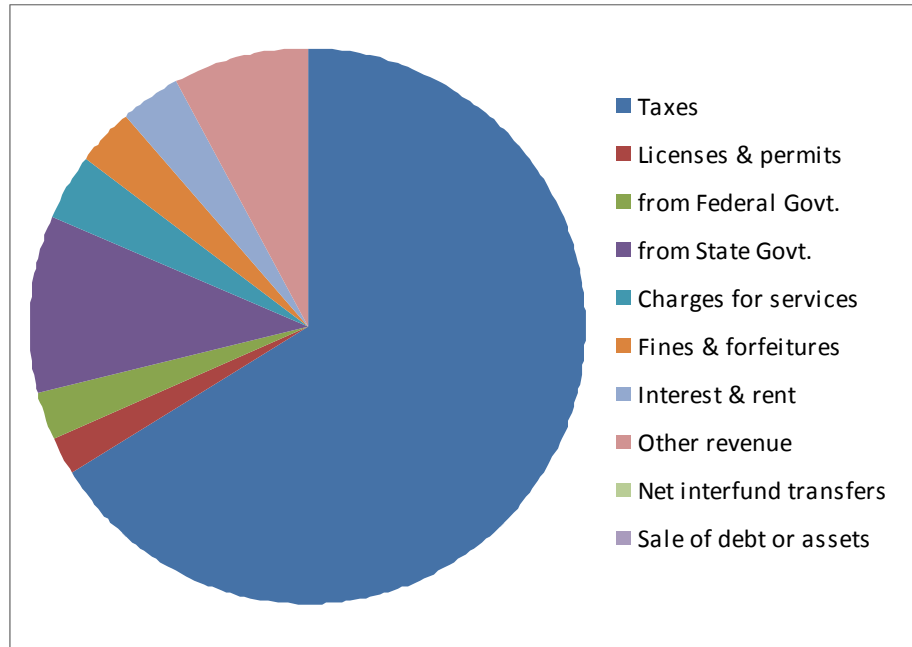


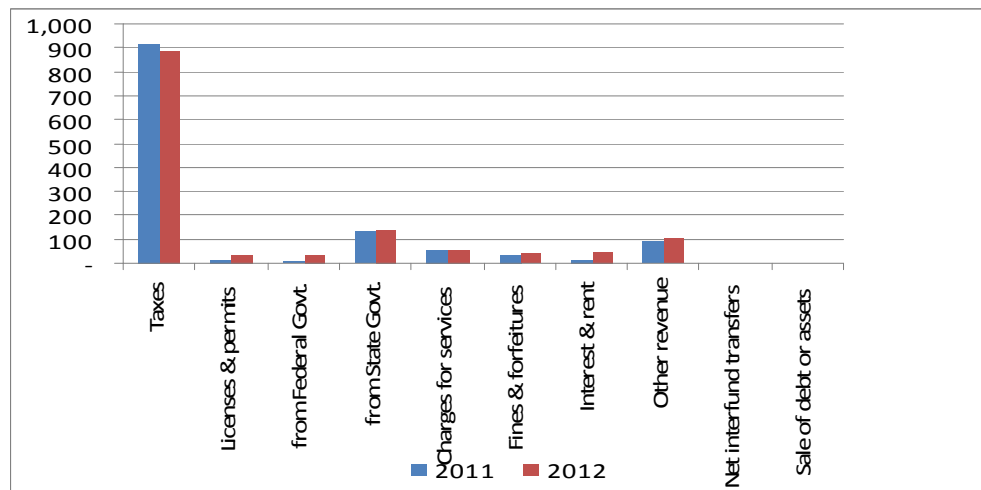
CITIZENS' GUIDE TO LOCAL UNIT FINANCES - City of Grosse Pointe

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

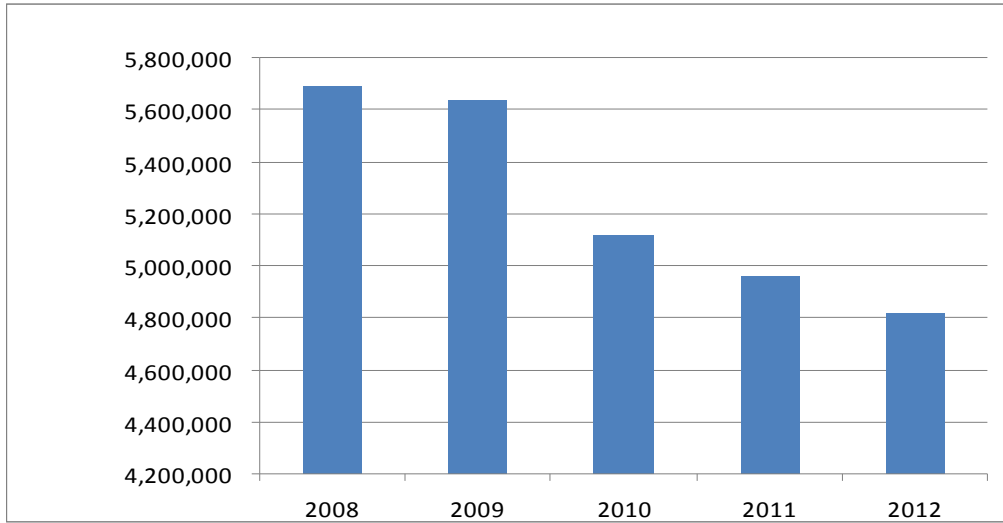
	<u>2011</u>	<u>2012</u>	<u>% change</u>
Taxes	\$ 4,959,866	\$ 4,813,165	-3%
Licenses & permits	87,762	177,903	1
from Federal Govt.	47,924	185,919	3
from State Govt.	723,319	764,882	6%
Charges for services	286,704	285,298	0%
Fines & forfeitures	202,996	235,845	16%
Interest & rent	62,988	265,409	321%
Other revenue	482,171	563,719	17%
Net interfund transfers	-	-	n/a
Sale of debt or assets	-	-	n/a
	<u>\$ 6,853,730</u>	<u>\$ 7,292,140</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.

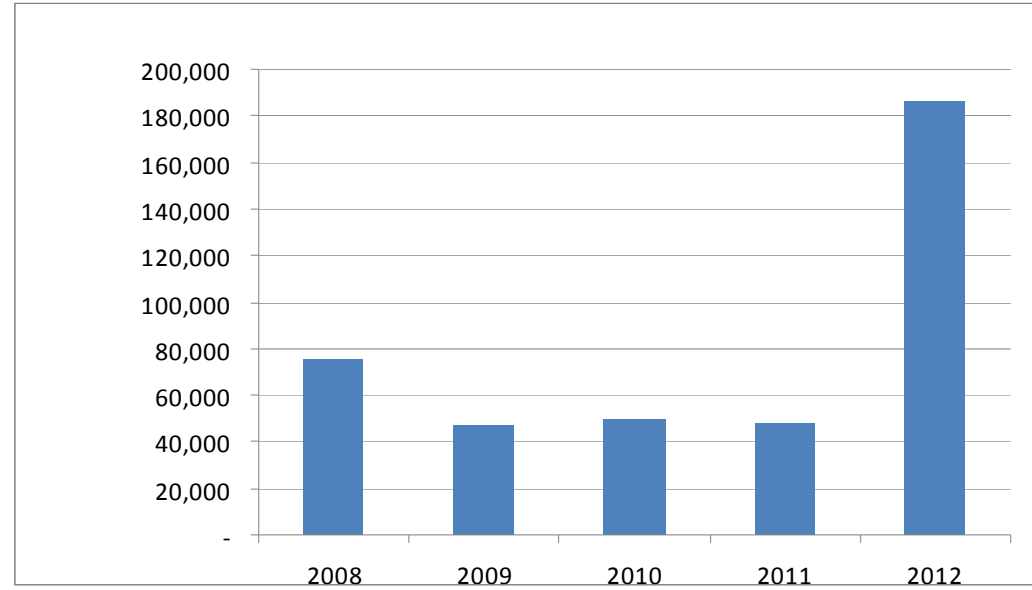
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REVENUE (cont)

