

# Oak Park City Council Agenda

January 19, 2021





**AGENDA**  
**REGULAR CITY COUNCIL MEETING**  
**38<sup>th</sup> CITY COUNCIL**  
**OAK PARK, MICHIGAN**  
**January 19, 2021**  
**7:00 PM**

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**1. CALL TO ORDER**

**2. ROLL CALL**

**3. APPROVAL OF AGENDA**

**4. CONSENT AGENDA**

The following routine items are presented for City Council approval without discussion, as a single agenda item. Should any Council Member wish to discuss or disapprove any item it must be dropped from the blanket motion of approval and considered as a separate item.

- A. Regular Council Meeting Minutes of January 4, 2021
- B. Special City Council Meeting Minutes of January 4, 2021
- C. Board of Review Meeting Minutes of December 17, 2020
- D. Licenses - New and Renewals as submitted for January 19, 2021

**5. RECOGNITION OF VISITING ELECTED OFFICIALS**

**6. SPECIAL RECOGNITION/PRESENTATIONS:**

- A. Proclamation recognizing the Honorable David M. Gubow, Chief Judge Pro Tem
- B. Annual Audit Presentation - Rehmann Robson

**7. PUBLIC HEARINGS:** None

**8. COMMUNICATIONS:** None

**9. SPECIAL LICENSES:** None

**10. ACCOUNTING REPORTS:** None

**11. BIDS:** None

**12. ORDINANCES:** None

**13. CITY ATTORNEY:**

**14. CITY MANAGER:**

**Department of Public Works**

- A. Request to approve a proposal from OHM Advisors to provide construction engineering services and grant administration for work covered under the Safe Routes to School (SRTS Grant), which amounts to a not to exceed amount of \$82,975 subject to review by the City Attorney

- B. Request to approve the contract extension offer from Inland Waters Pollution Control, Inc. for the 2021 Sewer Lining Contract, M-717 for a total amount of \$289,267.00

**Economic Development**

- C. Request to authorize the City Manager to enter into an agreement between the City of Oak Park Brownfield Authority and ATE Mile LLC for a Michigan Department of Environmental Quality Brownfield Redevelopment Grant
- D. Resolution in support of the COVID-19 Business Assistance Package Phase III

**Communications**

- E. Event and Activity Update

**16. CALL TO THE AUDIENCE**

Each speaker's remarks are a matter of public record; the speaker, alone, is responsible for his or her comments and the City of Oak Park does not, by permitting such remarks, support, endorse or accept the content, thereof, as being true or accurate. "Any person while being heard at a City Council Meeting may be called to order by the Chair, or any Council Member for failure to be germane to the business of the City, vulgarity, or personal attacks on persons or institutions." There is a three minute time limit per speaker.

**17. CALL TO THE COUNCIL**

**18. ADJOURNMENT**

The City of Oak Park will comply with the spirit and intent of the American with Disabilities Act. We will provide support and make reasonable accommodations to assist people with disabilities to access and participate in our programs, facilities and services. Accommodations to participate at a Council Meeting will be made with 7-day prior notice.



**CITY OF OAK PARK, MICHIGAN  
REGULAR COUNCIL MEETING OF THE  
38<sup>th</sup> OAK PARK CITY COUNCIL**

**January 4, 2021**

**7:00 PM**

**MINUTES**

Mayor McClellan called the virtual meeting to order at 7:00 p.m. Oak Park City Hall, 14000 Oak Park Boulevard, Oak Park, MI 48237. (248) 691-7544.

**PRESENT:** Mayor McClellan, Mayor Pro Tem Burns, Council Member Radner, Council Member Edgar, (Council Member Whitehead)

**ABSENT:** None  
**OTHERS**

**PRESENT:** City Manager Tungate, City Clerk Norris, City Attorney Duff

**APPROVAL OF AGENDA:**

**CM-01-003-21 (AGENDA ITEM #3) ADOPTION OF THE AGENDA AS PRESENTED – APPROVED**

Motion by Burns, seconded by Edgar, CARRIED UNANIMOUSLY, to approve the agenda as presented.

|             |         |                                 |
|-------------|---------|---------------------------------|
| Voice vote: | Yes:    | McClellan, Burns, Radner, Edgar |
|             | No:     | None                            |
|             | Absent: | None                            |

**MOTION DECLARED ADOPTED**

**OATH OF OFFICE – Council Member Shaun Whitehead**

City Clerk Norris administered the Oath of Office to Council Member Shaun Whitehead.

**CONSENT AGENDA:**

**CM-01-001-21 (AGENDA ITEM #5A-G) CONSENT AGENDA - APPROVED**

Motion by Burns, seconded by Edgar, CARRIED UNANIMOUSLY, to approve the Consent Agenda consisting of the following items:

- A. Regular Council Meeting Minutes of December 21 2020 **CM-01-002-21**
- B. Special City Council Meeting Minutes of December 21, 2020 **CM-01-003-21**

- C. Proposed change order No. 1 in the amount of (\$5,402.37) and payment application No. 3 in amount of \$25,791.80 to Michigan Joint Sealing, Inc. of Farmington Hills, MI for the 2018 Joint and Crack Sealing Project, M-681 **CM-01-004-21**
- D. Payment Application No. 3 in the amount of \$102,251.14 to American Fence Co. of Warren, MI for the 2020 Decorative Fence Project, M-695 **CM-01-005-21**
- E. Request to approve payment for the 2020 Citywide Trash Cart roll out project to Rehrig Pacific Company of Los Angeles, CA for the amount of \$495,884.43 **CM-01-006-21**
- F. Parks and Recreation meeting Minutes of November 18, 2020 **CM-01-007-21**
- G. Request to advertise for bids for the 2021 Swimming Pool Repair Project M-719 **CM-01-008-21**

|             |         |                                            |
|-------------|---------|--------------------------------------------|
| Voice Vote: | Yes:    | McClellan, Burns, Radner, Edgar, Whitehead |
|             | No:     | None                                       |
|             | Absent: | None                                       |

**MOTION DECLARED ADOPTED**

**RECOGNITION OF VISITING ELECTED OFFICIALS: None**

**SPECIAL RECOGNITION/PRESENTATIONS: None**

**PUBLIC HEARINGS: None**

**COMMUNICATIONS: None**

**SPECIAL LICENSES:**

**CM-01-013-21 (AGENDA ITEM #10A) RESOLUTION APPROVING AN ON-PREMISES TASTING ROOM PERMIT TO DOG AND PONY SHOW BREWING, LLC LOCATED AT 14661 W. ELEVEN MILE ROAD - APPROVED**

Motion by Burns, seconded by Radner, CARRIED UNANIMOUSLY, to adopt a resolution approving an On-Premises Tasting Room Permit to Dog and Pony Show Brewing, LLC located at 14661 W. Eleven Mile Road.

|             |         |                                           |
|-------------|---------|-------------------------------------------|
| Voice Vote: | Yes:    | McClellan, Burns, Radner, Edgar, Whithead |
|             | No:     | None                                      |
|             | Absent: | None                                      |

**MOTION DECLARED ADOPTED**

**ACCOUNTING REPORTS: None**

**BIDS: None**

**ORDINANCES: None**

**CITY ATTORNEY: No Report**

**CITY MANAGER:**

**Administration**

**CM-01-014-21 (AGENDA ITEM #15A) RESOLUTION SUPPORTING THE CITY'S APPLICATION FOR THE COMMUNITY FOUNDATION OF SOUTHEAST MICHIGAN RALPH C. WILSON JR. FUND GRANT - APPROVED**

Motion by Burns, seconded by Edgar, CARRIED UNANIMOUSLY, to approve the following resolution supporting the City's application for the Community foundation of Southeast Michigan Ralph C. Wilson Jr. Fund Grant:

STATE OF MICHIGAN  
COUNTY OF OAKLAND  
CITY OF OAK PARK

**SUPPORT FOR THE CITY OF OAK PARK APPLICATION FOR THE COMMUNITY FOUNDATION OF SOUTHEAST MICHIGAN RALPH C. WILSON LEGACY FUND GRANT FOR THE NINE MILE LINEAR PARK**

January 4, 2021

WHEREAS, the Community Foundation of Southeast Michigan, through the Ralph C. Wilson Fund is providing grant funding to support projects within southeast Michigan that serve to increase the walkability and bikeability of local communities and/or increasing outdoor recreational activities within the region; and

WHEREAS, the City of Oak Park is planning the implementation of the Nine Mile Linear Park located on Nine Mile Rd.; and

WHEREAS, the City of Oak Park's Master Plan lists "expand recreational programming into visible public spaces" and "identify opportunities and pursue areas for new public spaces" as two objectives under the goal of "cultivating a sense of place and unique public spaces;" and

WHEREAS, the creation of the Nine Mile Linear Park will contribute significantly to meeting this goal; and

WHEREAS, the grant request is for \$50,000; and

BE IT HEREBY RESOLVED, that the Oak Park City Council supports the grant application for the Community Foundation of Southeast Michigan Ralph C. Wilson Jr. Legacy Fund Grant for the Nine Mile Linear Park.

|             |         |                                            |
|-------------|---------|--------------------------------------------|
| Voice Vote: | Yes:    | McClellan, Burns, Radner, Edgar, Whitehead |
|             | No:     | None                                       |
|             | Absent: | None                                       |

**MOTION DECLARED ADOPTED**

**(AGENDA ITEM #15B) Resources for Elected Officials**

Director of Strategic Planning and Special Projects Van Vleck presented information regarding upcoming education and training opportunities for elected officials.

**Recreation**

**(AGENDA ITEM #15C) Holiday Event Recap**

Recreation Director Stasiak reviewed city events that took place over the holidays and shared the 2020 Holiday Awards winners:

First Overall: Jeff Collins, 24351 Ridgedale  
Second Overall: Dawn & Morgan Thompson, 24017 Meadowlark

Best Theme

1st place: Wayne & Sandra Breckenridge, 24271 Eastwood  
2nd place: Linda Banks-Khalid, 14270 Labelle  
3rd place: Ava Rickman, 21830 Gardner

Best Animated Display

1st place: Lisa Bell, 14220 Labelle  
2nd place: Madelyne Guerrero, 24011 Meadowlark  
3rd place: Linda Schaller & Chris Ambler, 8500 Troy

Best Lights

1st place: Leslie Spain, 14160 W. 9 Mile  
2nd place: Donald & Christeen Christiansen, 12971 W. 9 Mile  
3rd place: Linda VanLoon, 12801 W. 9 Mile

**Economic Development**

**CM-01-015-21 (AGENDA ITEM #15D) REQUEST TO APPROVE FEE SCHEDULE INCREASES - APPROVED**

Motion by Burns, seconded by Whitehead, CARRIED UNANIMOUSLY, to approve the following fee increases:

Site Plan Review fee increase from \$500 to \$750  
Special Land Use fee increase from \$750 to \$1,000  
Zoning Board of Appeals Single Family fee increase from \$250 to \$500  
Zoning Board of Appeals Multi Family, Commercial/industrial fee increase from \$600 to \$1,000

|             |         |                                            |
|-------------|---------|--------------------------------------------|
| Voice Vote: | Yes:    | McClellan, Burns, Radner, Edgar, Whitehead |
|             | No:     | None                                       |
|             | Absent: | None                                       |

**MOTION DECLARED ADOPTED**

Economic Development Director Marrone indicated that several fee increases were planned for the 2020/21 budget process but were never brought to or approved by City Council.

**CALL TO THE AUDIENCE:**

There were no members of the audience who wished to speak.

**ADJOURNMENT:**

There being no further business to come before the City Council, Mayor McClellan adjourned the meeting at 7:40 P.M.

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T. Edwin Norris, City Clerk

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Marian McClellan, Mayor





**CITY OF OAK PARK, MICHIGAN  
SPECIAL COUNCIL MEETING OF THE  
38<sup>th</sup> OAK PARK CITY COUNCIL  
January 4, 2021  
6:00 PM**

## **MINUTES**

The virtual Special Meeting was called to order at 6:08 PM by Mayor McClellan. City Hall, 14000 Oak Park Boulevard, Oak Park, MI 48237. (248) 691-7544

**PRESENT:** Mayor McClellan, Mayor Pro Burns, Council Member Edgar, Council Member Radner

**ABSENT:** None

**OTHERS**

**PRESENT:** City Manager Tungate, City Clerk Norris, City Attorney Duff, City Attorney Gillooly

### **SPECIAL BUSINESS:**

#### **(AGENDA ITEM 3A) CLOSED SESSION**

**SCM-01-001-21 REQUEST TO CONVENE A CLOSED SESSION TO DISCUSS  
ATTORNEY-CLIENT PRIVILEGED COMMUNICATION AND  
PENDING LITIGATION REGARDING TINA POLK, ET AL. V CITY  
OF OAK PARK - APPROVED**

Motion by Burns, seconded by Edgar, CARRIED UNANIMOUSLY, to convene a Closed Session to discuss attorney-client privileged communication and pending litigation regarding Tina Polk, et al. v City of Oak Park.

|                 |         |                                 |
|-----------------|---------|---------------------------------|
| Roll Call Vote: | Yes:    | McClellan, Burns, Edgar, Radner |
|                 | No:     | None                            |
|                 | Absent: | None                            |

#### **MOTION DECLARED ADOPTED**

The Closed session convened at 6:04 p.m. and the regular meeting reconvened at 6:30 p.m.

