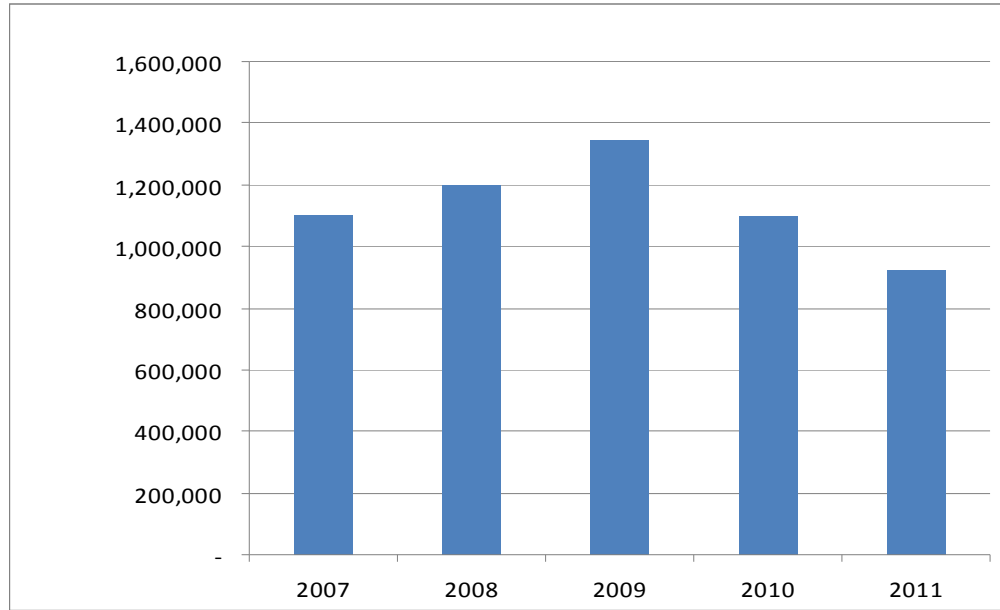
	<u>2010</u>	<u>2011</u>	<u>% change</u>
General government	\$ 1,097,090	\$ 923,149	-16%
Police & fire	2,797,052	2,948,134	5%
Other public safety	-	-	n/a
Roads	462,203	465,820	1%
Other public works	1,149,080	1,105,511	-4%
Health & welfare	-	-	n/a
Community & economic development	-	-	n/a
Recreation & culture	585,638	523,649	-11%
Capital outlay	507,600	419,093	-17%
Debt service	397,562	411,159	3%
Interfund transfers (net)	-	-	n/a
<b>total expenditures</b>	<b>\$ 6,996,225</b>	<b>\$ 6,796,515</b>	<b>-3%</b>

Commentary: In light of the revenue constraints, in order to achieve balanced budgets, expenditures for all departments have been reduced. These expenditure reductions demonstrate that, in large part, the reductions made to date have been in administrative and overhead type categories. There has been a clear effort to avoid reduction of services, particularly in key Public Works and Public Safety services. Public Works reductions have primarily been in the Highway Fund related costs, rather than the General Fund. That has not been possible in the Parks and Recreation department where staffing and recreational programs offered are less. This reflects the community's expressed priorities.

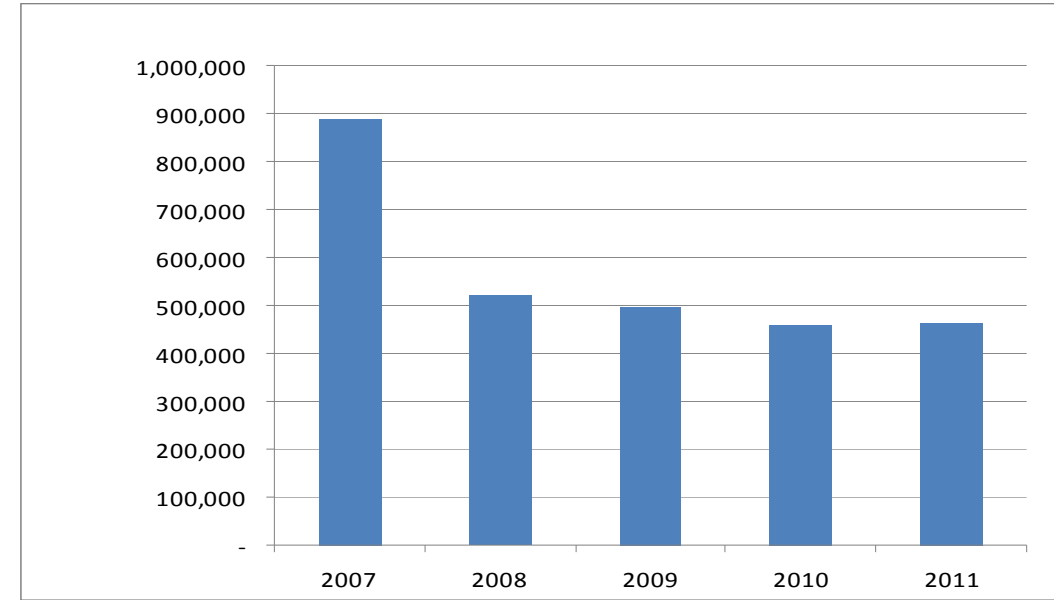
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## EXPENDITURES (cont)