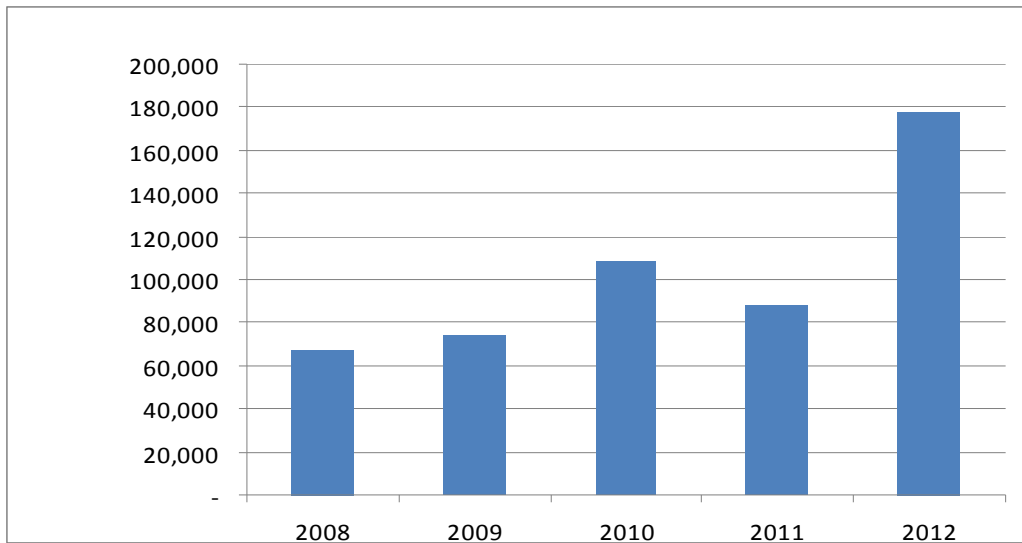
Source: Taxes



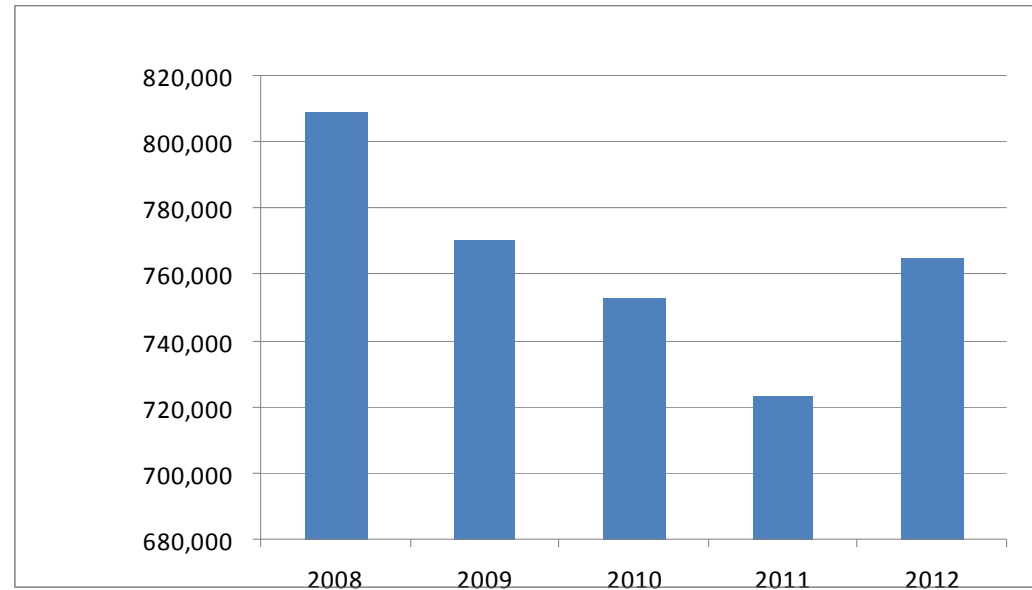
Source: Federal Government



Source: Licensing and Permits

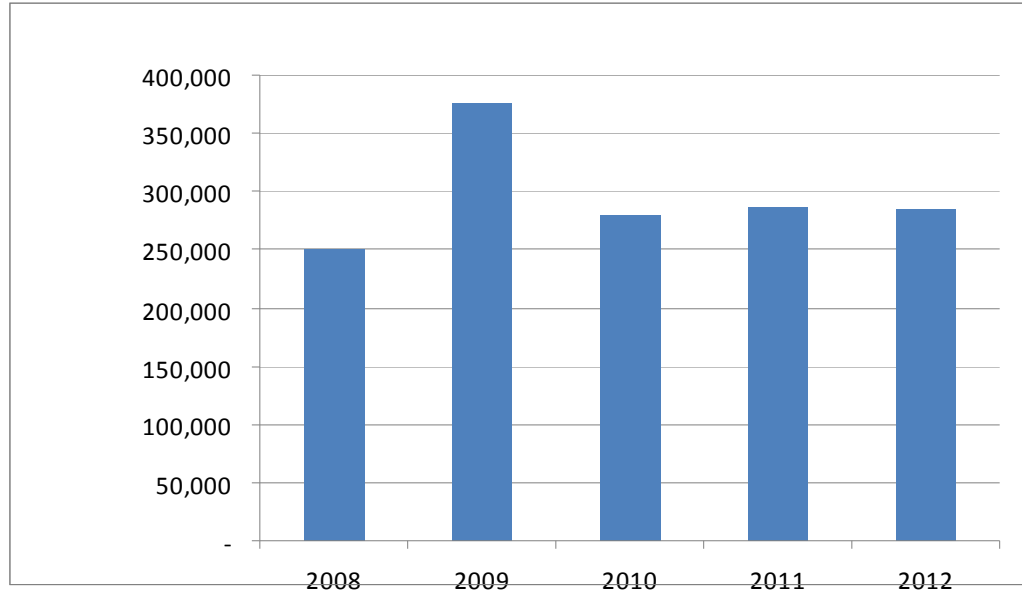


Source: State Government

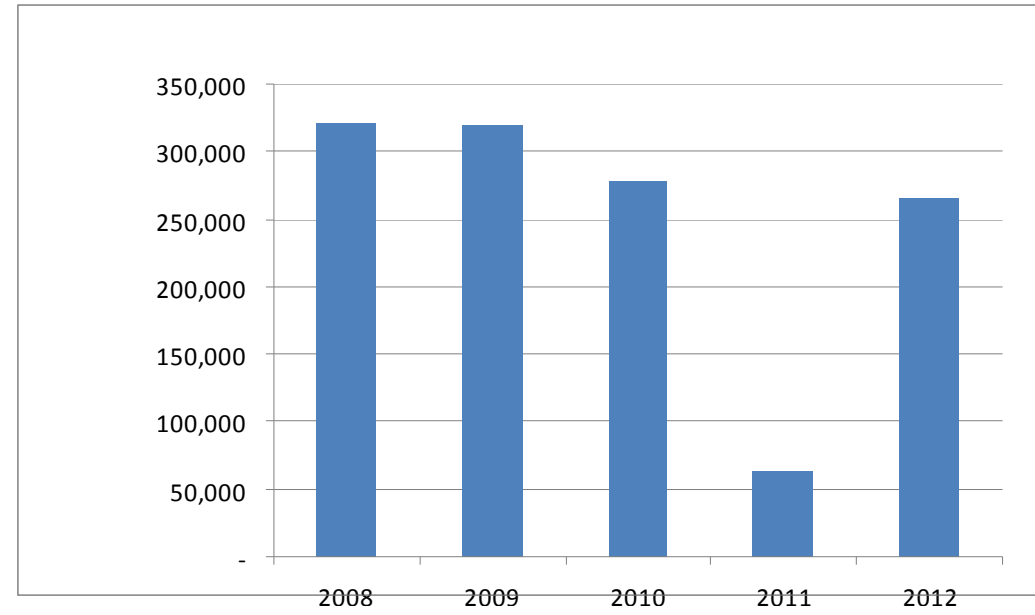


REVENUE (cont)