#### **APPROVAL OF CLOSED SESSION MINUTES**

**SCM-01-002-21 REQUEST TO APPROVE THE CLOSED SESSION MINUTES OF  
JANUARY 4, 2021 - APPROVED**

Motion by Burns, seconded by Edgar, CARRIED UNANIMOUSLY, to approve the Closed Session minutes of January 4, 2021.

|             |         |                                 |
|-------------|---------|---------------------------------|
| Voice Vote: | Yes:    | McClellan, Burns, Edgar, Radner |
|             | No:     | None                            |
|             | Absent: | None                            |

**MOTION DECLARED ADOPTED**

**SCM-01-003-21      MOTION TO APPROVE THE PROPOSED SETTLEMENT  
AGREEMENT IN TINA POLK, ET AL. V CITY OF OAK PARK  
ARISING FROM THE AUGUST 2014 RAIN EVENT - APPROVED**

Motion by Burns, seconded by Radner, CARRIED UNANIMOUSLY, to approve the proposed settlement agreement in Tina Polk, et al. v City of Oak Park arising from the August 2014 rain event.

|                 |         |                                 |
|-----------------|---------|---------------------------------|
| Roll Call Vote: | Yes:    | McClellan, Burns, Edgar, Radner |
|                 | No:     | None                            |
|                 | Absent: | None                            |

**MOTION DECLARED ADOPTED**

**CALL TO THE AUDIENCE:**

There were no members of the audience who wished to speak.

**ADJOURNMENT:**

There being no further business to come before the City Council, Mayor McClellan adjourned the special meeting at 6:40 P.M.

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T. Edwin Norris, City Clerk

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Marian McClellan, Mayor



City of Oak Park Michigan

**Oak Park Board of Review  
Meeting**

**Thursday, December 17 at 5:00 PM  
Via ZOOM**

Join Zoom Meeting:

<https://us02web.zoom.us/j/81642618634?pwd=bDAzNlNNRnNNU3lENldZaVZ0NWVLUt09>

Meeting ID: 964 0950 7352  
Passcode: 926965

The Board of Review convened at 5:15 pm

|          |                     |                    |
|----------|---------------------|--------------------|
| Present: | Chairperson:        | Herschel Goldstein |
|          | Members:            | Zakiya Hollifield  |
|          | Assessor:           | Aaron Powers       |
|          | Assessor Assistant: | Dawn Scheitz       |
| Absent:  |                     | Phyllis Mackay     |

| <b>Petition #</b>                                     | <b>Parcel Number</b>    | <b>Address</b>          |
|-------------------------------------------------------|-------------------------|-------------------------|
| <u>D001</u>                                           | <u>52-25-32-202-035</u> | <u>10660 Corning St</u> |
| Filed for PRE after July BOR – Qualifies for 2020     |                         |                         |
| Correct PRE for 2020                                  |                         |                         |
| <u>D002</u>                                           | <u>52-25-30-179-011</u> | <u>14511 Bishop</u>     |
| Filed for PRE, clerical error never entered in system |                         |                         |
| Correct PRE for 2019 & 2020                           |                         |                         |
| <u>D003</u>                                           | <u>52-25-29-406-032</u> | <u>23441 Seneca</u>     |
| Filed for PRE, clerical error never entered in system |                         |                         |
| Correct PRE for 2020                                  |                         |                         |

D004                    52-25-29-228-014                    24600 Manistee

Filed for PRE, clerical error never entered in system  
Correct PRE for 2020

D005                    52-25-30-276-034                    24331 Westhampton

Filed for PRE, clerical error never entered in system  
Correct PRE for 2019 & 2020

D006                    52-25-31-203-025                    22141 Cloverlawn

Filed for PRE, clerical error never entered in system  
Correct PRE for 2020

D007                    52-25-19-228-008                    14100 Labelle

Filed for PRE, clerical error never entered in system  
Correct PRE for 2019 & 2020

D008                    52-25-29-228-008                    24660 Manistee

Filed for PRE, did not previously file for 2017-2020  
Correct PRE for years 2017 through 2020

D009                    52-28-353-014                    23070 Meadowlark

Filed for PRE after JBOR  
Correct PRE for 2020

D010                    52-25-29-152-027                    24221 Dante

Property was uncapped in error, recap and correct taxable value  
Recap taxable value from 68,200 to 35,450

D011                    52-99-20-000-052                    13705 Eleven Mile

Personal Property Out Of Business for 2020 Remove value  
Change Assessed Value from 360 to 0  
Changed Taxable Value from 360 to 0  
Personal Property OOB for 2020

D012                    52-99-20-950-090                    14935 Eleven Mile

Personal Property Out Of Business for 2020 Remove value  
Change Assessed Value from 3440 to 0  
Changed Taxable Value from 3440 to 0  
Personal Property OOB for 2020

Personal Property Out Of Business for 2020 Remove value  
Change Assessed Value from 190 to 0  
Changed Taxable Value from 190 to 0  
Personal Property OOB for 2020

Exceeds income guidelines as adopted.  
Motion to deny Poverty Application  
Poverty exemption

Did not provide all required documentation as required by the guidelines adopted.  
Motion to deny Poverty Application

Did not provide all required documentation as required by the guidelines adopted.  
 Motion to deny Poverty Application  
 Motion by: \_\_\_\_\_ Supported By: \_\_\_\_\_

Exceeds the asset limitations guidelines as adopted.  
Motion to deny Poverty Application

No proof veteran qualifies for exemption.  
Motion to deny Veteran Exemption for 2020

Veteran Exemption filed after July Board of Review  
 Veteran qualified for exemption  
 Motion to approve Veteran Exemption for 2020

Change Tax Exempt Status of Property from exempt to taxable for 2019 and 2020  
Motion to change Assessed for 2019 to 72,610 and Taxable to 47,050  
And Assessed for 2020 to 77,330 and Taxable to 47,940

This meeting is being held in accordance with Public Act 228 of 2020 which allows for the virtual meetings of City Business.

Mr. Powers explains the powers the Board of Review has of at the December Board of Review.

Mr. Powers asks if everyone received all the attachments for review in which they all agreed they had except for Zakiya Hollifield said she didn't think she got Petition # D020. Mr. Powers said he would go over that one in more detail when we got to it.

Mr. Powers reiterates that the zoom meeting and the acceptance of the minutes fulfills the signature requirements on the forms needed to be submitted to county and local officials. A recording of the meeting and motions are available as needed. Both members in attendance agreed.

Mr. Powers asked if there was any public comment but no public was available.

Mr. Powers spoke to the Board in response to the mandatory Board of Review training per the Assessing Reform Bill.

That there being no further business to come before the December Board of Review at this zoom meeting, the motion to adjourn was made by Zakiya Hollifield and seconded by Herschel Goldstein. Meeting is hereby adjourned at 5:34 on December 17, 2020.

The above minutes reflect the actions and finding of the December Board of Review. Detailed affidavits and investigations are on file with the Assessor's Office.

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Herschel Goldstein

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Zakiya Hollifield

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Phyllis Mackay

**MERCHANT'S LICENSES - JANUARY 19TH, 2021**

(Subject to All Departmental Approvals)

| NEW MERCHANT        | ADDRESS              | FEES      | BUSINESS TYPE   |
|---------------------|----------------------|-----------|-----------------|
| ALL ABOUT U MASSAGE | 25900 GREENFIELD 267 | \$ 150.00 | MASSAGE THERAPY |
| DOLLAR CASTLE       | 26096 GREENFIELD     | \$ 150.00 | RETAIL          |

| RENEWALS                         | ADDRESS              | FEES      | BUSINESS TYPE                                                 |
|----------------------------------|----------------------|-----------|---------------------------------------------------------------|
| FORMTECH PLASTICS                | 10030 CAPITAL        | \$ 150.00 | CUSTOM FABRICATION OF SHEET PLASTIC PRODUCTS                  |
| LG MOTORS                        | 13350 CAPITAL        | \$ 150.00 | BODY SHOP                                                     |
| PARTS PLUS                       | 13202 CLOVERDALE     | \$ 150.00 | WAREHOUSE AUTO PART SALES                                     |
| TALK A LOT WAREHOUSE             | 21150 COOLIDGE       | \$ 150.00 | CELLULAR                                                      |
| TWITTY'S INVESTMENTS             | 21751 COOLIDGE       | \$ 150.00 | OFFICE BUILDING                                               |
| GUARDIAN & ASSOCIATES            | 21751 COOLIDGE       | \$ 150.00 | GUARDIANSHIP AGENCY                                           |
| BERTONI HOLDINGS                 | 13600 EIGHT MILE     | \$ 150.00 | GAS STATION                                                   |
| QUALITY CAR WASH II INC          | 14421 ELEVEN MILE    | \$ 150.00 | CAR WASH                                                      |
| DIAMOND NAILS                    | 21700 GREENFIELD 118 | \$ 150.00 | NAIL SALON                                                    |
| TO GO CAFE                       | 21700 GREENFIELD 132 | \$ 150.00 | GROCERY STORE                                                 |
| JOHN & KARON'S HAIR AFFAIR       | 21700 GREENFIELD 250 | \$ 150.00 | HAIR SALON                                                    |
| JKC JEWELRY & REPAIRS LLC        | 21700 GREENFIELD 357 | \$ 150.00 | JEWELRY REPAIR                                                |
| PRECIOUS STONES                  | 21700 GREENFIELD 374 | \$ 150.00 | JEWELRY REPAIR                                                |
| PINEWOOD DENTIST                 | 21950 GREENFIELD     | \$ 150.00 | GENERAL DENTISTRY                                             |
| HUTCH'S JEWELRY INC              | 23400 GREENFIELD     | \$ 150.00 | FINE JEWELRY, RETAIL                                          |
| PITA CAFE                        | 25282 GREENFIELD     | \$ 150.00 | MIDDLE EASTERN RESTAURANT                                     |
| METRO PCS BY TMOBILE             | 26102 GREENFIELD     | \$ 150.00 | CELLULAR PHONE & ACCESSORIES                                  |
| WHITE CASTLE                     | 26500 GREENFIELD     | \$ 150.00 | RESTAURANT                                                    |
| HERSCH'S LAWN SPRAY              | 26650 HARDING        | \$ 150.00 | LAWN CARE OPERATION                                           |
| SAUNDERS LAND COMPANY            | 8564 CAPITAL         | \$ 150.00 | FUNERAL TRANSPORTATION                                        |
| MICHIGAN DESSERT COMPANY         | 10750 CAPITAL        | \$ 150.00 | DESSERT COMPANY                                               |
| MIDWEST RECYCLING SERVICES       | 10800 CAPITAL        | \$ 150.00 | RECYCLING SERVICES                                            |
| MIDWEST RECYCLING SERVICES       | 11000 CAPITAL        | \$ 150.00 | RECYCLING SERVICES                                            |
| MIDLAND EQUIPMENT CO OF MICHIGAN | 12900 CAPITAL        | \$ 150.00 | TOOL RENTAL                                                   |
| MIDLAND EQUIPMENT CO OF MICHIGAN | 12771 CAPITAL        | \$ 150.00 | TOOL RENTAL                                                   |
| KERR PUMP AND SUPPLY             | 12880 CLOVERDALE     | \$ 150.00 | MANUFACTURING AND DISTRIBUTION OF PUMPS AND PROCESS EQUIPMENT |
| DREAMS OF GOLD JEWELRY           | 24760 COOLIDGE       | \$ 150.00 | JEWELRY REPAIR AND SALES                                      |
| GOLD CORP                        | 21600 COOLIDGE 100   | \$ 150.00 | WATCH, JEWELRY SALES                                          |
| QUALITY HEALTH CARE TRAINING     | 25900 GREENFIELD 138 | \$ 150.00 | HEALTHCARE TRAINING                                           |
| STITTS PRODUCTION                | 25900 GREENFIELD 511 | \$ 150.00 | MEDIA PRODUCTIONS                                             |
| T. NAILS                         | 26028 GREENFIELD     | \$ 150.00 | NAIL SALON                                                    |
| PAPA'S PIZZA                     | 15400 NINE MILE      | \$ 150.00 | PIZZA RESTAURANT                                              |
| NATIONAL TIME & SIGNAL CORP      | 21800 WYOMING        | \$ 150.00 | OFFICE BUILDING                                               |

**PAWN BROKER RENEWAL - JANUARY 19TH, 2021**

(Subject to All Departmental Approvals)

| NEW MERCHANT                                                       | ADDRESS          | FEES     |
|--------------------------------------------------------------------|------------------|----------|
| PAY BENNY, INC. 21380 GREENFIELD \$400.00<br>*Surety Bond Approval | 21380 Greenfield | \$400.00 |

City of Oak Park,  
Michigan



Year Ended  
June 30, 2020

Comprehensive  
Annual Financial  
Report

Prepared by  
*Finance Department*

City Manager  
*Erik Tungate*



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# CITY OF OAK PARK, MICHIGAN

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## **INTRODUCTORY SECTION**

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# CITY OF OAK PARK

## OFFICE OF THE CITY MANAGER

**Mayor**  
Marian McClellan  
**Mayor Pro Tem**  
Solomon Radner  
**Council Members**  
Carolyn Burns  
Ken Rich  
Regina Weiss  
**City Manager**  
Erik Tungate

December 17, 2020

To the Honorable Mayor, Members of the City Council  
and the Citizens of the City of Oak Park, Michigan

The comprehensive annual financial report (CAFR) of the City of Oak Park (the "City") for the year ended June 30, 2020, is hereby submitted as mandated by the City Charter, Section 9.8, and state statute, Public Act 2 of 1968. The City Charter and state statute require that the City issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The financial statements and supplemental schedules contained herein have been audited by Rehmann, Certified Public Accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City activities have been included.