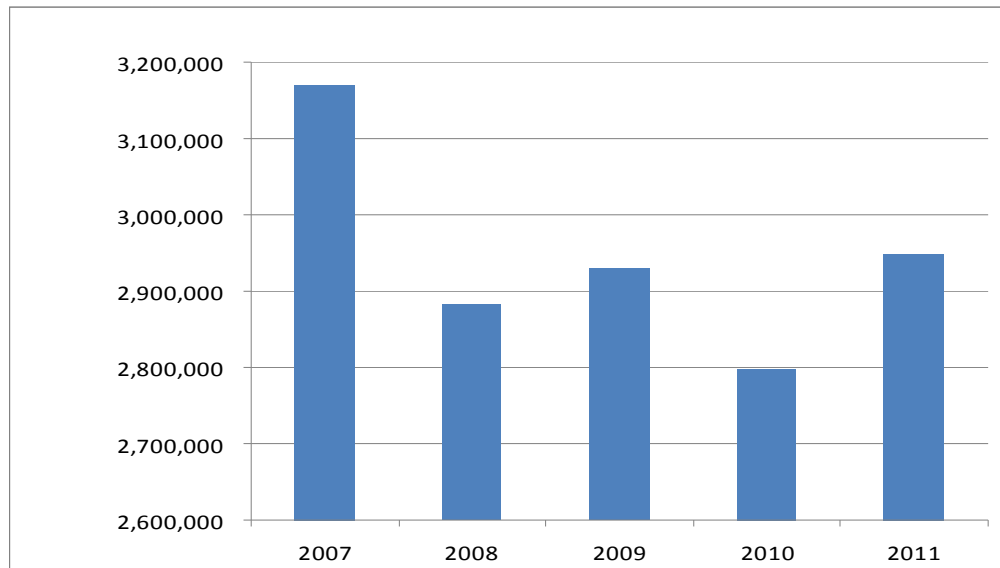
Department: General Government



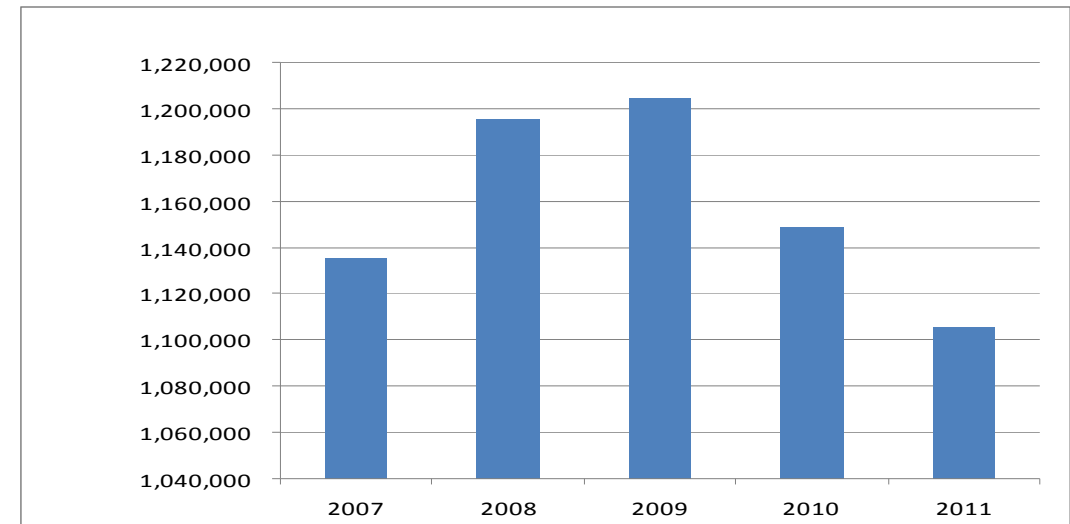
Department: Roads



Department: Police and Fire

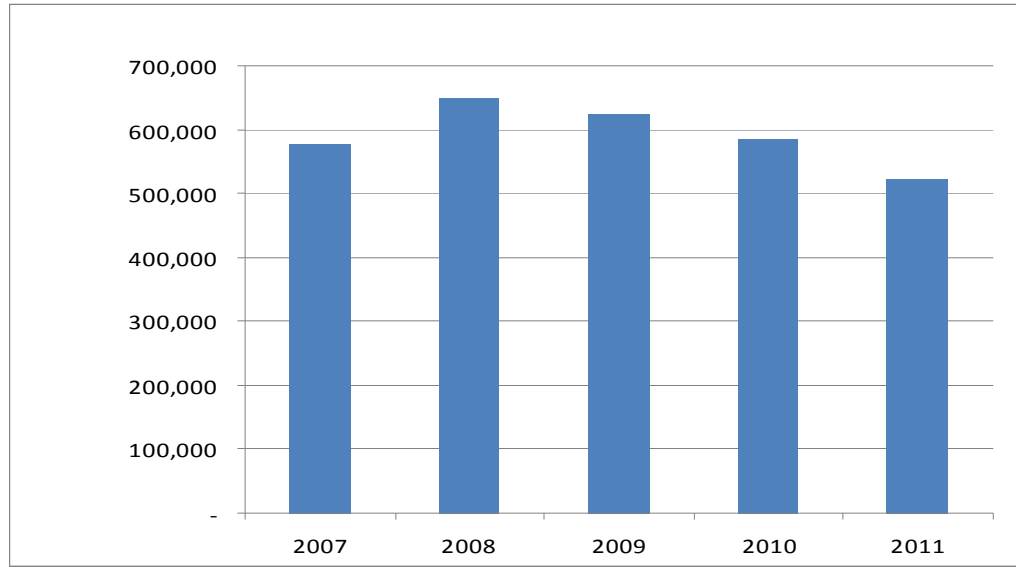


Department: Other Public Works

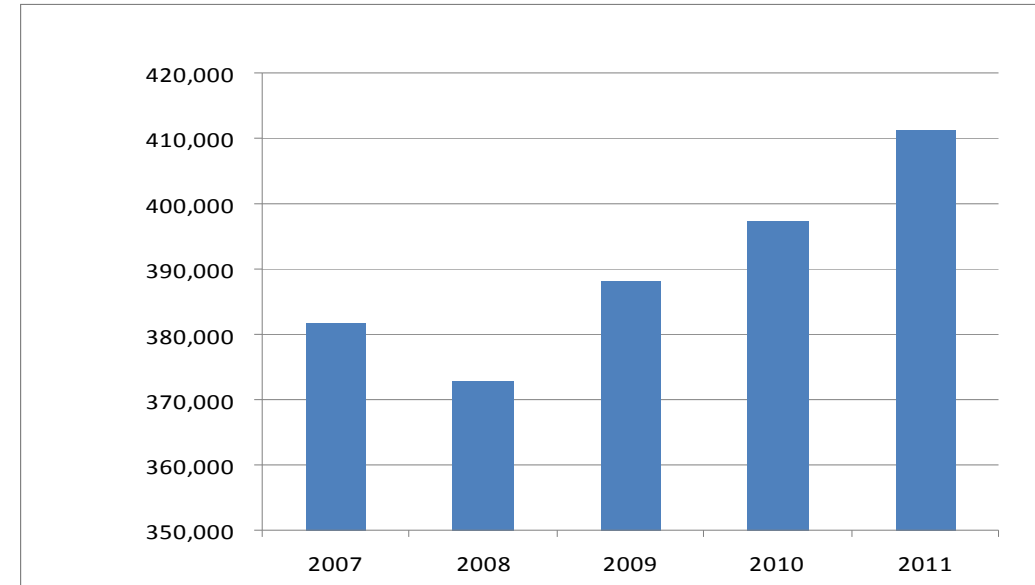