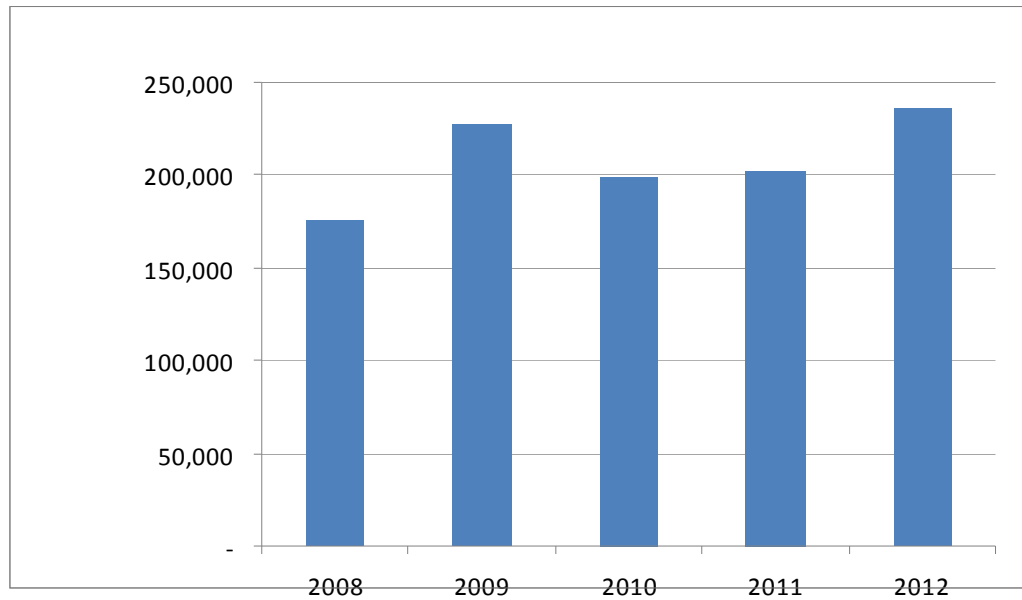
Source: Charges for Services



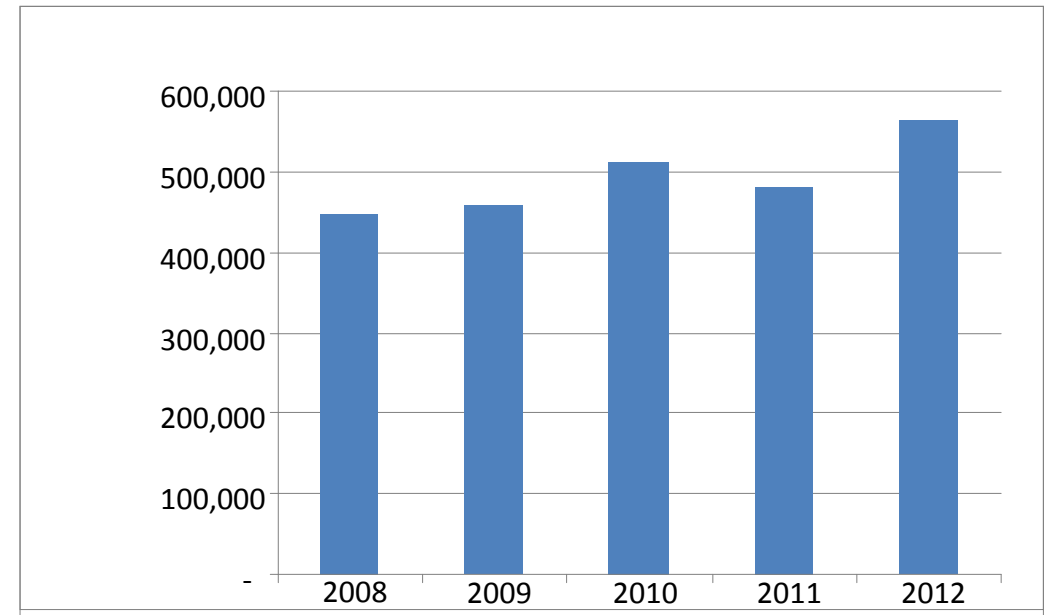
Source: Interest and Rent



Source: Fines and Forfeitures

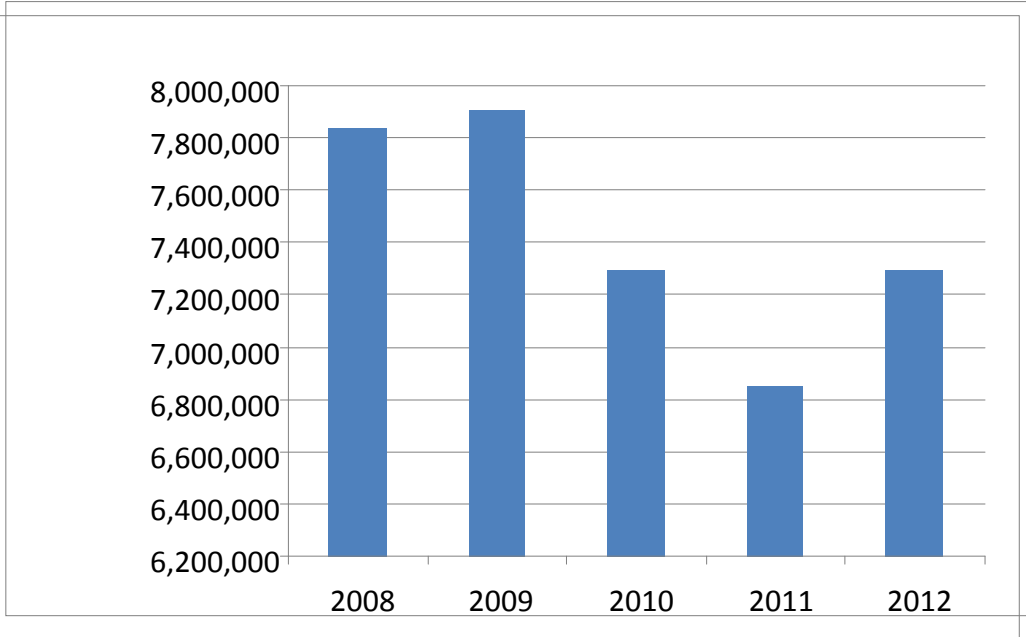


Source: Other Revenue



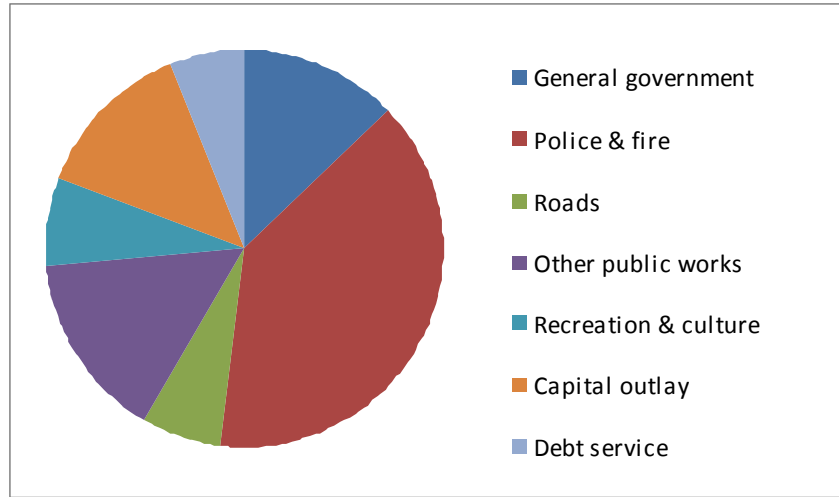
REVENUE (cont)