Generally accepted accounting principles ("GAAP") require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

### **The Reporting Entity and Services Provided**

The City has defined its financial reporting entity in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). The City includes all the funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Mayor and City Council. Based on these criteria, the Economic Development Corporation, Brownfield Redevelopment Authority, and Corridor Improvement Authority have been included in this report.

The City provides a full range of services including police and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; planning and zoning; library services; and recreational activities and cultural events. In addition, water and sewer services are provided under an enterprise fund concept, with user charges set by City Council to ensure adequate coverage of operating expenses and payments on outstanding debt.

### **Local Economy and Governmental Structure**

The City is located near the southeast corner of Oakland County in metropolitan Detroit, and approximately 3.5 miles from Macomb County and adjacent to the northern boundary of the City of Detroit and Wayne County. The City contains approximately 5.5 square miles with a population of 29,319 as reported by the U.S. Bureau of Census for 2010.



The City operates under the Council-Manager form of government as established in its charter adopted October 29, 1945. The City Council is comprised of a Mayor, elected at-large every two years, and four Councilmembers, two elected at-large every four years. The City Council is responsible for enacting ordinances, resolutions, and regulations governing the City. City Council also appoints the members of various statutory and advisory boards and commissions, the City Manager, and the City Attorney. The City Manager is responsible for the day-to-day management of the City and enforcement of laws and ordinances established by City Council and appoints and supervises the heads of departments of the City organization.

The City has grown over the years to a point where only one percent of its total land area is vacant. Although most of the growth occurring in Oakland County is taking place to the west and north, the I-696 freeway, which runs through Oak Park, provides a corridor of opportunity for redevelopment and enhancement of existing development.

It is management's goal to maintain high quality services to the citizens of Oak Park during economic uncertainty. The City has adopted prudent financial policies, which will help guide it through the upcoming years. The City has a strong property tax base and management believes it can meet the challenges confronting the community in the near future.

### **Major Initiatives**

The following were among those many diverse activities and accomplishments to which both the elected officials and staff devoted their energies in fiscal year 2019-2020:

- 1) The City's number one priority was preserving fund balance while maintaining existing essential city services during the worldwide COVID-19 pandemic. The City's overall general fund operations were running better than anticipated through February 2020, just before the pandemic caused a state-wide shutdown in March 2020. The City's general fund had an original budget that did not anticipate a decrease in fund balance but was amended to account for the significant revenue loss due to COVID-19. Due to the significant efforts on behalf of the entire City including temporary staffing reductions, spending freezes and other expenditure reductions, the amended operating budget resulted in a slight decrease to the fund balance in the general fund of only \$23,743, bringing total fund balance at June 30, 2020 to \$4,345,540 or 20.5% of expenditures and transfers. The slight decrease also includes \$283,500 of pay increase for fiscal year 20/21 that were paid in June 2020 to help staff financially during the COVID-19 pandemic. The ending fund balance continues to be in the targeted range for the fifth year in a row.
- 2) The second priority was to continue to address the long-term legacy costs. The City aggressively changed the amortization periods for both pension systems during fiscal year 18/19 from 24 years to 18 to accelerate the amount of contributions based on projected operations. Due to the significant loss in operating revenue citywide due to the COVID-19 pandemic, the City was forced to switch both systems back to the 24 year amortization. Based on the final favorable results of operations, the City was able to contribute \$102,609 and \$115,096 over the increased actuarially required public safety and employees pension contributions, respectively. Additionally, the amended budget had \$400,000 in excess of the pay-as-you-go contribution to the OPEB liability.
- 3) The third priority is to improve the quality of life for residents and business owners. The City continues to work toward this goal through economic development efforts and strategic investment in public safety, code enforcement, infrastructure, and public spaces. Economic development efforts are focused on attracting and retaining a mixture of robust businesses into the city. Strategic investments work as a tool to support those efforts and to ensure the City is meeting the quality-of-life expectations of current and future residents.

**Financial Information**

Management of the City is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

**Long-term Financial Planning**

The City Council has adopted the following financial policies to guide the process for long-term financial decisions: 1) Debt Management Policy – provides guidelines for borrowing money to finance projects; 2) Cash Management Policy – provides guidelines for the day-to-day handling of cash and investments; 3) Capital Improvement Policy – sets capitalization thresholds and parameters for capital asset purchases; and 4) Investment Policy – provides guidelines for investment of the City's liquid assets.

A large parcel of property owned by the State of Michigan (the "State"), which formerly housed the Eight Mile Armory, has stood vacant for many years. The State has sold this parcel for commercial development with portions of this property currently being redeveloped. This project continues to stimulate development in that area and provide additional tax dollars to fund future development.

Prior to the COVID-19 pandemic, the City continued to operate in an environment of slow economic growth and significant limitations on revenues, additional funding sources may need to be found to fund large capital projects. This may include additional taxes, which can only be raised by a vote of the people. Other sources of revenue may include grants, special assessments, or raising fees. These challenges will be met following the financial policies above. The significant short-term revenue losses and unbudgeted expenditures resulting from the pandemic has also brought on additional challenges with long-term planning.

**Federal Financial Assistance**

As a recipient of federal financial assistance, the City is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control systems are evaluated periodically by management to achieve these objectives. The City historically has not been required to have a single audit performed to test these controls, but due to the receipt of more than \$2 million in federal dollars related to the COVID-19 pandemic, one will be performed for both fiscal years June 30, 2020 and 2021. The single audits will be performed as required, per Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), because the City received more than \$750,000 in federal awards.

**Budgeting Controls**

In accordance with state law, the City's budget is prepared on the modified accrual basis for governmental funds, and its accounting records are also maintained on that basis. Under modified accrual accounting, revenues are recorded when they are both measurable and available. Expenditures are recorded when a liability is incurred, except for interest on long-term debt and accrued vacation benefits. Governmental funds, such as the City's general fund, special revenue funds, debt service funds, and capital projects funds, are reported on the modified accrual basis. The City's enterprise fund, internal service funds, and pension and other employee benefits trust funds are reported on the accrual basis, under which revenues are recorded when earned and expenses are recorded when incurred.

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the general fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level for the general and special revenue funds. However, for internal accounting purposes, budgetary control is maintained by object class (line account) for all funds. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Purchase orders that would create an over encumbrance are not written until additional appropriations are available. Encumbered accounts lapse at year-end. There were no encumbrances outstanding at June 30, 2020.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

**Acknowledgements**

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Department of Finance and Administrative Services, Department of Technical, and Planning Services and our independent auditors, Rehmann, Certified Public Accountants. Each of them has our sincere thanks.

In closing, without the leadership and support of the City Council, preparation of this report would not have been possible.

Sincerely,

*[Signature omitted for security purposes]*

Erik Tungate  
City Manager

# **CITY OF OAK PARK, MICHIGAN**

## **ELECTED AND APPOINTED OFFICIALS**

### **City Council**

Marian McClellan

***Mayor***

Carolyn Burns

***Mayor Pro-Tem***

Solomon Radner

Regina Weiss

Julie Edgar

***Council Members***

### **Appointed Officials and Senior Management**

Erik Tungate, City Manager

Kevin Yee, Assistant City Manager / Public Works Director / City Engineer

T. Edwin Norris, City Clerk

Saundra Crawford, Director of Finance and Administrative Services / Treasurer

Jamen Winters, Deputy Finance Director

John Gillooly and Ebony Duff, City Attorney

Karen White-Owens, Library Director

Robert Barrett, Director of Technical and Planning Services

Steve Cooper, Director of Public Safety

Laurie Stasiak, Director of Recreation

Steve Lukasik, Deputy Treasurer

WCA Assessing, City Assessor

Scott Lemarbe, General Foreman

Ed Mlynczyk, General Foreman

Mike Pinkerton, Deputy Director of Public Safety

Daniel Fairless, Deputy Director of Technical and Planning Services

David DeCoster, Deputy Director of DPW & Director of Facilities

Kevin VanDewalle, Water Supervisor

Maralee Rosemond, Senior Services Coordinator

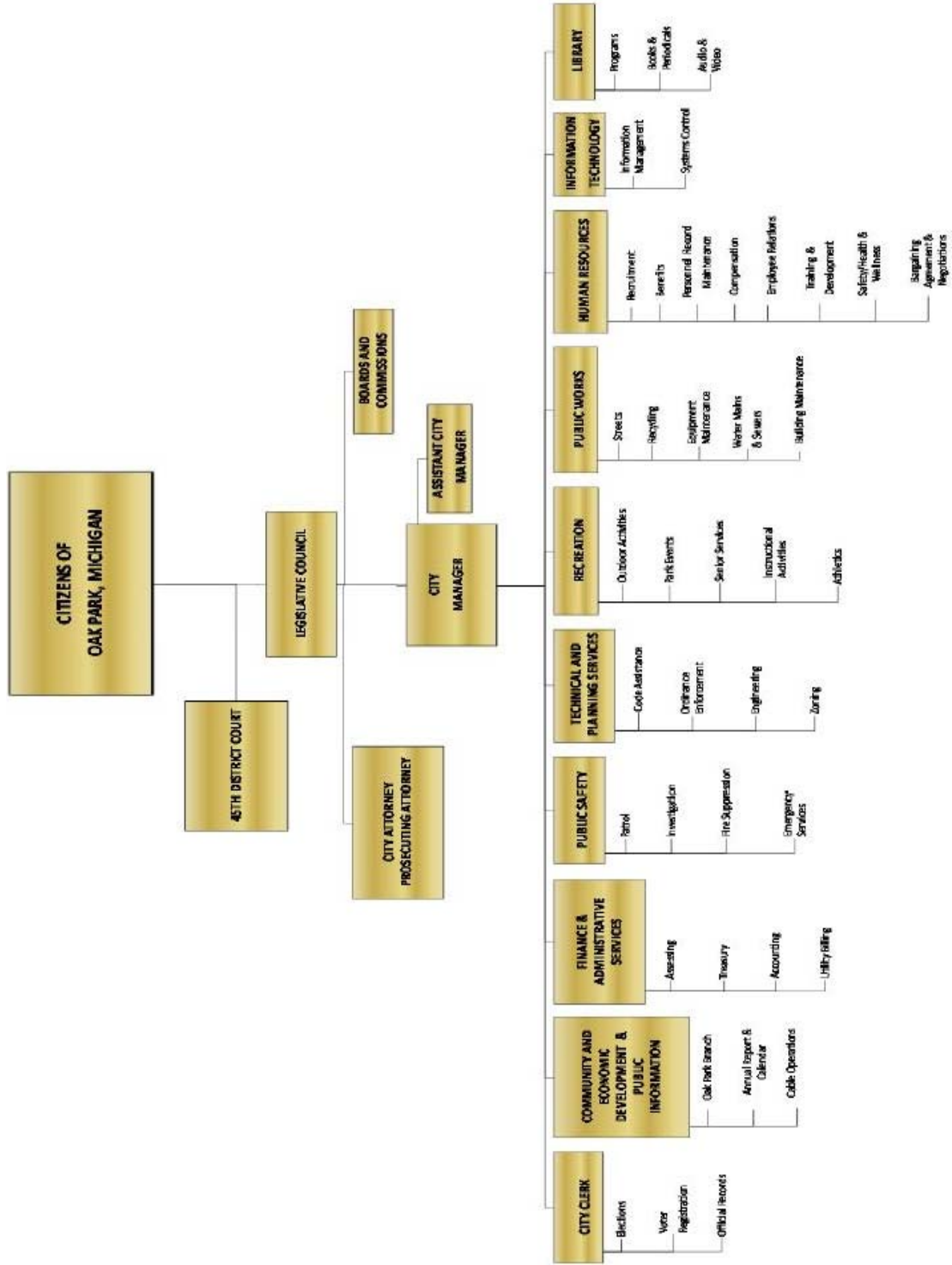
Vicky Brooks, Director of Human Resources & Operations

Kimberly Marrone, Director of Economic Development & Communications / Communications & Public Information

Crystal VanVleck, Director of Strategic Planning and Special Projects

# CITY OF OAK PARK, MICHIGAN

Table of Organization





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Oak Park  
Michigan**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**



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## INDEPENDENT AUDITORS' REPORT

December 17, 2020

The Honorable Mayor and Members of the City Council  
City of Oak Park, Michigan

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Oak Park, Michigan** (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City'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.