## EXPENDITURES (cont)

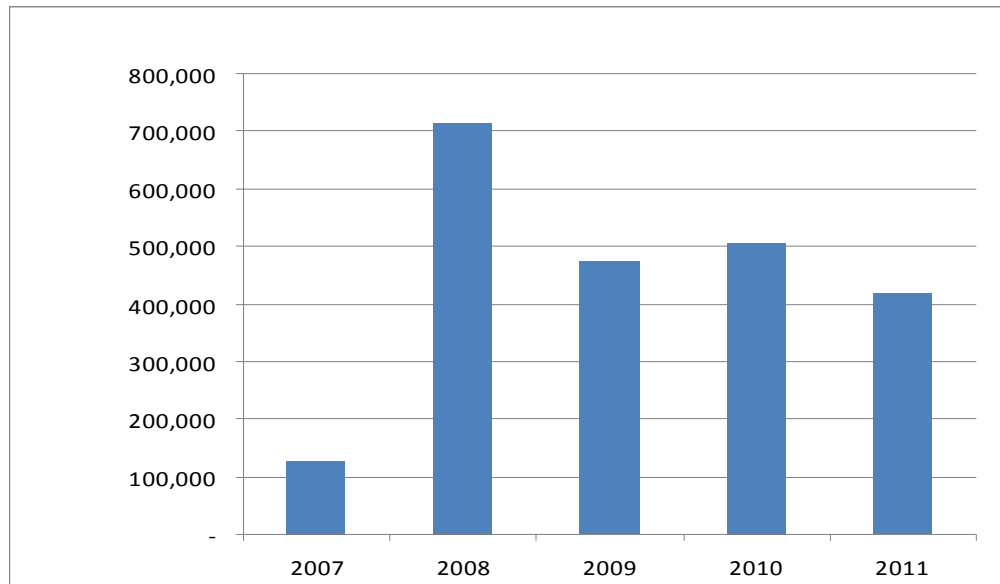
Department: Recreation and Culture



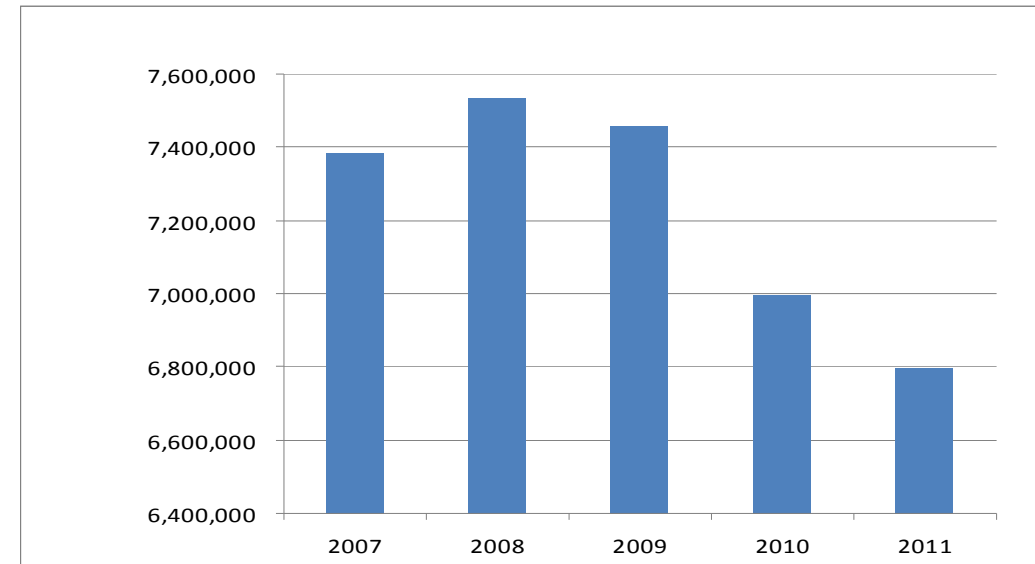
Department: Debt Service



Department: Capital Outlay

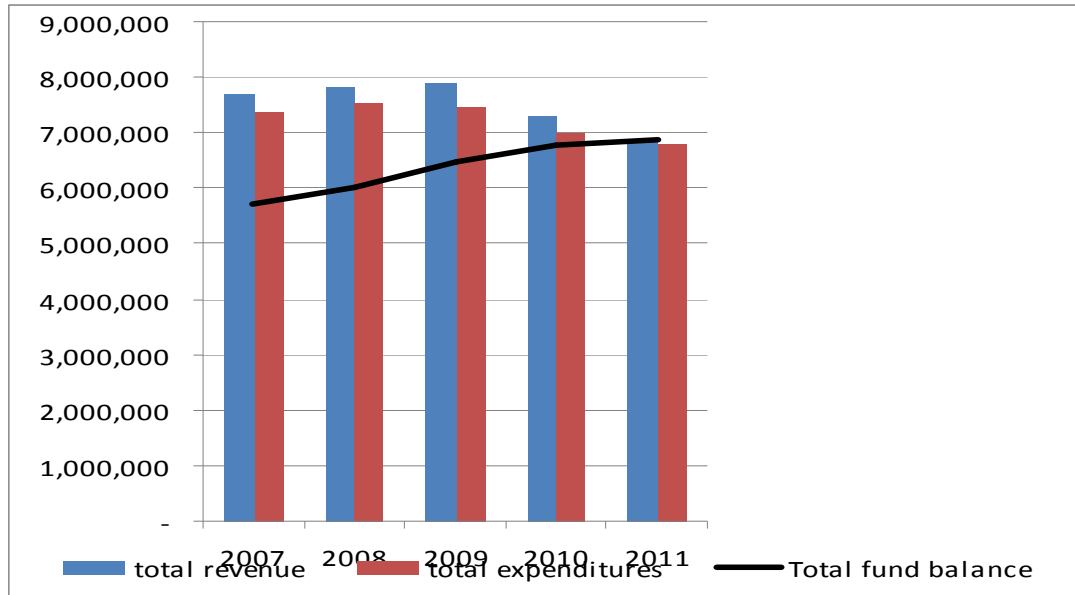


Department: Total Expenditures

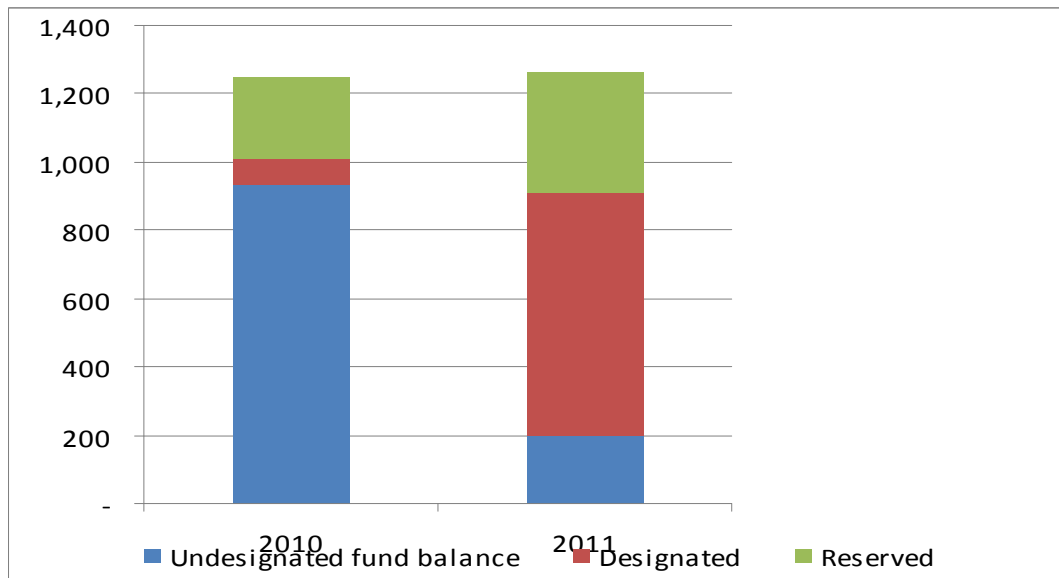