Total Revenue



EXPENDITURE SECTION

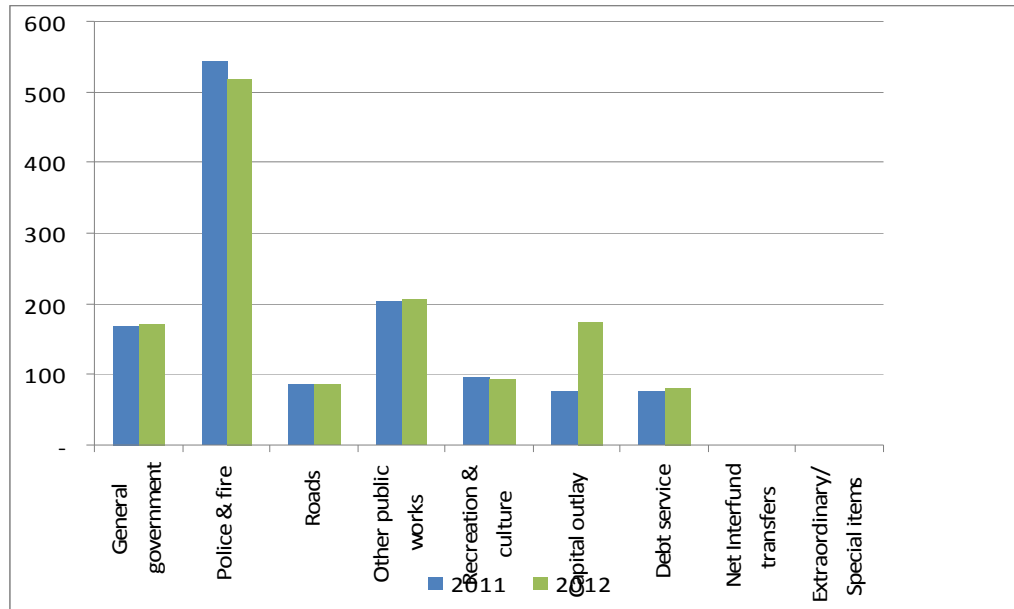
1. Where we spend our money (all governmental funds)



2. Compared to the prior year

	<u>2011</u>	<u>2012</u>	<u>% change</u>
General government	\$ 923,149	\$ 934,165	1%
Police & fire	2,948,134	2,816,137	-4%
Other public safety	-	-	n/a
Roads	465,820	467,798	0%
Other public works	1,105,511	1,118,090	1%
Health & welfare	-	-	n/a
Community & economic development	-	-	n/a
Recreation & culture	523,649	512,987	-2%
Capital outlay	419,093	952,731	127%
Debt service	411,159	437,120	6%
Interfund transfers (net)	-	-	n/a
total expenditures	\$ 6,796,515	\$ 7,239,028	7%

3. Spending per capita - compared to the prior year



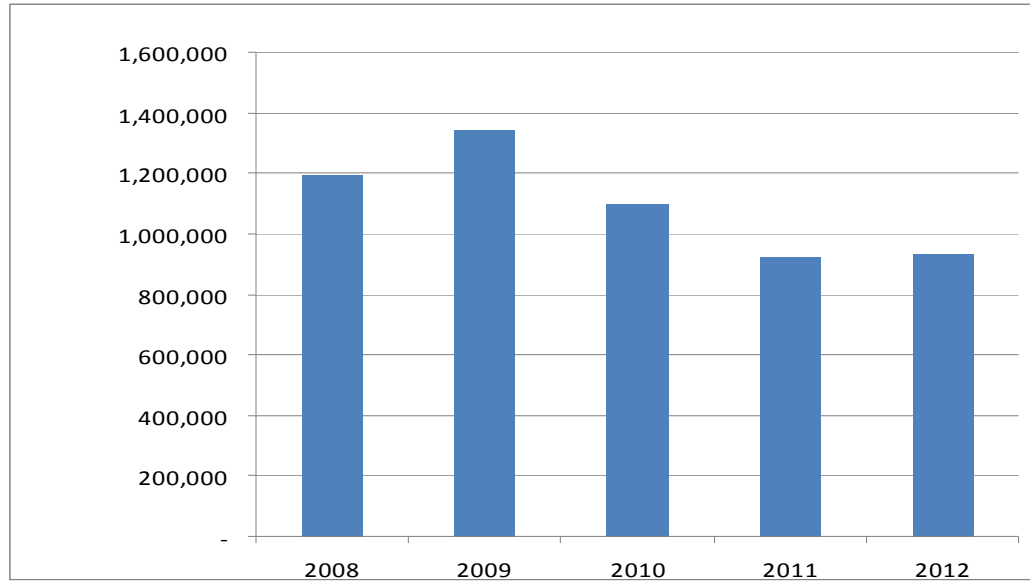
4. Historical trends of individual departments follows -

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 .

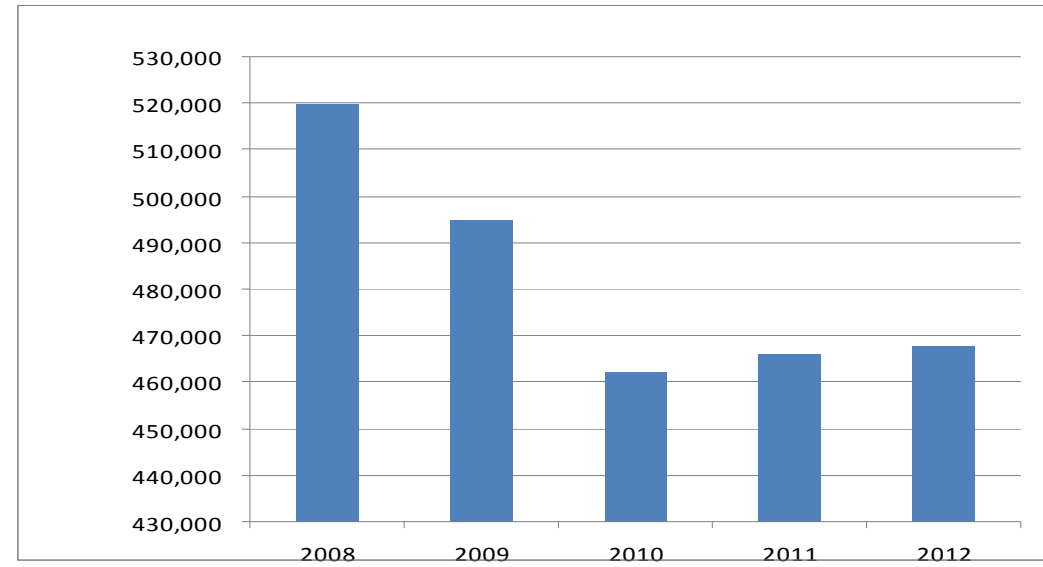
For more information on our unit's finances, contact Kimberly Kleinow at (313) 417-1170.

EXPENDITURES (cont)