### *Independent Auditors' 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 auditors' 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.

Rehmann is an independent member of Nexia International.



## ***Opinions***

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oak Park, Michigan, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules of the pension and other postemployment benefits plans, as listed in the table of contents, 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, who 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 supplementary 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's basic financial statements. The combining and individual fund financial statements and schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2020, on our consideration of the City of Oak Park, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Rehmann Lohman LLC*

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

As management of the City of Oak Park, Michigan (the "City"), we offer readers an overview of the City's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the financial statements.

#### Financial Highlights

- The City's net position increased in the current year. Net position of the governmental activities increased by \$12.3 million, or 11.9 percent. Net position of the business-type activities increased by \$4.2 million, or 29.2 percent.
- The total cost of all of the City's governmental programs was \$19.3 million.
- In the City's business-type activities, revenues were \$14.5 million while expenses were \$10.3 million.
- The fund balance of the City's governmental funds reported a decrease of approximately \$300,000, or 2.6 percent from \$11.5 million to \$11.2 million.
- The general fund reported a decrease in fund balance of \$24,000, or 0.5 percent.
- The City's installment debt outstanding decreased \$3.3 million, or 11.1 percent, from \$30.2 million to \$26.9 million.

#### 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 long-term view of the City's finances. Fund financial statements for governmental activities show how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining 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.

#### Reporting the City as a Whole

Our analysis of the City as a whole begins with the statement of net position. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. You can think of the City's net position (the difference between assets and deferred outflows and liabilities and deferred inflows) as one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

In the statement of net position and the statement of activities, we divide the City into three kinds of activities:

- Governmental activities — Most of the City's basic services are reported here, including general government, judicial, public safety, road maintenance and repair, public works, health and sanitation, culture and recreation, library, community development, and interest and fiscal charges. Property taxes, franchise fees, and state grants finance most of these activities.
- Business-type activities — The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system is reported here.

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

- Discretely presented component units — The City includes three separate legal entities in its report, the Economic Development Corporation, Brownfield Redevelopment Authority, and Corridor Improvement Authority. Although legally separate, these discretely presented component units are important because the City is financially accountable for them.

#### Reporting the City's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by statute and by bond covenants. However, City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies. The City's three kinds of funds—governmental, proprietary, and fiduciary—use different accounting approaches.

*Governmental funds.* Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation following the fund financial statements.

*Proprietary funds.* When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise fund (a type of proprietary fund) is the same as the business-type activities we report in the government-wide statements but in greater detail. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities, such as the City's motor pool operation.

*Fiduciary funds.* This category includes the City's pension and other employee benefits trust funds along with its agency funds, which account for monies held on behalf of others.

#### Reporting the City as Trustee

The City is the trustee, or fiduciary, for its employees' pension plan and retirees' health care – general and public safety employees' fund. It is also responsible for other assets in an agency capacity. All of the City's fiduciary activities are reported in the separate statements of fiduciary net position and the statement of changes in fiduciary net position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.



## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

#### The City as a Whole

The City's total net position increased over the prior year from negative \$89.2 million to negative \$72.6 million. Our analysis below focuses on the net position and changes in net position of the City's governmental and business-type activities.

|                                           | Net Position            |                         |                          |                      |                        |                        |
|-------------------------------------------|-------------------------|-------------------------|--------------------------|----------------------|------------------------|------------------------|
|                                           | Governmental Activities |                         | Business-type Activities |                      | Total                  |                        |
|                                           | 2020                    | 2019                    | 2020                     | 2019                 | 2020                   | 2019                   |
| Current and other assets                  | \$ 14,023,347           | \$ 14,695,701           | \$ 7,655,876             | \$ 7,316,303         | \$ 21,679,223          | \$ 22,012,004          |
| Capital assets, net                       | 42,141,621              | 41,690,147              | 30,047,436               | 28,875,711           | 72,189,057             | 70,565,858             |
| <b>Total assets</b>                       | <b>56,164,968</b>       | <b>56,385,848</b>       | <b>37,703,312</b>        | <b>36,192,014</b>    | <b>93,868,280</b>      | <b>92,577,862</b>      |
| <b>Deferred outflows of resources</b>     | <b>6,393,312</b>        | <b>4,281,419</b>        | <b>207,459</b>           | <b>18,356</b>        | <b>6,600,771</b>       | <b>4,299,775</b>       |
| Long-term debt                            | 26,587,456              | 27,704,372              | 6,264,813                | 7,803,011            | 32,852,269             | 35,507,383             |
| Pension and other postemployment benefits | 116,743,908             | 132,855,819             | 11,846,392               | 12,766,684           | 128,590,300            | 145,622,503            |
| Other liabilities                         | 2,091,396               | 2,498,830               | 1,218,882                | 1,257,225            | 3,310,278              | 3,756,055              |
| <b>Total liabilities</b>                  | <b>145,422,760</b>      | <b>163,059,021</b>      | <b>19,330,087</b>        | <b>21,826,920</b>    | <b>164,752,847</b>     | <b>184,885,941</b>     |
| <b>Deferred inflows of resources</b>      | <b>8,343,257</b>        | <b>1,156,179</b>        | <b>-</b>                 | <b>-</b>             | <b>8,343,257</b>       | <b>1,156,179</b>       |
| <b>Net position</b>                       |                         |                         |                          |                      |                        |                        |
| Net investment in capital assets          | 18,246,707              | 16,135,780              | 25,860,979               | 23,682,823           | 44,107,686             | 39,818,603             |
| Restricted                                | 5,711,679               | 5,915,132               | -                        | -                    | 5,711,679              | 5,915,132              |
| Unrestricted (deficit)                    | (115,166,123)           | (125,598,845)           | (7,280,295)              | (9,299,373)          | (122,446,418)          | (134,898,218)          |
| <b>Total net position</b>                 | <b>\$ (91,207,737)</b>  | <b>\$ (103,547,933)</b> | <b>\$ 18,580,684</b>     | <b>\$ 14,383,450</b> | <b>\$ (72,627,053)</b> | <b>\$ (89,164,483)</b> |

Except for the unrestricted net position deficit in the governmental and business-type activities, the City reports positive balances in all other categories of net position. The unrestricted net position deficits are a direct result of the net pension liability from the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in fiscal year 2015 and the other postemployment benefit liability from the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in fiscal year 2018.

Net position of the City's governmental activities increased by \$12.3 million. Unrestricted net position — the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements — changed from negative \$125.6 million at June 30, 2019 to negative \$115.2 million at the end of this year. The increase in unrestricted net position (decrease in the deficit) from the prior to the current year is largely due to changes in the net pension and other postemployment benefit liabilities and related deferred amounts.

The net position of the business-type activities increased by \$4.2 million. This is due to a reduction of \$0.9 million in the net pension and other postemployment benefit liabilities, a \$1.0 million increase in charges for service revenue, and a reduction in operating expenses of \$2.0 million.

# CITY OF OAK PARK, MICHIGAN

## Management's Discussion and Analysis

|                                    |    | Change in Net Position  |      |                          |      |                   |      |                   |    |                     |    |                     |
|------------------------------------|----|-------------------------|------|--------------------------|------|-------------------|------|-------------------|----|---------------------|----|---------------------|
|                                    |    | Governmental Activities |      | Business-type Activities |      | Total             |      |                   |    |                     |    |                     |
|                                    |    | 2020                    | 2019 | 2020                     | 2019 | 2020              | 2019 |                   |    |                     |    |                     |
| <b>Revenues</b>                    |    |                         |      |                          |      |                   |      |                   |    |                     |    |                     |
| Program revenues:                  |    |                         |      |                          |      |                   |      |                   |    |                     |    |                     |
| Charges for services               | \$ | 5,769,064               | \$   | 7,024,464                | \$   | 14,365,681        | \$   | 13,338,756        | \$ | 20,134,745          | \$ | 20,363,220          |
| Operating grants and contributions |    | 3,620,442               |      | 3,624,651                |      | -                 |      | 408,736           |    | 3,620,442           |    | 4,033,387           |
| Capital grants and contributions   |    | 13,394                  |      | 58,760                   |      | -                 |      | -                 |    | 13,394              |    | 58,760              |
| General revenues:                  |    |                         |      |                          |      |                   |      |                   |    |                     |    |                     |
| Property taxes                     |    | 17,806,967              |      | 17,639,267               |      | -                 |      | -                 |    | 17,806,967          |    | 17,639,267          |
| State shared                       |    | 3,460,549               |      | 3,611,586                |      | -                 |      | -                 |    | 3,460,549           |    | 3,611,586           |
| Franchise fees                     |    | 616,572                 |      | 631,787                  |      | -                 |      | -                 |    | 616,572             |    | 631,787             |
| Unrestricted investment earnings   |    | 401,740                 |      | 470,099                  |      | 68,629            |      | 83,894            |    | 470,369             |    | 553,993             |
| Other                              |    | -                       |      | -                        |      | 26,207            |      | 9,517             |    | 26,207              |    | 9,517               |
| <b>Total revenues</b>              |    | <b>31,688,728</b>       |      | <b>33,060,614</b>        |      | <b>14,460,517</b> |      | <b>13,840,903</b> |    | <b>46,149,245</b>   |    | <b>46,901,517</b>   |
| <b>Expenses</b>                    |    |                         |      |                          |      |                   |      |                   |    |                     |    |                     |
| General government                 |    | 3,711,686               |      | 9,878,893                |      | -                 |      | -                 |    | 3,711,686           |    | 9,878,893           |
| Judicial                           |    | 596,073                 |      | 3,067,582                |      | -                 |      | -                 |    | 596,073             |    | 3,067,582           |
| Public safety                      |    | 11,825,375              |      | 16,498,401               |      | -                 |      | -                 |    | 11,825,375          |    | 16,498,401          |
| Road maintenance and repair        |    | 3,947,631               |      | 973,456                  |      | -                 |      | -                 |    | 3,947,631           |    | 973,456             |
| Public works                       |    | (3,355,639)             |      | 3,792,312                |      | -                 |      | -                 |    | (3,355,639)         |    | 3,792,312           |
| Health and sanitation              |    | 2,800,210               |      | 2,772,595                |      | -                 |      | -                 |    | 2,800,210           |    | 2,772,595           |
| Culture and recreation             |    | (209,601)               |      | 844,486                  |      | -                 |      | -                 |    | (209,601)           |    | 844,486             |
| Library                            |    | (31,194)                |      | 946,003                  |      | -                 |      | -                 |    | (31,194)            |    | 946,003             |
| Community development              |    | (678,663)               |      | 624,666                  |      | -                 |      | -                 |    | (678,663)           |    | 624,666             |
| Interest and fiscal charges        |    | 742,654                 |      | 878,483                  |      | -                 |      | -                 |    | 742,654             |    | 878,483             |
| Water and sewer                    |    | -                       |      | -                        |      | 10,263,283        |      | 12,282,252        |    | 10,263,283          |    | 12,282,252          |
| <b>Total expenses</b>              |    | <b>19,348,532</b>       |      | <b>40,276,877</b>        |      | <b>10,263,283</b> |      | <b>12,282,252</b> |    | <b>29,611,815</b>   |    | <b>52,559,129</b>   |
| Change in net position             |    | 12,340,196              |      | (7,216,263)              |      | 4,197,234         |      | 1,558,651         |    | 16,537,430          |    | (5,657,612)         |
| <b>Net position</b>                |    |                         |      |                          |      |                   |      |                   |    |                     |    |                     |
| Beginning of year                  |    | (103,547,933)           |      | (96,331,670)             |      | 14,383,450        |      | 12,824,799        |    | (89,164,483)        |    | (83,506,871)        |
| <b>End of year</b>                 | \$ | <b>(91,207,737)</b>     | \$   | <b>(103,547,933)</b>     | \$   | <b>18,580,684</b> | \$   | <b>14,383,450</b> | \$ | <b>(72,627,053)</b> | \$ | <b>(89,164,483)</b> |

The City's total revenue for all programs and services decreased 1.6 percent (\$752,000) from the prior year. This decrease is comprised of an increase in charges for services revenue in the business-type activities offset by a significant decline in ordinance fines (charges for services) and state revenue sharing (state shared).