## FINANCIAL POSITION

### 1. How have we managed our governmental fund resources (fund balance)?



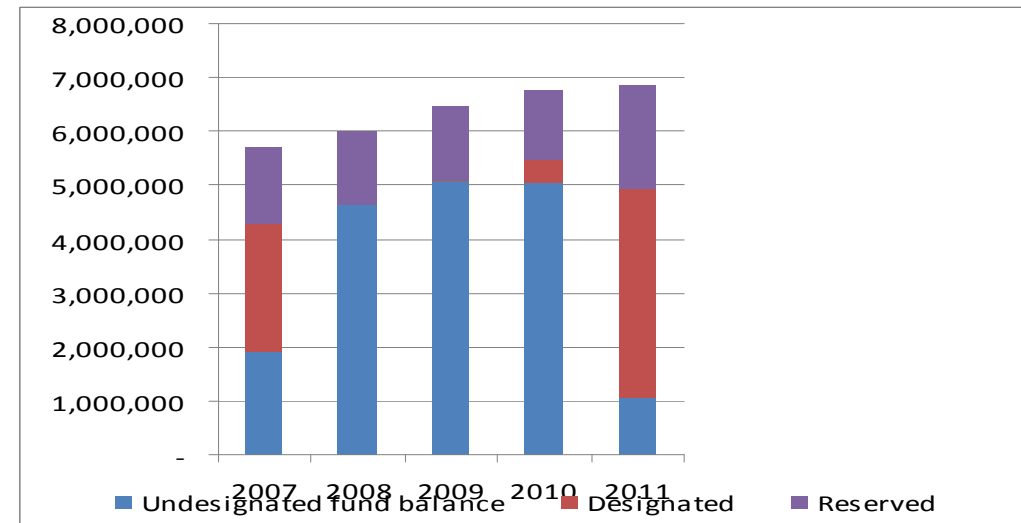
### 2. Fund balance per capita - compared to the prior year



### 2. Compared to the prior year

	2010	2011	% change
Revenue	7,298,381	6,853,730	-6%
Expenditures	6,996,225	6,796,515	-3%