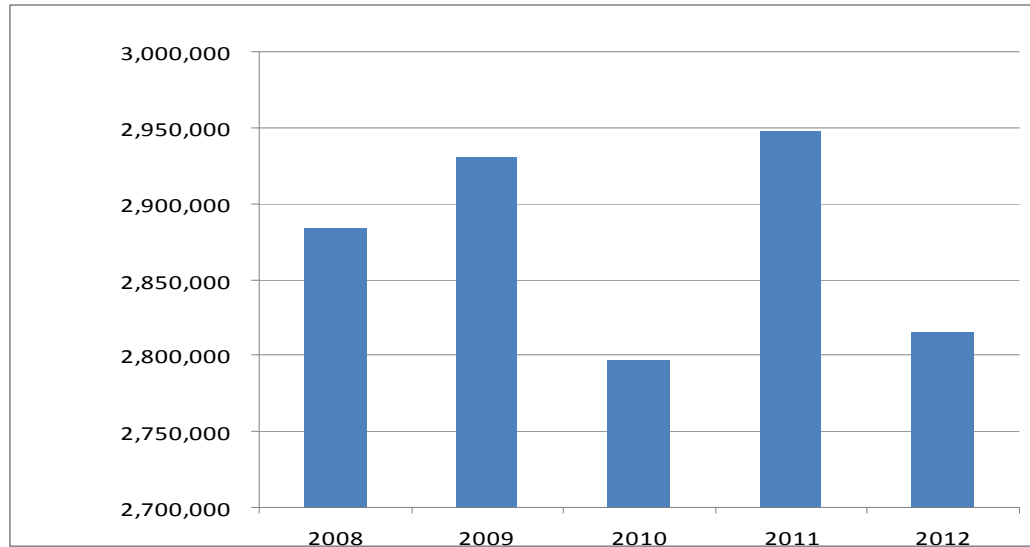
Department: General Government



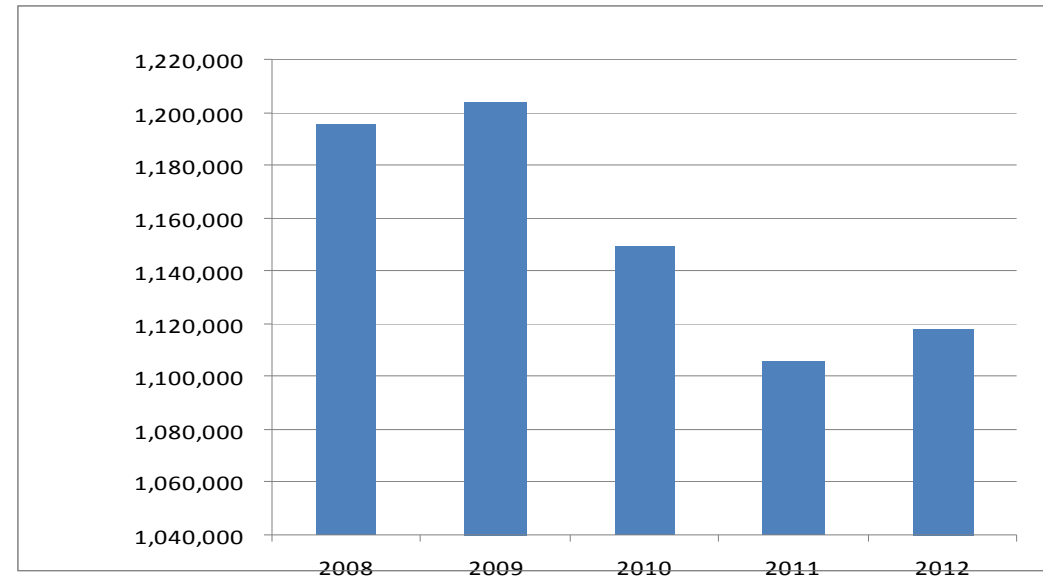
Department: Roads



Department: Police and Fire

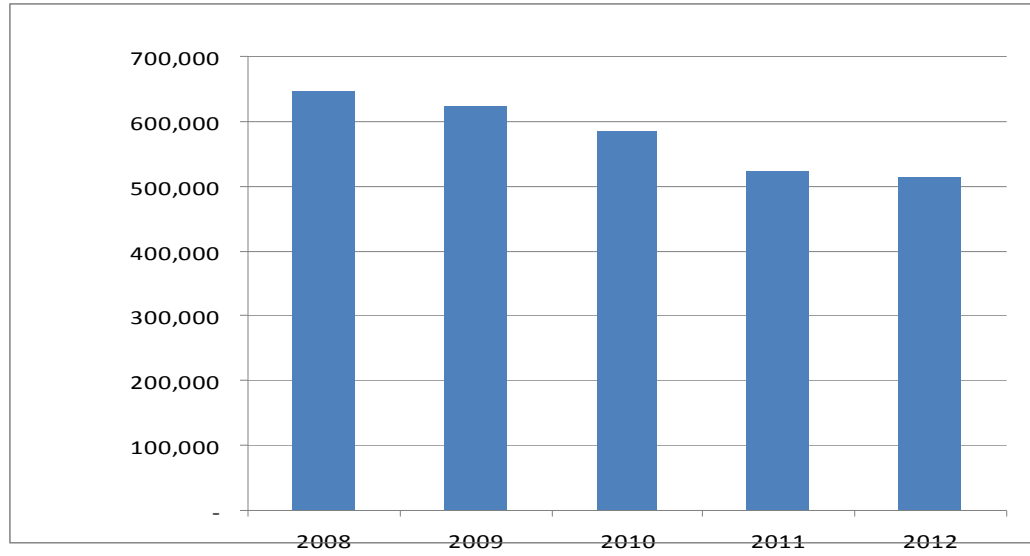


Department: Other Public Works

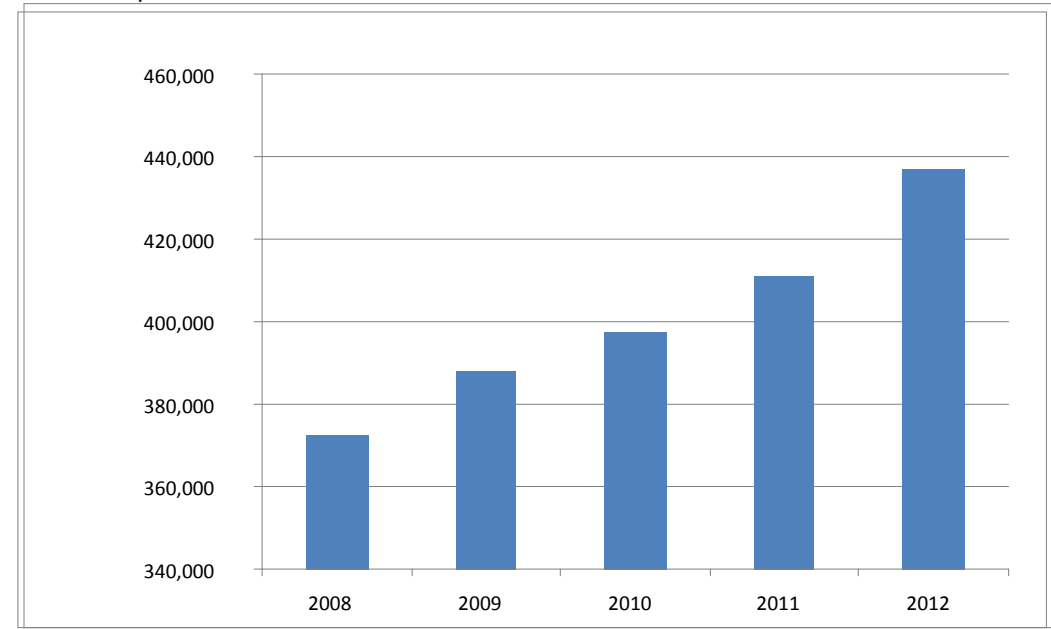


EXPENDITURES (cont)