The total cost of all programs and services decreased by 43.7 percent (\$22.9 million). This decrease is largely due to the following:

- There was a significant decrease in the net other postemployment benefit liability, resulting in significant reductions to expenses (resulting in many credit balances of expenses on the *Statement of Activities*). This is largely due to the significant changes in the difference between expected and actual experience and the changes in assumptions: mortality updated from RP-2014 adjusted to 2006 Total Data Set, Headcount-weighted, with MP-2017 (set-forward 10 years for disability); trend rates updated from Pre-65; 8.0% graded down to 5% over six years and 5.0% per annum for Medicare costs; timing of claims payments changed from middle of year to beginning of year; and discount rate updated from 3.0%.

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

- There was decrease in the additional contribution to postemployment retirement benefits over and above the pay-as-you go amount of \$800,000.

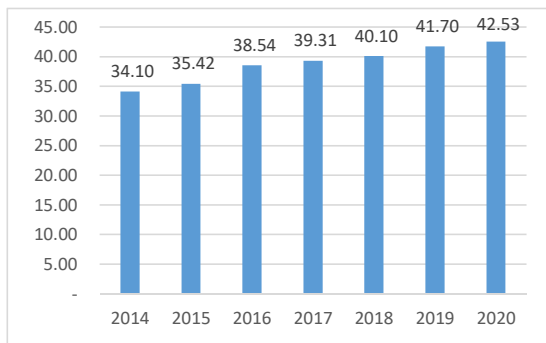
**Governmental activities.** Revenues for the City's governmental activities decreased by 4.1 percent (\$1.4 million), while total expenses decreased 52.0 percent (\$20.9 million), as previously discussed. The factors driving these changes in revenues include:

- Charges for service revenue fell \$1.26 million due to a drop in court revenue, elimination of all fourth quarter recreation fees, and reduced building and permit revenues primarily due to the statewide shutdown due to the COVID-19 pandemic.
- State shared revenue decreased \$150,000 due to the fourth quarter statewide shutdown resulting in a substantial reduction in sales tax collections.

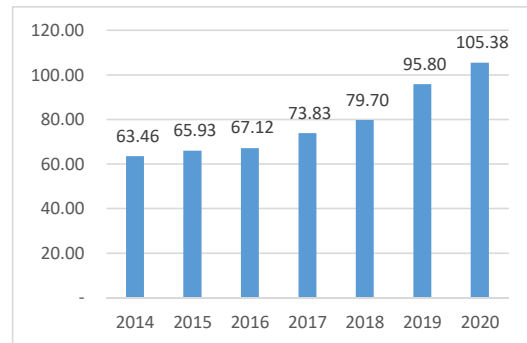
**Business-type activities.** The City has one business-type activity: the water and sewer system. Revenues of the City's water and sewer activity increased by 4.5 percent (\$620,000). Expenses decreased by 16.4 percent (\$2.0 million). The City reported net income of \$4.2 million in the water and sewer activity. This was an increase of \$2.6 million, from fiscal year 2019 net income of \$1.6 million. The factors driving these results include:

- The City raised water and sewer rates in conjunction with the estimated cost increases, debt service payments, and projected capital needs for the fiscal year with the intent of maintaining net cash position of the fund.
- There was a significant decrease in the net other postemployment benefit liability, resulting in significant reductions to expenses. This is largely due to the significant changes in the difference between expected and actual experience and the changes in assumptions, as previously discussed.
- Water rates increased from \$41.70 in year 2018-2019 to \$42.53 per 1,000 cubic feet in fiscal year 2019-2020. Sewer rates increased from \$95.80 to \$105.38 per 1,000 cubic feet. A recent history of the City's water and sewer rates follows:

Annual Water Rates



Annual Sewer Rates



### The City's Funds

As the City completed the year, its governmental funds reported a total fund balance of \$11.2 million, which is less than last year's total of \$11.5 million. Included in this year's total change in fund balance is a decrease of approximately \$24,000 in the City's general fund. Refer below for further information regarding the significant changes in general fund revenues and expenditures.

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

#### General Fund Budgetary Highlights

Over the course of the year, City Council made quarterly budget amendments and other amendments as necessary. Budget amendments generally fall into three categories. The first category includes amendments and supplemental appropriations that were approved as projects and contracts were competitively bid and come in higher than originally budgeted. The second included Council approved increases in appropriations when preparing the subsequent year's budget. These appropriations were to adjust the original budget when departments submitted estimated year-end figures that exceeded current budgeted amounts. Finally, amending the budget at the last City Council meeting of the fiscal year to prevent significant budget overruns.

Total actual revenues were less than the final amended budgeted amount by \$279,613. Significant decreases from the final amended budgeted amounts included reduction in ordinance fines collected and state revenue sharing was less than anticipated.

The actual expenditures were \$944,175 less than the final budget amounts in the general fund. This is primarily due to the Community Center building renovations and park renovations postponed due to COVID-19 pandemic.

**General fund revenues.** The following paragraphs analyze the activities of the City's major operating fund. General fund revenues totaled \$20.9 million, a decrease of 4.3 percent over the prior year. Revenues by source were as follows:

| General Fund Revenues |                      |                      |                     |                        |                             |
|-----------------------|----------------------|----------------------|---------------------|------------------------|-----------------------------|
|                       | Fiscal Year          |                      | Percent of<br>Total | Increase<br>(Decrease) | % Change from<br>Prior Year |
|                       | 2020                 | 2019                 |                     |                        |                             |
| Property taxes        | \$ 13,490,150        | \$ 13,185,525        | 64.49%              | \$ 304,625             | 2.31%                       |
| Licenses and permits  | 650,884              | 704,039              | 3.11%               | (53,155)               | -7.55%                      |
| Intergovernmental     | 3,479,649            | 3,623,415            | 16.64%              | (143,766)              | -3.97%                      |
| Charges for services  | 426,064              | 559,147              | 2.04%               | (133,083)              | -23.80%                     |
| Fines and forfeits    | 1,545,465            | 2,156,468            | 7.39%               | (611,003)              | -28.33%                     |
| Franchise fees        | 616,572              | 631,787              | 2.95%               | (15,215)               | -2.41%                      |
| Interest income       | 223,886              | 246,900              | 1.07%               | (23,014)               | -9.32%                      |
| Other                 | 483,914              | 757,564              | 2.31%               | (273,650)              | -36.12%                     |
| <b>Total</b>          | <b>\$ 20,916,584</b> | <b>\$ 21,864,845</b> | <b>100.00%</b>      | <b>\$ (948,261)</b>    | <b>-4.34%</b>               |

Ad valorem taxes provide the City's primary source of revenue. The City's total tax rate is 35.046 per \$1,000 of taxable value. This is below the state's legal limit as provided for by the Headlee Amendment and the Truth in Taxation Act and includes the 7.0000 mill voter-approved levy for PA 345 public safety retirement costs. The overall increase in revenue is due to the decrease in the reserve for chargebacks and property tax appeals. See rates, as follows:

| Purpose of<br>Millage | 2020<br>Rate   | 2019<br>Rate   |
|-----------------------|----------------|----------------|
| Operating             | 15.7032        | 15.8571        |
| Library               | 1.4315         | 1.4457         |
| Solid waste/refuse    | 2.8349         | 2.8628         |
| 2012 debt             | 1.4828         | 1.6200         |
| 2015 debt             | 1.4418         | 1.5000         |
| 2010 debt             | 1.6387         | 1.7500         |
| Recreation            | 0.4799         | 0.4847         |
| Public safety         | 1.9353         | 1.9544         |
| Headlee override      | 1.0979         | 1.1087         |
| Public Safety Act 345 | 7.0000         | 7.0000         |
|                       | <u>35.0460</u> | <u>35.5834</u> |

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

Property tax revenue increase was due to citywide new development during the prior year (new taxable value) coupled with the inflationary increase of 1.9 percent.

License and permits revenue decrease was primarily due to a decrease in the various licenses/permits due to lesser activity relate to the COVID-19 pandemic.

Intergovernmental revenues decrease was primarily due to lower amounts received from the State due to decrease in sales tax collections and revenue sharing.

Charges for services decrease is due primarily to recreational programming cancellations due to the COVID-19 pandemic.

Fines and forfeits revenues decrease was primarily due to decreased ticket collection revenue by the district court due to the COVID-19 pandemic.

Franchise fees revenues decrease was primarily due to lower amounts received than anticipated, largely due to the COVID-19 pandemic.

Interest income decrease is attributable to lower gains on investments realized due to lower interest rates.

Other revenues decrease is primarily due to lower amounts received than anticipated in prescription drugs subsidy rebates on employees healthcare.

**General fund expenditures.** General fund expenditures were \$19.4 million, a decrease of \$275,000 million or 1.4 percent, over the prior year. Broken down by function, expenditures were as follows:

|                        | General Fund Expenditures |                      |                  |                     |                          |
|------------------------|---------------------------|----------------------|------------------|---------------------|--------------------------|
|                        | Fiscal Year               |                      | Percent of Total | Increase (Decrease) | % Change from Prior Year |
|                        | 2020                      | 2019                 |                  |                     |                          |
| General government     | \$ 3,603,050              | \$ 3,406,565         | 18.62%           | \$ 196,485          | 5.77%                    |
| Public safety          | 11,106,115                | 10,796,004           | 57.39%           | 310,111             | 2.87%                    |
| Public works           | 1,028,015                 | 760,891              | 5.31%            | 267,124             | 35.11%                   |
| Culture and recreation | 544,031                   | 578,873              | 2.81%            | (34,842)            | -6.02%                   |
| Community development  | 163,667                   | 179,691              | 0.85%            | (16,024)            | -8.92%                   |
| Nondepartmental costs  | 2,907,183                 | 3,905,535            | 15.02%           | (998,352)           | -25.56%                  |
| <b>Total</b>           | <b>\$ 19,352,061</b>      | <b>\$ 19,627,559</b> | <b>100.00%</b>   | <b>\$ (275,498)</b> | <b>-1.40%</b>            |

General government expenditures increase is due to inflationary increases in costs and salaries along with fiscal year 2020-2021 raises being given to employees in June 2020 to help employees during the COVID-19 pandemic shutdown.

The public safety department increase is due primarily to backfill of positions and increased pension costs.

The public works department increase was primarily due to facility maintenance repairs and renovations.

Culture and recreation decrease is due primarily to decline in programming activities due to the COVID-19 pandemic.

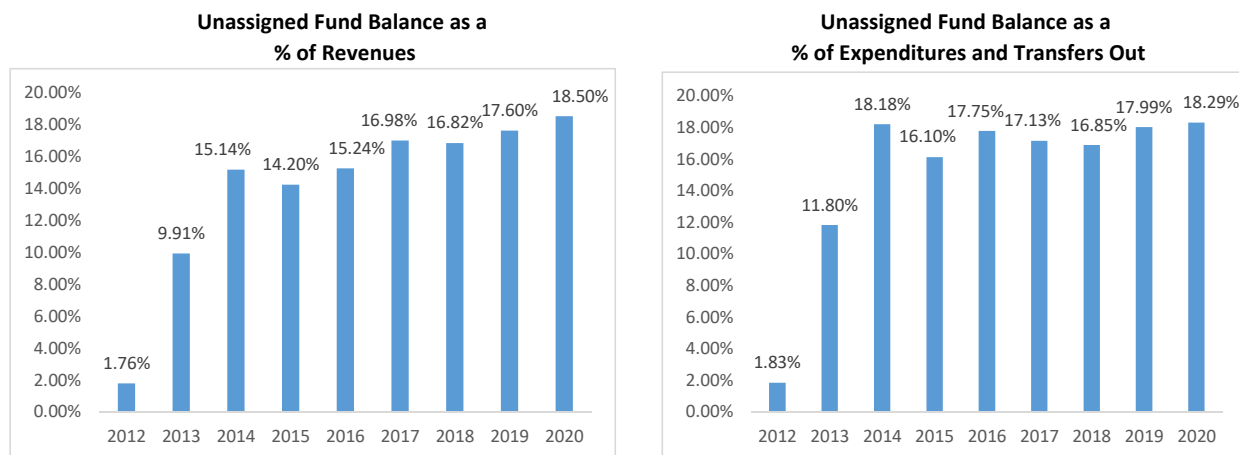
Community development decrease was primarily due to a reduction in zoning ordinance plan reviews.

Nondepartmental costs decrease was primarily due to reduction in additional voluntary contribution to the OPEB plan from \$1.2 million above the pay-as-you-go amount in fiscal 2019 to \$400,000 above the pay-as-you-go amount in fiscal 2020.