Surplus (shortfall)	302,156	57,215	-81%
Fund balance, by component:			
Reserved	1,295,790	1,923,708	48%
Designated	411,672	3,884,978	844%
Undesignated	5,057,522	1,065,950	-79%
total fund balance	6,764,984	6,874,636	2%

### 4. Historical trends of individual components



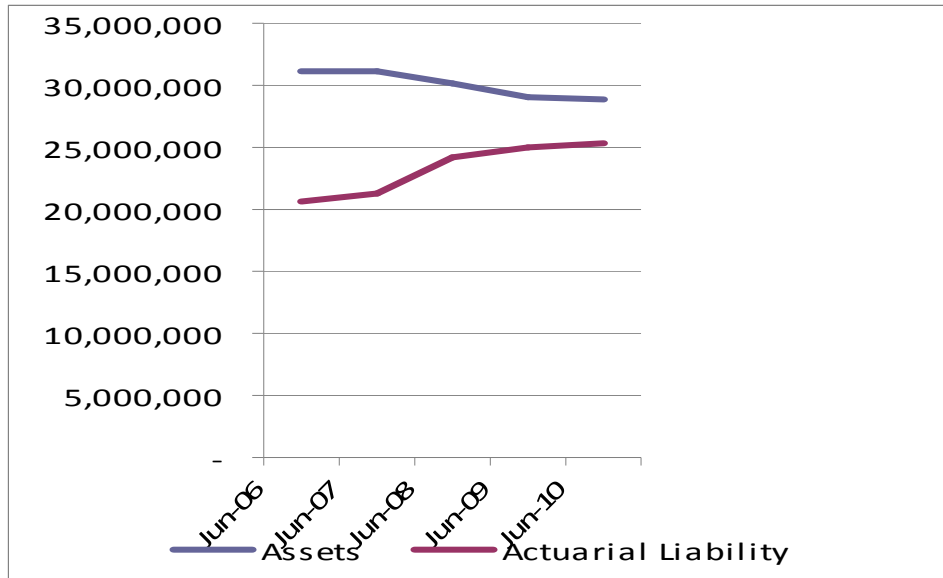
Commentary: The City has adopted a targeted range of maintaining a unrestricted fund balance of approximately 20 percent of the subsequent year's budgeted expenditures. The City annually transfers excess unrestricted fund balance into a Capital Projects Fund to finance future purchases of capital equipment and building repairs.