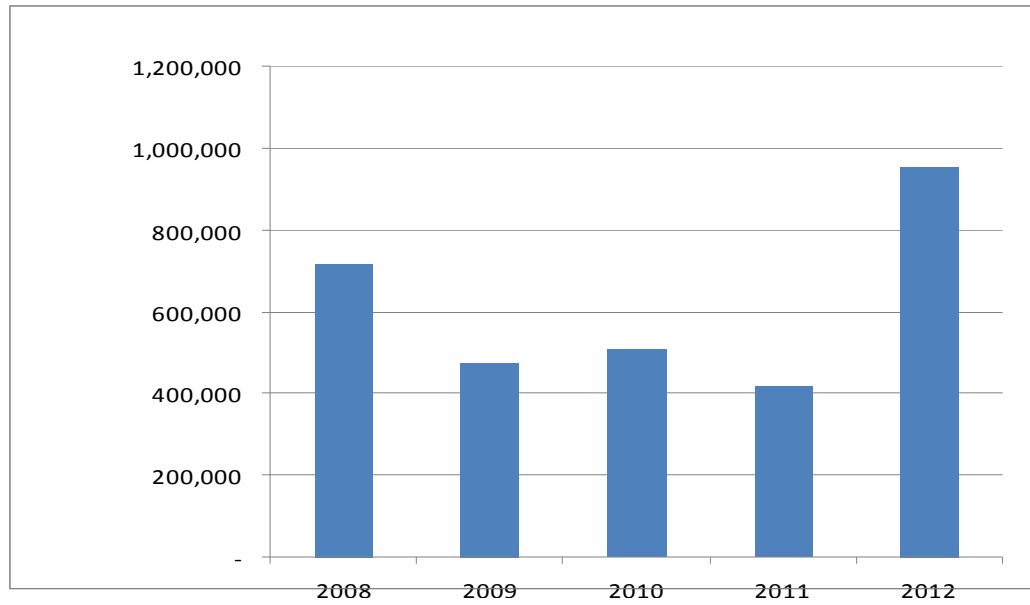
Department: Recreation and Culture



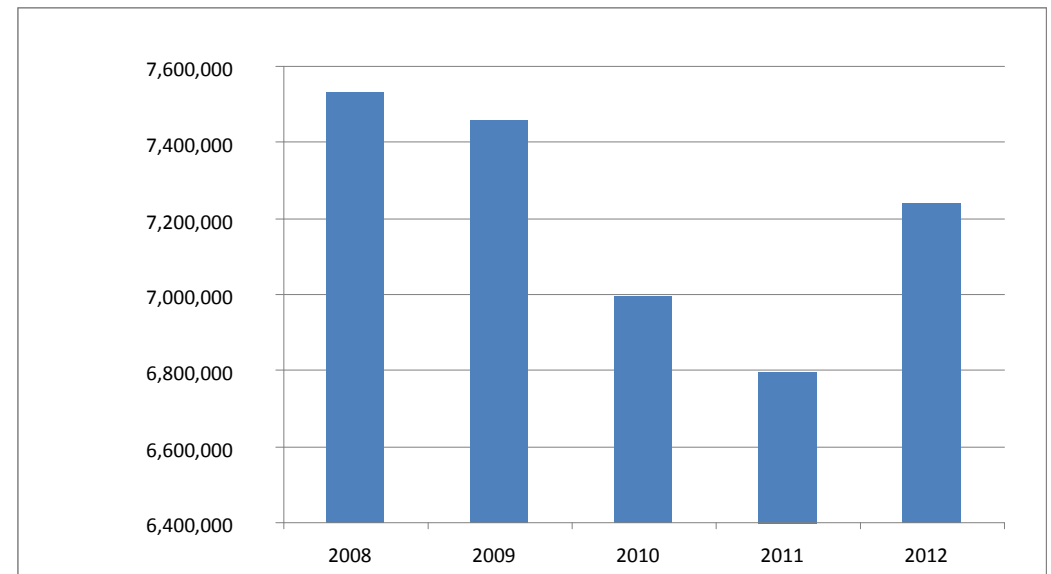
Department: Debt Service



Department: Capital Outlay

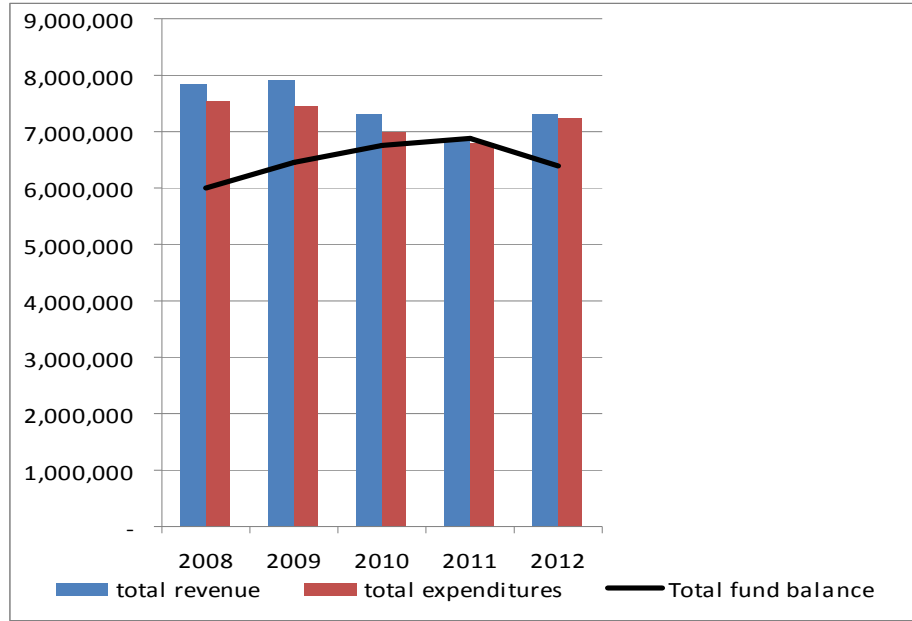


Department: Total Expenditures

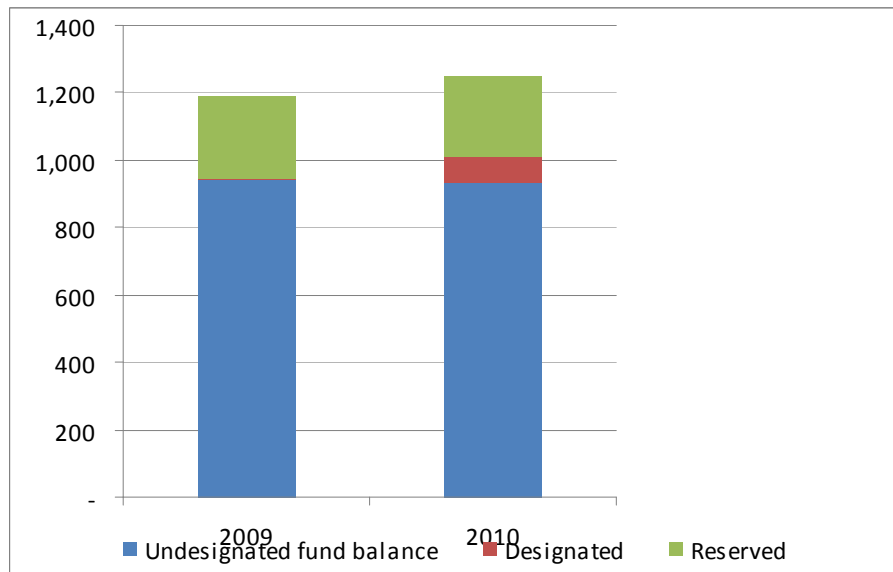


FINANCIAL POSITION

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



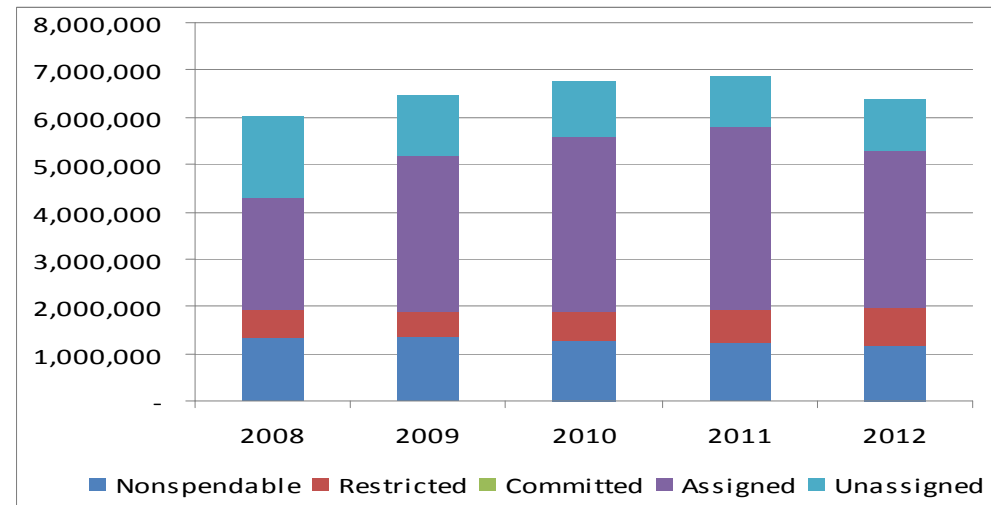
3. Fund balance per capita - compared to the prior year