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

**General fund.** Fund balance at June 30, 2020 decreased by 0.5 percent or \$23,743 from the prior year. The unassigned (and available for appropriation portion of) fund balance increased by \$21,404 to a balance of \$3.9 million which provides the City with 67 days of expenditures, and is equivalent to 18.3 percent of annual expenditures and transfers. Our goal is to maintain this percentage at 8.3 to 18.0 percent (approximates one to two months expenditures), a level considered adequate to meet any unforeseen events and avoid cash shortfalls during periods of low tax collections. An additional goal is to maintain fund balance at 10 to 15 percent of revenues. Unassigned fund balance can be graphically illustrated as follows:



### Capital Asset and Debt Administration

**Capital assets.** At June 30, 2020, the City had \$72.2 million invested in a broad range of capital assets, including land, rights-of-way, work in progress, infrastructure, buildings, improvements, library collection, and equipment.

|                                  | Capital Assets (Net of Depreciation) |                      |                          |                      |                      |                      |
|----------------------------------|--------------------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                                  | Governmental Activities              |                      | Business-type Activities |                      | Total                |                      |
|                                  | 2020                                 | 2019                 | 2020                     | 2019                 | 2020                 | 2019                 |
| Land                             | \$ 1,653,109                         | \$ 1,653,109         | \$ 11,502                | \$ 11,502            | \$ 1,664,611         | \$ 1,664,611         |
| Rights-of-way                    | 600,818                              | 600,818              | -                        | -                    | 600,818              | 600,818              |
| Work in progress                 | 3,556,719                            | 1,417,144            | 3,660,544                | 2,357,609            | 7,217,263            | 3,774,753            |
| Infrastructure - roads           | 16,373,700                           | 17,877,530           | -                        | -                    | 16,373,700           | 17,877,530           |
| Infrastructure - sidewalks       | 2,049,040                            | 2,235,039            | -                        | -                    | 2,049,040            | 2,235,039            |
| Infrastructure - systems         | -                                    | -                    | 26,152,595               | 26,444,396           | 26,152,595           | 26,444,396           |
| Buildings                        | 14,498,973                           | 14,716,108           | -                        | 434                  | 14,498,973           | 14,716,542           |
| Improvements                     | 1,691,605                            | 1,856,766            | -                        | -                    | 1,691,605            | 1,856,766            |
| Library collection               | 201,391                              | 202,299              | -                        | -                    | 201,391              | 202,299              |
| Vehicles and equipment           | 1,306,639                            | 939,369              | 222,795                  | 61,770               | 1,529,434            | 1,001,139            |
| Other equipment                  | 209,627                              | 191,965              | -                        | -                    | 209,627              | 191,965              |
| <b>Total capital assets, net</b> | <b>\$ 42,141,621</b>                 | <b>\$ 41,690,147</b> | <b>\$ 30,047,436</b>     | <b>\$ 28,875,711</b> | <b>\$ 72,189,057</b> | <b>\$ 70,565,858</b> |

More detailed information about the City's capital assets is presented in Note 9 to the financial statements.

**Long-term debt.** Under current state statutes, the City's net debt may not exceed 10 percent of the total assessed value of real and personal property as certified by the City Assessor. The City's net debt of \$22,760,159 is 3.2 percent of assessed value, and provides a legal debt margin of \$48,758,888. Net general bonded debt per capita equaled \$711.

The long-term debt obligations of the City consist of general obligation bonds outstanding and a capital lease.

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

At year-end, the City had \$26,876,457 in installment debt outstanding versus \$30,217,888 last year, a decrease of 11.1 percent, as shown in the table below.

|                                                  | Installment Debt        |                      |                          |                     |                      |                      |
|--------------------------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|                                                  | Governmental Activities |                      | Business-type Activities |                     | Total                |                      |
|                                                  | 2020                    | 2019                 | 2020                     | 2019                | 2020                 | 2019                 |
| General obligation bonds<br>(backed by the City) | \$ 20,780,000           | \$ 23,035,000        | \$ 4,186,457             | \$ 5,192,888        | \$ 24,966,457        | \$ 28,227,888        |
| Capital lease                                    | 1,910,000               | 1,990,000            | -                        | -                   | 1,910,000            | 1,990,000            |
| <b>Total</b>                                     | <b>\$ 22,690,000</b>    | <b>\$ 25,025,000</b> | <b>\$ 4,186,457</b>      | <b>\$ 5,192,888</b> | <b>\$ 26,876,457</b> | <b>\$ 30,217,888</b> |

At June 30, 2020, the 2010 municipal complex bonds, the 2012 street improvement refunding bonds, the 2015 street improvement refunding bonds, and the 2020 refunding bonds were the only outstanding governmental general obligation bonds. These bonds are paid by a tax levied on all taxpayers separate from the operating millage. A mill represents \$1 of tax for every \$1,000 of taxable value of real and personal property. The City's debt service levy in fiscal year 2019-2020 was 4.5633 mills. Requirements for general obligation bonds will decrease until all bonds are paid off in May 2036.

The City belongs to a consortium of cities known as the Twelve Towns Drainage District (the "District"). This District was formed to collect and treat sewage and stormwater for 14 communities. In 1998 the Michigan Department of Environmental Quality ordered the District to upgrade its retention facility and decrease its excess flows into Lake St. Clair. The total estimated cost of these improvements is \$130 million, of which the City is responsible for 13.48%. This project began in fiscal year 2000-2001.

The District is borrowing funds through construction drawdowns to complete this project. As of June 30, 2020, the City is obligated to pay \$4,186,457. Due to the nature of draws, the exact obligation will be unknown until the project is complete or no other draws are made. Payments on these obligations continue until 2029, ranging from \$65,707 to \$1,054,343. The City will continue to monitor the sewer rates to ensure sufficient cashflow to repay this debt.

The City's general obligation Moody's Rating Service underlying bond rating was A3. The State limits the amount of general obligation debt that cities can issue to 10 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is below this \$71,519,047 state-imposed limit.

Other obligations include accrued vacation pay, sick leave, and claims and judgments. More detailed information about the City's long-term liabilities is presented in Note 10 to the financial statements.

#### Economic Factors and Next Year's Budget and Rates

Oak Park (population 29,319) is primarily a residential community located in southeastern Oakland County, Michigan. The local tax base has experienced an increase of 2.31% for fiscal year 2019-2020 and is expected to have a modest increase in the following year (4.0% expected for 2020-2021). This rebound in the economy is encouraging but will continue to present challenges in the near future. Service levels will continue to be adjusted to match annual revenues.

In August 2018, the voters approved the renewal of the Act 345 retirement system millage for public safety employees. The approval comes with the ability to use a property tax levy to fund a portion of public safety retirement costs (previously paid by the general fund). The voters approved up to 7 mills to be assessed annually to be used for this purpose for a seven year period beginning in 2019-2020 fiscal year. In fiscal years 2018-2019 and 2019-2020, the full 7 mills was levied.

Overall net general bonded debt is moderate and continues to decline for the fifth year in a row, at \$740 per capita and 4.25% of actual taxable value of property.

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

The City's elected and appointed officials considered many factors when setting the fiscal year 2020-2021 budget including tax rates and fees to be charged for the business-type activities. One of those factors is the economy. Unemployment in the City now stands at 23.1 percent versus 6.2 percent a year ago. This compares with the State's unemployment rate of 14.8 percent and the national rate of 11.1 percent.

These indicators were taken into account when adopting the general fund budget for fiscal year 2020-2021. The fiscal year 2020-2021 budget was adopted in May 2020. Amounts available for appropriation in the general fund budget are \$21.721 million, an increase of 7.0 percent over the estimated fiscal year 2019-2020 amount of \$20.296 million. Property tax revenue is budgeted to increase slightly by 4.0 percent. Overall, revenues are expected to remain relatively flat. Budgeted expenditures are expected to increase, to \$21.721 million from \$20.296 million in fiscal year 2019-2020. The City has added no new major programs or initiatives to the fiscal year 2020-2021 budget.

The expense plan for the water and sewer fund for fiscal year 2020-2021 is \$14,696,942 an increase of \$0.168 million from fiscal year 2019-2020. The plan includes an overall increase in water and sewer rates of 6.71 percent, a decrease from fiscal year 2019-2020 increase of 7.57 percent. This increase is necessary due to an increase in the wholesale water and sewage rates from Oakland County.

This plan includes expenses for the District (known also as the George W. Kuhn Drain). Construction continues, and 10 bonds have been issued to pay for the costs. The City is responsible for 13.48 percent of the cost. Debt payments have been built into the budget and sewer rates increased to meet our obligations. The George W. Kuhn Drain debt payment (principal and interest) will be \$1.13 million in fiscal year 2020-2021.

#### Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance and Administrative Services' Office, at the City of Oak Park, 14000 Oak Park Blvd., Oak Park, MI, 48237.



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## **BASIC FINANCIAL STATEMENTS**

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# CITY OF OAK PARK, MICHIGAN

## Statement of Net Position

June 30, 2020

|                                               | Primary Government      |                          |                        | Component Units   |
|-----------------------------------------------|-------------------------|--------------------------|------------------------|-------------------|
|                                               | Governmental Activities | Business-type Activities | Total                  |                   |
| <b>Assets</b>                                 |                         |                          |                        |                   |
| Cash and investments                          | \$ 11,576,217           | \$ 2,565,326             | \$ 14,141,543          | \$ 855,594        |
| Receivables                                   | 1,938,507               | 5,090,521                | 7,029,028              | -                 |
| Prepaid items                                 | 508,623                 | 29                       | 508,652                | -                 |
| Capital assets not being depreciated          | 5,810,646               | 3,672,046                | 9,482,692              | -                 |
| Capital assets being depreciated, net         | 36,330,975              | 26,375,390               | 62,706,365             | -                 |
| <b>Total assets</b>                           | <b>56,164,968</b>       | <b>37,703,312</b>        | <b>93,868,280</b>      | <b>855,594</b>    |
| <b>Deferred outflows of resources</b>         |                         |                          |                        |                   |
| Deferred pension amounts                      | 6,013,608               | 199,818                  | 6,213,426              | -                 |
| Deferred other postemployment benefit amounts | 114,725                 | 7,641                    | 122,366                | -                 |
| Deferred charge on refunding                  | 264,979                 | -                        | 264,979                | -                 |
| <b>Total deferred outflows of resources</b>   | <b>6,393,312</b>        | <b>207,459</b>           | <b>6,600,771</b>       | <b>-</b>          |
| <b>Liabilities</b>                            |                         |                          |                        |                   |
| Accounts payable and accrued liabilities      | 2,091,396               | 1,218,882                | 3,310,278              | 528,942           |
| Long-term debt:                               |                         |                          |                        |                   |
| Due within one year                           | 2,509,273               | 1,705,516                | 4,214,789              | -                 |
| Due in more than one year                     | 24,078,183              | 4,559,297                | 28,637,480             | -                 |
| Other liabilities due in more than one year:  |                         |                          |                        |                   |
| Net pension liability                         | 56,622,738              | 7,687,852                | 64,310,590             | -                 |
| Net other postemployment benefit liability    | 60,121,170              | 4,158,540                | 64,279,710             | -                 |
| <b>Total liabilities</b>                      | <b>145,422,760</b>      | <b>19,330,087</b>        | <b>164,752,847</b>     | <b>528,942</b>    |
| <b>Deferred inflows of resources</b>          |                         |                          |                        |                   |
| Deferred pension amounts                      | 391,984                 | -                        | 391,984                | -                 |
| Deferred other postemployment benefit amounts | 7,951,273               | -                        | 7,951,273              | -                 |
| <b>Total deferred inflows of resources</b>    | <b>8,343,257</b>        | <b>-</b>                 | <b>8,343,257</b>       | <b>-</b>          |
| <b>Net position</b>                           |                         |                          |                        |                   |
| Net investment in capital assets              | 18,246,707              | 25,860,979               | 44,107,686             | -                 |
| Restricted for:                               |                         |                          |                        |                   |
| Capital projects                              | 222,701                 | -                        | 222,701                | -                 |
| Debt service                                  | 594,510                 | -                        | 594,510                | -                 |
| Judicial                                      | 236,950                 | -                        | 236,950                | -                 |
| Public safety                                 | 71,560                  | -                        | 71,560                 | -                 |
| Road maintenance and repair                   | 2,760,682               | -                        | 2,760,682              | -                 |
| Public works                                  | 1,711,284               | -                        | 1,711,284              | -                 |
| Library                                       | 113,992                 | -                        | 113,992                | -                 |
| Unrestricted (deficit)                        | (115,166,123)           | (7,280,295)              | (122,446,418)          | 326,652           |
| <b>Total net position</b>                     | <b>\$ (91,207,737)</b>  | <b>\$ 18,580,684</b>     | <b>\$ (72,627,053)</b> | <b>\$ 326,652</b> |

The accompanying notes are an integral part of these basic financial statements.