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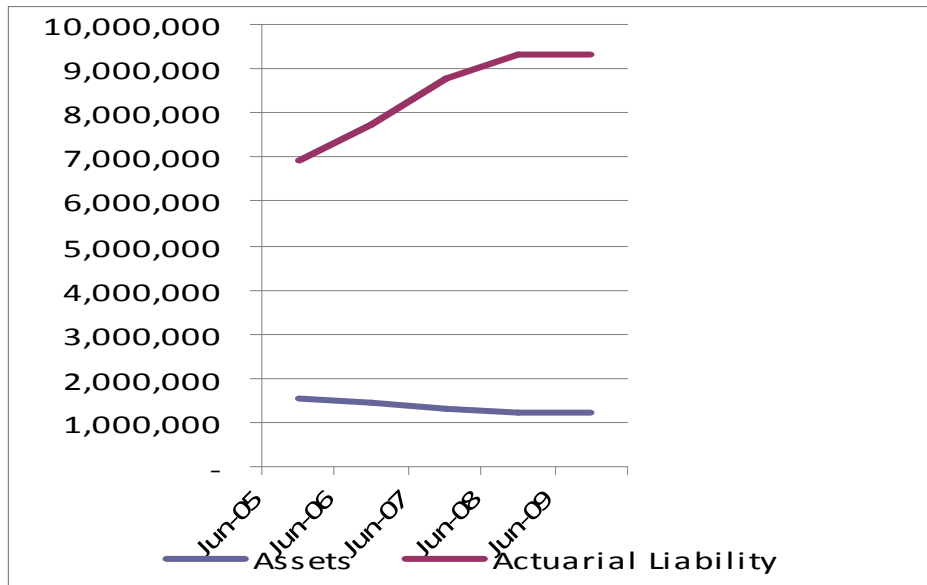