2. Compared to the prior year

	2011	2012	% change
Revenue	6,853,730	7,292,140	6%
Expenditures	6,796,515	7,239,028	7%
Surplus (shortfall)	57,215	53,112	-7%
Fund balance, by component:			
Nonspendable	1,245,069	1,185,671	-5%
Restricted	678,639	783,737	15%
Committed	-	-	0%
Assigned	3,884,978	3,338,859	-14%
Unassigned	1,065,950	1,090,481	2%
total fund balance	1,923,708	1,969,408	2%

4. Historical trends of individual components

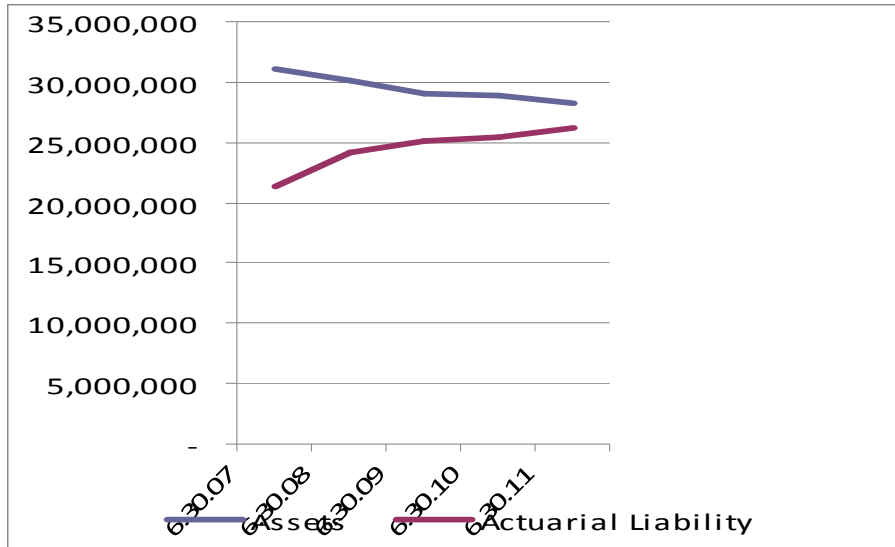


Commentary: The City has adopted a targeted range of maintaining a unrestricted fund balance of approximately 20 percent of the subsequent year's budgeted expenditures. The City annually transfers excess unrestricted fund balance into a Capital Projects Fund to finance future purchases of capital equipment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

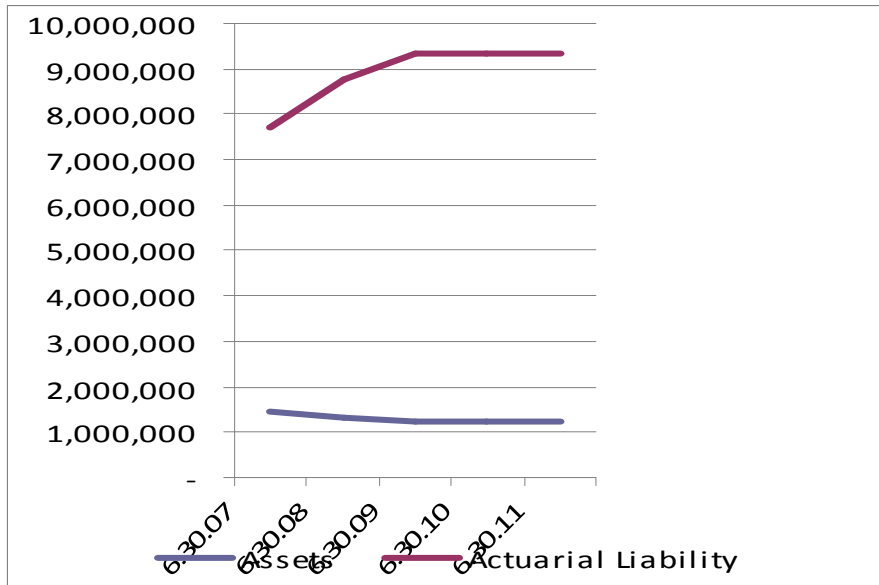
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OTHER LONG TERM OBLIGATIONS

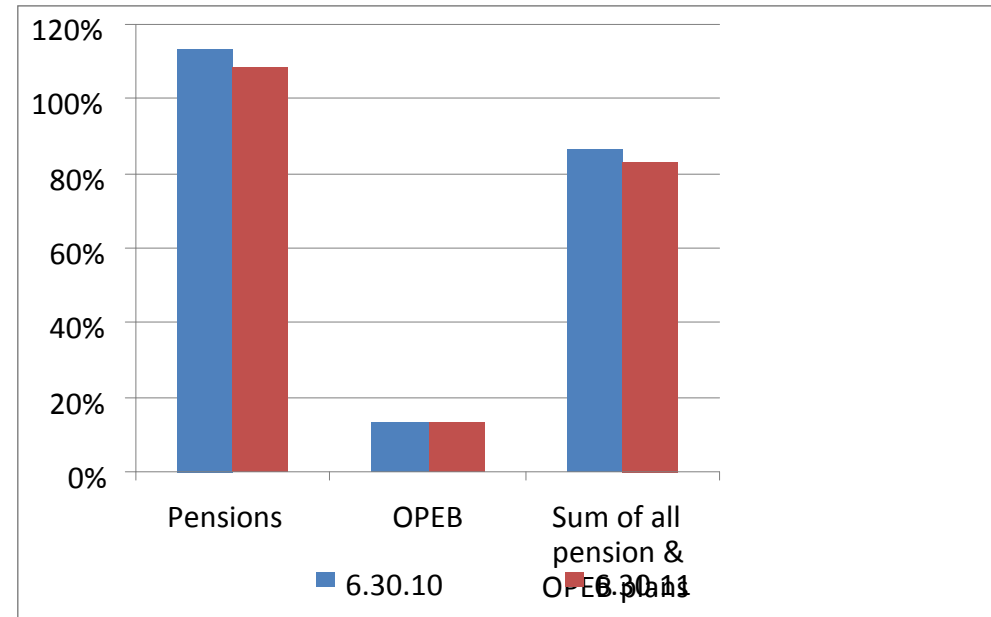
1. Pension funding status



2. Retiree Health care funding status



3. Percent funded - compared to the prior year

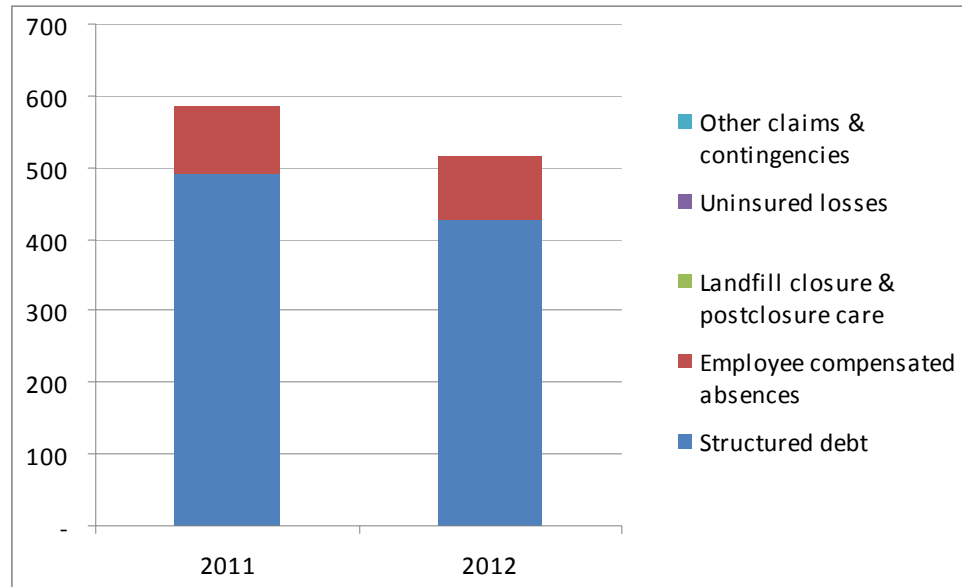


4. Long Term Debt obligations:



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 108 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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City of Grosse Pointe				
2001 Limited Tax General Obligation Building Authority Bonds				
<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest Payment</u>	<u>Total Debt Service</u>
10/01/2012	175,000	4.700%	12,970	187,970
04/01/2013			8,858	8,858
10/01/2013	170,000	4.800%	8,858	178,858
04/01/2014			4,778	4,778
10/01/2014	195,000	4.900%	4,778	199,778
TOTAL DEBT OUTSTANDING	\$ 540,000			