# CITY OF OAK PARK, MICHIGAN

## Statement of Activities

For the Year Ended June 30, 2020

| Functions/Programs                 | Expenses             | Program Revenues        |                                          |                                        | Net<br>(Expense)<br>Revenue |
|------------------------------------|----------------------|-------------------------|------------------------------------------|----------------------------------------|-----------------------------|
|                                    |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |                             |
| <b>Primary government</b>          |                      |                         |                                          |                                        |                             |
| Governmental activities:           |                      |                         |                                          |                                        |                             |
| General government                 | \$ 3,711,686         | \$ 3,391,331            | \$ 31,247                                | \$ 13,394                              | \$ (275,714)                |
| Judicial                           | 596,073              | 155,315                 | 644,985                                  | -                                      | 204,227                     |
| Public safety                      | 11,825,375           | 40,477                  | 24,618                                   | -                                      | (11,760,280)                |
| Road maintenance and repair        | 3,947,631            | 355,285                 | 2,717,669                                | -                                      | (874,677)                   |
| Public works                       | (3,355,639)          | 215,798                 | -                                        | -                                      | 3,571,437                   |
| Health and sanitation              | 2,800,210            | 1,590,085               | -                                        | -                                      | (1,210,125)                 |
| Culture and recreation             | (209,601)            | -                       | -                                        | -                                      | 209,601                     |
| Library                            | (31,194)             | 20,773                  | 93,109                                   | -                                      | 145,076                     |
| Community development              | (678,663)            | -                       | 108,814                                  | -                                      | 787,477                     |
| Interest and fiscal charges        | 742,654              | -                       | -                                        | -                                      | (742,654)                   |
| Total governmental activities      | 19,348,532           | 5,769,064               | 3,620,442                                | 13,394                                 | (9,945,632)                 |
| Business-type activities -         |                      |                         |                                          |                                        |                             |
| Water and sewer                    | 10,263,283           | 14,365,681              | -                                        | -                                      | 4,102,398                   |
| <b>Total primary government</b>    | <b>\$ 29,611,815</b> | <b>\$ 20,134,745</b>    | <b>\$ 3,620,442</b>                      | <b>\$ 13,394</b>                       | <b>\$ (5,843,234)</b>       |
| <b>Component units</b>             |                      |                         |                                          |                                        |                             |
| Economic Development Corporation   | \$ -                 | \$ -                    | \$ -                                     | \$ -                                   | \$ -                        |
| Brownfield Redevelopment Authority | 541,628              | -                       | -                                        | -                                      | (541,628)                   |
| Corridor Improvement Authority     | 19,116               | 16,744                  | -                                        | -                                      | (2,372)                     |
| <b>Total component units</b>       | <b>\$ 560,744</b>    | <b>\$ 16,744</b>        | <b>\$ -</b>                              | <b>\$ -</b>                            | <b>\$ (544,000)</b>         |

continued...

# CITY OF OAK PARK, MICHIGAN

## Statement of Activities

For the Year Ended June 30, 2020

|                                  | Primary Government         |                             |                        | Component<br>Units |
|----------------------------------|----------------------------|-----------------------------|------------------------|--------------------|
|                                  | Governmental<br>Activities | Business-type<br>Activities | Total                  |                    |
| <b>Change in net position</b>    |                            |                             |                        |                    |
| Net (expense) revenue            | \$ (9,945,632)             | \$ 4,102,398                | \$ (5,843,234)         | \$ (544,000)       |
| General revenues:                |                            |                             |                        |                    |
| Property taxes levied for:       |                            |                             |                        |                    |
| General purposes                 | 15,469,151                 | -                           | 15,469,151             | 844,121            |
| Debt service                     | 2,337,816                  | -                           | 2,337,816              | -                  |
| State shared revenues            | 3,460,549                  | -                           | 3,460,549              | 500                |
| Franchise fees                   | 616,572                    | -                           | 616,572                | -                  |
| Investment earnings              | 401,740                    | 68,629                      | 470,369                | 1,021              |
| Other                            | -                          | 26,207                      | 26,207                 | -                  |
| Total general revenues           | 22,285,828                 | 94,836                      | 22,380,664             | 845,642            |
| <b>Change in net position</b>    | 12,340,196                 | 4,197,234                   | 16,537,430             | 301,642            |
| Net position, beginning of year  | (103,547,933)              | 14,383,450                  | (89,164,483)           | 25,010             |
| <b>Net position, end of year</b> | <u>\$ (91,207,737)</u>     | <u>\$ 18,580,684</u>        | <u>\$ (72,627,053)</u> | <u>\$ 326,652</u>  |

concluded.

The accompanying notes are an integral part of these basic financial statements.

# CITY OF OAK PARK, MICHIGAN

## Balance Sheet

Governmental Funds

June 30, 2020

|                                                                                | General Fund        | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------------------------|---------------------|-----------------------------------|--------------------------------|
| <b>Assets</b>                                                                  |                     |                                   |                                |
| Cash and investments                                                           | \$ 4,192,152        | \$ 6,951,217                      | \$ 11,143,369                  |
| Receivables:                                                                   |                     |                                   |                                |
| Taxes                                                                          | 24,637              | -                                 | 24,637                         |
| Special assessments                                                            | -                   | 276,606                           | 276,606                        |
| Accounts                                                                       | 218,823             | 591,136                           | 809,959                        |
| Due from other governments                                                     | 401,804             | 425,501                           | 827,305                        |
| Due from other funds                                                           | 38,877              | -                                 | 38,877                         |
| Prepaid items                                                                  | 476,775             | 82                                | 476,857                        |
| <b>Total assets</b>                                                            | <u>\$ 5,353,068</u> | <u>\$ 8,244,542</u>               | <u>\$ 13,597,610</u>           |
| <b>Liabilities</b>                                                             |                     |                                   |                                |
| Accounts payable                                                               | \$ 410,618          | \$ 892,705                        | \$ 1,303,323                   |
| Accrued liabilities                                                            | 514,256             | 146,707                           | 660,963                        |
| Due to other funds                                                             | -                   | 38,877                            | 38,877                         |
| <b>Total liabilities</b>                                                       | <u>924,874</u>      | <u>1,078,289</u>                  | <u>2,003,163</u>               |
| <b>Deferred inflows of resources</b>                                           |                     |                                   |                                |
| Unavailable revenue - charges for services                                     | 82,654              | -                                 | 82,654                         |
| Unavailable revenue - special assessments                                      | -                   | 264,850                           | 264,850                        |
| Unavailable revenue - grants                                                   | -                   | 24,950                            | 24,950                         |
| <b>Total deferred inflows of resources</b>                                     | <u>82,654</u>       | <u>289,800</u>                    | <u>372,454</u>                 |
| <b>Fund balances</b>                                                           |                     |                                   |                                |
| Nonspendable                                                                   | 476,775             | 82                                | 476,857                        |
| Restricted                                                                     | -                   | 5,580,415                         | 5,580,415                      |
| Assigned                                                                       | -                   | 1,309,481                         | 1,309,481                      |
| Unassigned (deficit)                                                           | 3,868,765           | (13,525)                          | 3,855,240                      |
| <b>Total fund balances</b>                                                     | <u>4,345,540</u>    | <u>6,876,453</u>                  | <u>11,221,993</u>              |
| <b>Total liabilities, deferred inflows of<br/>resources, and fund balances</b> | <u>\$ 5,353,068</u> | <u>\$ 8,244,542</u>               | <u>\$ 13,597,610</u>           |

The accompanying notes are an integral part of these basic financial statements.

## CITY OF OAK PARK, MICHIGAN

### Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
June 30, 2020

**Fund balances - total governmental funds** \$ 11,221,993

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 therefore are not reported in the fund financial statements.

|                                                                 |             |
|-----------------------------------------------------------------|-------------|
| Capital assets not being depreciated                            | 5,810,646   |
| Capital assets being depreciated, net                           | 36,330,975  |
| Less net capital assets accounted for in internal service funds | (1,306,639) |

The focus of governmental funds is on short-term financing. Accordingly, some  
assets will not be available to pay for current-period expenditures. Those  
assets (such as certain receivables) are offset by deferred inflows in the  
governmental funds, and thus are not included in fund balance.

|                                                      |         |
|------------------------------------------------------|---------|
| Unavailable charges for services receivable          | 82,654  |
| Unavailable long-term special assessments receivable | 264,850 |
| Unavailable grants receivable                        | 24,950  |

Internal service funds are used by management to charge the costs of certain  
activities, such as insurance and other centralized costs, to individual funds.  
The assets and liabilities of certain internal service funds are included in  
governmental activities.

|                                                                                 |           |
|---------------------------------------------------------------------------------|-----------|
| Net position of governmental activities accounted for in internal service funds | 1,744,677 |
|---------------------------------------------------------------------------------|-----------|

Certain liabilities, such as bonds payable, are not due and payable  
in the current period, and therefore are not reported in the funds.

|                                    |              |
|------------------------------------|--------------|
| Accrued interest on long-term debt | (100,534)    |
| Bonds and capital lease payable    | (22,690,000) |
| Unamortized bond premium           | (1,514,451)  |
| Accrued compensated absences       | (2,383,005)  |
| Deferred charge on refunding       | 264,979      |

Certain pension and postemployment-related amounts are not due and payable  
in the current period or do not represent current financial resources and  
therefore are not reported in the funds.

|                                                                             |              |
|-----------------------------------------------------------------------------|--------------|
| Net pension liability                                                       | (56,622,738) |
| Deferred outflows related to the net pension liability                      | 6,013,608    |
| Deferred inflows related to the net pension liability                       | (391,984)    |
| Net other postemployment benefit liability                                  | (60,121,170) |
| Deferred outflows related to the net other postemployment benefit liability | 114,725      |
| Deferred inflows related to the net other postemployment benefit liability  | (7,951,273)  |

**Net position of governmental activities** \$ (91,207,737)

The accompanying notes are an integral part of these basic financial statements.



# CITY OF OAK PARK, MICHIGAN

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

Governmental Funds

For the Year Ended June 30, 2020

|                                             | General Fund        | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---------------------------------------------|---------------------|-----------------------------------|--------------------------------|
| <b>Revenues</b>                             |                     |                                   |                                |
| Property taxes                              | \$ 13,490,150       | \$ 4,457,756                      | \$ 17,947,906                  |
| Special assessments                         | -                   | 244,759                           | 244,759                        |
| Licenses and permits                        | 650,884             | -                                 | 650,884                        |
| Intergovernmental:                          |                     |                                   |                                |
| Federal grants                              | 229                 | 125,415                           | 125,644                        |
| State grants                                | 3,479,420           | 3,468,434                         | 6,947,854                      |
| Charges for services                        | 426,064             | 1,743,801                         | 2,169,865                      |
| Fines and forfeitures                       | 1,545,465           | 121,520                           | 1,666,985                      |
| Franchise fees                              | 616,572             | -                                 | 616,572                        |
| Interest income                             | 223,886             | 173,403                           | 397,289                        |
| Other                                       | 483,914             | 601,365                           | 1,085,279                      |
| <b>Total revenues</b>                       | <b>20,916,584</b>   | <b>10,936,453</b>                 | <b>31,853,037</b>              |
| <b>Expenditures</b>                         |                     |                                   |                                |
| Current:                                    |                     |                                   |                                |
| General government                          | 3,603,050           | -                                 | 3,603,050                      |
| Judicial                                    | -                   | 2,361,940                         | 2,361,940                      |
| Public safety                               | 11,106,115          | 42,604                            | 11,148,719                     |
| Road maintenance and repair                 | -                   | 4,016,353                         | 4,016,353                      |
| Public works                                | 1,028,015           | 39,695                            | 1,067,710                      |
| Health and sanitation                       | -                   | 2,800,210                         | 2,800,210                      |
| Culture and recreation                      | 544,031             | -                                 | 544,031                        |
| Library                                     | -                   | 562,446                           | 562,446                        |
| Community development                       | 163,667             | 290,292                           | 453,959                        |
| Nondepartmental costs                       | 2,907,183           | -                                 | 2,907,183                      |
| Debt service:                               |                     |                                   |                                |
| Principal                                   | -                   | 1,580,000                         | 1,580,000                      |
| Interest and fiscal charges                 | -                   | 1,079,109                         | 1,079,109                      |
| <b>Total expenditures</b>                   | <b>19,352,061</b>   | <b>12,772,649</b>                 | <b>32,124,710</b>              |
| Revenues over (under) expenditures          | 1,564,523           | (1,836,196)                       | (271,673)                      |
| <b>Other financing sources (uses)</b>       |                     |                                   |                                |
| Issuance of long-term debt                  | -                   | 9,145,000                         | 9,145,000                      |
| Premium on issuance of long-term debt       | -                   | 849,782                           | 849,782                        |
| Payments to refund bond escrow agent        | -                   | (10,023,119)                      | (10,023,119)                   |
| Transfers in                                | 215,000             | 12,459,286                        | 12,674,286                     |
| Transfers out                               | (1,803,266)         | (10,871,020)                      | (12,674,286)                   |
| <b>Total other financing sources (uses)</b> | <b>(1,588,266)</b>  | <b>1,559,929</b>                  | <b>(28,337)</b>                |
| <b>Net change in fund balances</b>          | <b>(23,743)</b>     | <b>(276,267)</b>                  | <b>(300,010)</b>               |
| Fund balances, beginning of year            | 4,369,283           | 7,152,720                         | 11,522,003                     |
| <b>Fund balances, end of year</b>           | <b>\$ 4,345,540</b> | <b>\$ 6,876,453</b>               | <b>\$ 11,221,993</b>           |

The accompanying notes are an integral part of these basic financial statements.