## OTHER LONG TERM OBLIGATIONS

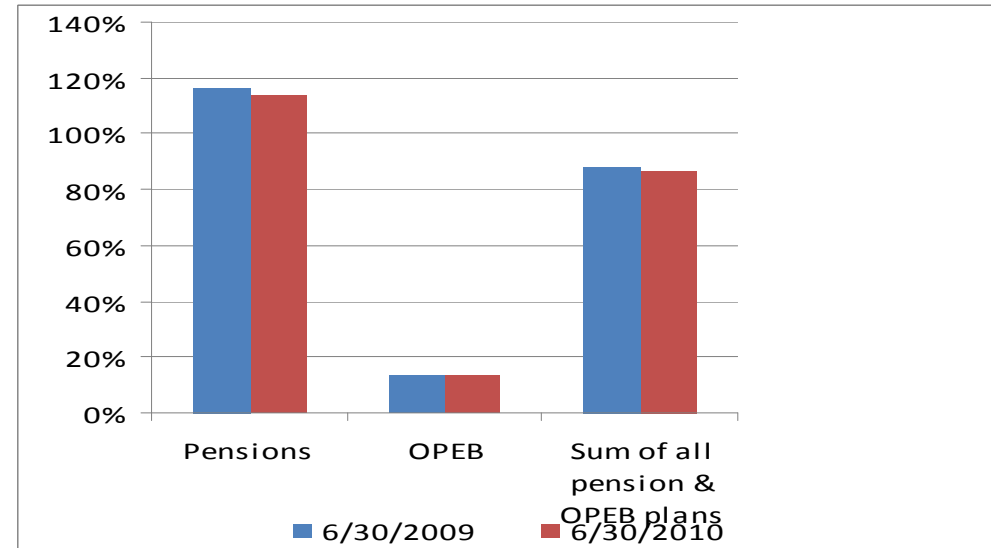
1. Pension funding status



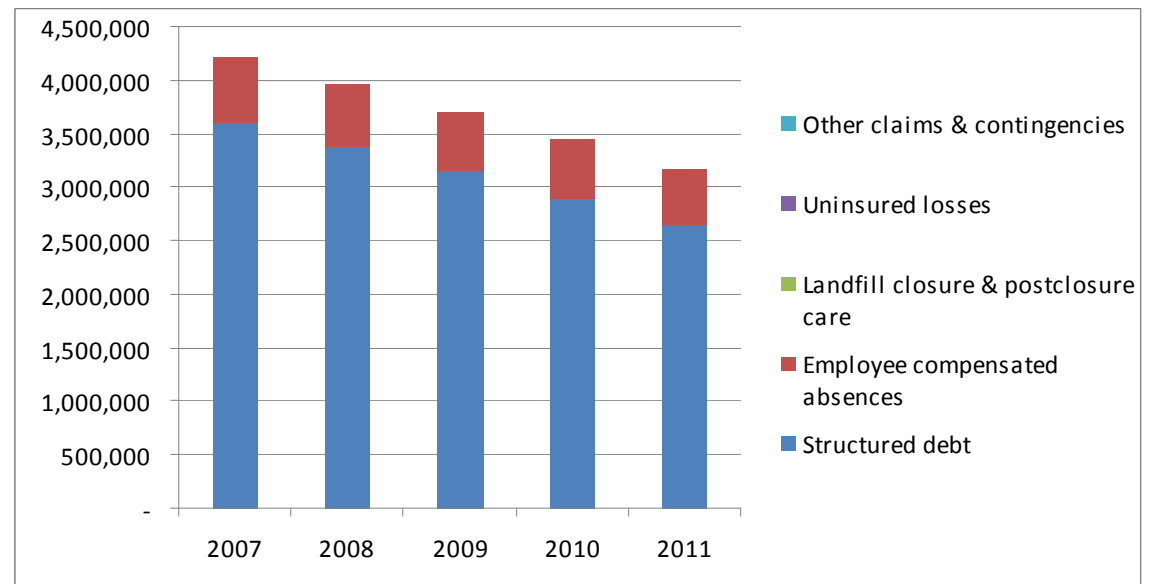
2. Retiree Health care funding status



3. Percent funded - compared to the prior year

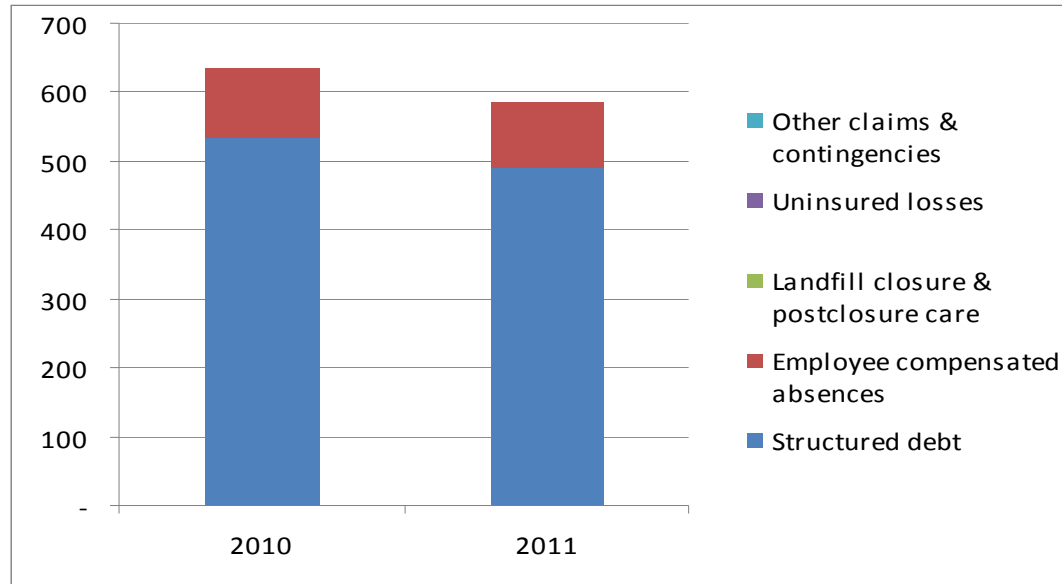


4. Long Term Debt obligations:



## OTHER LONG TERM OBLIGATIONS (cont)

5. Debt & other long term obligations per capita - compared to the prior year



Commentary: With the decline in the equity markets, the pension system has gone from significantly overfunded of more than 150 percent a few years ago to an estimated 113 percent. The City has been required to start contributing to the pension system, where it has not been necessary to make contributions in the past few years. The Retiree Healthcare Fund had been funded by transferring excess pension funds. However, there will not likely be excess pension funds to transfer, precluding a funding method that had been utilized as a way to pay for these retiree healthcare expenses, which now exceed \$400,000 per year. Without replenishment of the Retiree Healthcare Fund, the General Fund will assume the entire cost of providing healthcare to retirees.

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