City of Grosse Pointe				
2010 Unlimited Tax General Obligation Bonds				
<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest Payment</u>	<u>Total Debt Service</u>
10/01/2012	165,000	2.000%	30,025	195,025
04/01/2013			28,375	28,375
10/01/2013	160,000	2.000%	28,375	188,375
04/01/2014			26,775	26,775
10/01/2014	180,000	2.500%	26,775	206,775
04/01/2015			24,525	24,525
10/01/2015	175,000	3.000%	24,525	199,525
04/01/2016			21,900	21,900
10/01/2016	200,000	4.000%	21,900	221,900
04/01/2017			17,900	17,900
10/01/2017	195,000	4.000%	17,900	212,900
04/01/2018			14,000	14,000
10/01/2018	220,000	4.000%	14,000	234,000
04/01/2019			9,600	9,600
10/01/2019	240,000	4.000%	9,600	249,600
04/01/2020			4,800	4,800
10/01/2020	240,000	4.000%	4,800	244,800
TOTAL DEBT OUTSTANDING	\$ 1,775,000			

City of Grosse Pointe				
2007 Limited Tax Obligation Capital Improvement Bonds				
<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest Payment</u>	<u>Total Debt Service</u>
10/01/2012	100,000	4.000%	65,256	165,256
04/01/2013			63,256	63,256
10/01/2013	100,000	4.000%	63,256	163,256
04/01/2014			61,256	61,256
10/01/2014	100,000	4.000%	61,256	161,256
04/01/2015			59,256	59,256
10/01/2015	100,000	4.000%	59,256	159,256
04/01/2016			57,256	57,256
10/01/2016	125,000	4.000%	57,256	182,256
04/01/2017			54,756	54,756
10/01/2017	125,000	4.000%	54,756	179,756
04/01/2018			52,256	52,256
10/01/2018	125,000	3.850%	52,256	177,256
04/01/2019			49,850	49,850
10/01/2019	125,000	3.850%	49,850	174,850
04/01/2020			47,444	47,444
10/01/2020	150,000	3.850%	47,444	197,444
04/01/2021			44,556	44,556
10/01/2021	150,000	3.850%	44,556	194,556
04/01/2022			41,669	41,669
10/01/2022	150,000	4.000%	41,669	191,669
04/01/2023			38,669	38,669
10/01/2023	175,000	4.000%	38,669	213,669
04/01/2024			35,169	35,169
10/01/2024	175,000	4.050%	35,169	210,169
04/01/2025			31,625	31,625
10/01/2025	200,000	4.050%	31,625	231,625
04/01/2026			27,575	27,575
10/01/2026	200,000	4.050%	27,575	227,575
04/01/2027			23,525	23,525
10/01/2027	200,000	4.050%	23,525	223,525
04/01/2028			19,475	19,475
10/01/2028	225,000	4.100%	19,475	244,475
04/01/2029			14,863	14,863
10/01/2029	225,000	4.100%	14,863	239,863
04/01/2030			10,250	10,250
10/01/2030	250,000	4.100%	10,250	260,250
04/01/2031			5,125	5,125
10/01/2031	250,000	41.000%	5,125	255,125
TOTAL DEBT OUTSTANDING	\$ 3,250,000			

**City of Grosse Pointe
2012 Capital Improvement Bonds**

<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest Payment</u>	<u>Total Debt Service</u>
10/01/2012	-	0.000%	9,552	9,552
04/01/2013			16,069	16,069
10/01/2013	25,000	1.350%	16,069	41,069
04/01/2014			15,900	15,900
10/01/2014	25,000	1.350%	15,900	40,900
04/01/2015			15,731	15,731
10/01/2015	30,000	1.350%	15,731	45,731
04/01/2016			15,529	15,529
10/01/2016	30,000	1.350%	15,529	45,529
04/01/2017			15,326	15,326
10/01/2017	35,000	1.350%	15,326	50,326
04/01/2018			15,090	15,090
10/01/2018	40,000	1.350%	15,090	55,090
04/01/2019			14,820	14,820
10/01/2019	45,000	2.000%	14,820	59,820
04/01/2020			14,370	14,370
10/01/2020	50,000	2.000%	14,370	64,370
04/01/2021			13,870	13,870
10/01/2021	50,000	2.000%	13,870	63,870
04/01/2022			13,370	13,370
10/01/2022	55,000	2.000%	13,370	68,370
04/01/2023			12,820	12,820
10/01/2023	60,000	3.000%	12,820	72,820
04/01/2024			11,920	11,920
10/01/2024	65,000	3.000%	11,920	76,920
04/01/2025			10,945	10,945
10/01/2025	70,000	3.000%	10,945	80,945
04/01/2026			9,895	9,895
10/01/2026	75,000	3.000%	9,895	84,895
04/01/2027			8,770	8,770
10/01/2027	85,000	3.000%	8,770	93,770
04/01/2028			7,495	7,495
10/01/2028	90,000	3.000%	7,495	97,495
04/01/2029			6,145	6,145
10/01/2029	95,000	3.000%	6,145	101,145
04/01/2030			4,720	4,720
10/01/2030	95,000	3.200%	4,720	99,720
04/01/2031			3,200	3,200
10/01/2031	100,000	3.200%	3,200	103,200
04/01/2032			1,600	1,600
10/01/2032	100,000	3.200%	1,600	101,600
TOTAL DEBT OUTSTANDING	\$ 1,220,000			

<u>CITIZENS' GUIDE TO LOCAL UNIT FINANCES BUDGET - City of Grosse Pointe</u>			
		<u>FYE 2013</u>	<u>FYE 2014</u>
		<u>Current FY</u>	<u>Subsequent FY</u>
<u>Stmt. Of Rev & Exp - General fund</u>			
Revenue			
	Taxes	3,937,426	4,097,794
	Licenses & permits	84,500	84,500
	from State Govt.	439,962	439,962
	Charges for services	384,385	389,385
	Fines & forfeitures	204,600	204,600
	Interest & rent	305,758	232,455
	Other revenue	84,600	84,600
	total revenue	5,441,231	5,533,296
Expenditures			
	General government	889,148	911,214
	Police & fire	2,775,624	2,495,825
	Public works	455,412	463,569
	Recreation & culture	555,345	563,140
	Transfers out	765,702	1,099,548
	total expenditures	5,441,231	5,533,296
	Anticipated total expenditures	5,441,231	5,533,296
	Surplus (shortfall)	-	-
<u>Financial position - General Fund</u>			
	Beginning fund balance	2,741,385	2,741,385
	Total fund balance	2,741,385	2,741,385

ASSUMPTIONS USED IN GENERATING SECOND YEAR PROJECTION

FYE 2014: The property tax revenues were budgeted under the assumption that the housing market would stabilize and the City would not incur any increases or further decreases.

Operating expenses were budgeted under the assumption that they would remain fairly consistent with some inflationary increases where deemed necessary except for the following items:

- Police Dispatch is assumed to be consolidated
- Retiree healthcare is expected to be 100% pay as you go.
- Pension obligations are based on actuarial predictions.

It has been recognized that there will be a millage shortfall in FYE 2014. This amount has been identified in the taxes section of the budget.

Contact information:

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