## CITY OF OAK PARK, MICHIGAN

### Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended June 30, 2020

**Net change in fund balances - total governmental funds** \$ (300,010)

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, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

|                                                                                     |             |
|-------------------------------------------------------------------------------------|-------------|
| Capital assets purchased / constructed                                              | 3,022,232   |
| Less capital assets purchased / constructed accounted for in internal service funds | (566,069)   |
| Depreciation expense                                                                | (2,570,758) |
| Less depreciation expense accounted for in internal service funds                   | 198,799     |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

|                                                                             |           |
|-----------------------------------------------------------------------------|-----------|
| Net change in deferred inflows for long-term special assessments receivable | (140,939) |
| Net change in deferred inflows for grants receivable                        | (27,821)  |

Bond and capital lease proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds and capital leases increases long-term liabilities in the statement of net position. Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

|                                       |             |
|---------------------------------------|-------------|
| Issuance of long-term debt            | (9,145,000) |
| Premium on issuance of long-term debt | (849,782)   |
| Payments to refund bond escrow agent  | 10,023,119  |
| Principal payments on long-term debt  | 1,580,000   |

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

|                                                              |             |
|--------------------------------------------------------------|-------------|
| Change in accrued interest payable on long-term debt         | 162,395     |
| Amortization of deferred charge on refunding                 | (12,896)    |
| Change in net pension liability and related deferred amounts | (4,957,401) |
| Change in net other postemployment benefit liability         | 15,883,904  |
| Change in the accrual for compensated absences               | (431,464)   |

An internal service fund is used by management to charge the costs of certain services to individual governmental funds. The net revenue (expense) attributable to those funds is reported with governmental activities.

|                                                                         |         |
|-------------------------------------------------------------------------|---------|
| Operating income from governmental activities in internal service funds | 467,436 |
| Interest income from internal service funds                             | 4,451   |

**Change in net position of governmental activities** \$ 12,340,196

The accompanying notes are an integral part of these basic financial statements.

## CITY OF OAK PARK, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended June 30, 2020

|                                                                                 | Original<br>Budget | Final<br>Budget   | Actual            | Actual Over<br>(Under) Final<br>Budget |
|---------------------------------------------------------------------------------|--------------------|-------------------|-------------------|----------------------------------------|
| <b>Revenues</b>                                                                 |                    |                   |                   |                                        |
| Property taxes                                                                  | \$ 13,304,308      | \$ 13,495,349     | \$ 13,490,150     | \$ (5,199)                             |
| Licenses and permits                                                            | 583,030            | 625,030           | 650,884           | 25,854                                 |
| Intergovernmental:                                                              |                    |                   |                   |                                        |
| Federal grants                                                                  | -                  | 2,000             | 229               | (1,771)                                |
| State grants                                                                    | 3,765,048          | 3,586,048         | 3,479,420         | (106,628)                              |
| Charges for services                                                            | 654,810            | 489,066           | 426,064           | (63,002)                               |
| Fines and forfeitures                                                           | 1,900,000          | 1,659,000         | 1,545,465         | (113,535)                              |
| Franchise fees                                                                  | 654,447            | 646,172           | 616,572           | (29,600)                               |
| Interest income                                                                 | 218,316            | 222,907           | 223,886           | 979                                    |
| Other                                                                           | 269,350            | 470,625           | 483,914           | 13,289                                 |
| <b>Total revenues</b>                                                           | <b>21,349,309</b>  | <b>21,196,197</b> | <b>20,916,584</b> | <b>(279,613)</b>                       |
| <b>Expenditures</b>                                                             |                    |                   |                   |                                        |
| General government:                                                             |                    |                   |                   |                                        |
| City council                                                                    | 68,644             | 58,795            | 56,938            | (1,857)                                |
| City manager                                                                    | 369,521            | 372,113           | 364,519           | (7,594)                                |
| Human resources                                                                 | 388,232            | 394,232           | 343,264           | (50,968)                               |
| Information technology                                                          | 343,635            | 343,635           | 262,574           | (81,061)                               |
| City attorney                                                                   | 264,600            | 264,600           | 254,682           | (9,918)                                |
| Prosecuting attorney                                                            | 69,160             | 69,160            | 69,160            | -                                      |
| City clerk                                                                      | 355,969            | 368,969           | 354,771           | (14,198)                               |
| Finance and administrative services                                             | 1,208,239          | 1,216,899         | 1,215,797         | (1,102)                                |
| Public information                                                              | 206,080            | 248,618           | 229,106           | (19,512)                               |
| Technical and planning services                                                 | 1,210,375          | 1,314,325         | 1,192,944         | (121,381)                              |
| Less reimbursements from other funds for<br>finance and administrative services | (738,600)          | (736,675)         | (740,705)         | (4,030)                                |
| <b>Total general government</b>                                                 | <b>3,745,855</b>   | <b>3,914,671</b>  | <b>3,603,050</b>  | <b>(311,621)</b>                       |
| Public safety:                                                                  |                    |                   |                   |                                        |
| General                                                                         | 10,547,003         | 10,948,665        | 10,895,657        | (53,008)                               |
| K9 unit                                                                         | 196,321            | 210,521           | 210,458           | (63)                                   |
| <b>Total public safety</b>                                                      | <b>10,743,324</b>  | <b>11,159,186</b> | <b>11,106,115</b> | <b>(53,071)</b>                        |
| Public works:                                                                   |                    |                   |                   |                                        |
| Building and maintenance                                                        | 960,442            | 1,176,014         | 800,578           | (375,436)                              |
| Administration                                                                  | 17,858             | 22,048            | 17,292            | (4,756)                                |
| Shepherd Park                                                                   | 195,622            | 151,622           | 85,679            | (65,943)                               |
| Other parks                                                                     | 349,350            | 144,350           | 124,466           | (19,884)                               |
| <b>Total public works</b>                                                       | <b>1,523,272</b>   | <b>1,494,034</b>  | <b>1,028,015</b>  | <b>(466,019)</b>                       |

continued...

## CITY OF OAK PARK, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended June 30, 2020

|                                             | Original<br>Budget  | Final<br>Budget     | Actual              | Actual Over<br>(Under) Final<br>Budget |
|---------------------------------------------|---------------------|---------------------|---------------------|----------------------------------------|
| <b>Expenditures (concluded)</b>             |                     |                     |                     |                                        |
| Culture and recreation:                     |                     |                     |                     |                                        |
| Administration                              | \$ 397,558          | \$ 382,760          | \$ 357,467          | \$ (25,293)                            |
| Athletics                                   | 33,819              | 23,819              | 15,993              | (7,826)                                |
| Outdoor activities                          | 67,870              | 45,990              | 30,889              | (15,101)                               |
| Instructional activities                    | 23,000              | 23,000              | 12,753              | (10,247)                               |
| Special recreation activities               | 28,800              | 23,400              | 23,107              | (293)                                  |
| Swimming pool                               | 125,032             | 60,826              | 60,821              | (5)                                    |
| Senior services                             | 52,850              | 43,150              | 43,001              | (149)                                  |
| Total culture and recreation                | 728,929             | 602,945             | 544,031             | (58,914)                               |
| Community development                       | 198,897             | 167,569             | 163,667             | (3,902)                                |
| Nondepartmental costs                       | 2,664,201           | 2,957,831           | 2,907,183           | (50,648)                               |
| <b>Total expenditures</b>                   | <b>19,604,478</b>   | <b>20,296,236</b>   | <b>19,352,061</b>   | <b>(944,175)</b>                       |
| Revenues over expenditures                  | 1,744,831           | 899,961             | 1,564,523           | 664,562                                |
| <b>Other financing sources (uses)</b>       |                     |                     |                     |                                        |
| Transfers in                                | 215,000             | 215,000             | 215,000             | -                                      |
| Transfers out                               | (1,959,831)         | (1,878,119)         | (1,803,266)         | (74,853)                               |
| <b>Total other financing sources (uses)</b> | <b>(1,744,831)</b>  | <b>(1,663,119)</b>  | <b>(1,588,266)</b>  | <b>74,853</b>                          |
| <b>Net change in fund balance</b>           | <b>-</b>            | <b>(763,158)</b>    | <b>(23,743)</b>     | <b>739,415</b>                         |
| Fund balance, beginning of year             | 4,369,283           | 4,369,283           | 4,369,283           | -                                      |
| <b>Fund balance, end of year</b>            | <b>\$ 4,369,283</b> | <b>\$ 3,606,125</b> | <b>\$ 4,345,540</b> | <b>\$ 739,415</b>                      |

concluded.

The accompanying notes are an integral part of these basic financial statements.

# CITY OF OAK PARK, MICHIGAN

## Statement of Net Position

Proprietary Funds

June 30, 2020

|                                                      | Business-type<br>Activities        | Governmental<br>Activities |
|------------------------------------------------------|------------------------------------|----------------------------|
|                                                      | Water and Sewer<br>Enterprise Fund | Internal<br>Service Funds  |
| <b>Assets</b>                                        |                                    |                            |
| Current assets:                                      |                                    |                            |
| Cash and investments                                 | \$ 2,565,326                       | \$ 432,848                 |
| Receivables:                                         |                                    |                            |
| Special assessments                                  | 1,400                              | -                          |
| Accounts                                             | 5,024,092                          | -                          |
| Due from other governments                           | 65,029                             | -                          |
| Prepaid items                                        | 29                                 | 31,766                     |
| Total current assets                                 | 7,655,876                          | 464,614                    |
| Noncurrent assets:                                   |                                    |                            |
| Capital assets not being depreciated                 | 3,672,046                          | -                          |
| Capital assets being depreciated, net                | 26,375,390                         | 1,306,639                  |
| Total noncurrent assets                              | 30,047,436                         | 1,306,639                  |
| <b>Total assets</b>                                  | <b>37,703,312</b>                  | <b>1,771,253</b>           |
| <b>Deferred outflows of resources</b>                |                                    |                            |
| Deferred pension amounts                             | 199,818                            | -                          |
| Deferred other postemployment benefit amounts        | 7,641                              | -                          |
| <b>Total deferred outflows of resources</b>          | <b>207,459</b>                     | <b>-</b>                   |
| <b>Liabilities</b>                                   |                                    |                            |
| Current liabilities:                                 |                                    |                            |
| Accounts payable                                     | 1,134,343                          | 23,896                     |
| Accrued liabilities                                  | 59,236                             | 2,680                      |
| Accrued interest payable                             | 25,303                             | -                          |
| Current portion of:                                  |                                    |                            |
| Accrued compensated absences                         | 88,647                             | -                          |
| Claims and judgments                                 | 587,500                            | -                          |
| Bonds payable                                        | 1,029,369                          | -                          |
| Total current liabilities                            | 2,924,398                          | 26,576                     |
| Noncurrent liabilities:                              |                                    |                            |
| Accrued compensated absences, net of current portion | 227,209                            | -                          |
| Claims and judgments, net of current portion         | 1,175,000                          | -                          |
| Bonds payable, net of current portion                | 3,157,088                          | -                          |
| Net pension liability                                | 7,687,852                          | -                          |
| Net other postemployment benefit liability           | 4,158,540                          | -                          |
| Total noncurrent liabilities                         | 16,405,689                         | -                          |
| <b>Total liabilities</b>                             | <b>19,330,087</b>                  | <b>26,576</b>              |
| <b>Net position</b>                                  |                                    |                            |
| Net investment in capital assets                     | 25,860,979                         | 1,306,639                  |
| Unrestricted (deficit)                               | (7,280,295)                        | 438,038                    |
| <b>Total net position</b>                            | <b>\$ 18,580,684</b>               | <b>\$ 1,744,677</b>        |

The accompanying notes are an integral part of these basic financial statements.

## CITY OF OAK PARK, MICHIGAN

### Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2020

|                                               | Business-type<br>Activities        | Governmental<br>Activities |
|-----------------------------------------------|------------------------------------|----------------------------|
|                                               | Water and Sewer<br>Enterprise Fund | Internal<br>Service Funds  |
| <b>Operating revenues</b>                     |                                    |                            |
| Charges for services                          | \$ 14,365,681                      | \$ 1,742,865               |
| Fines and forfeitures                         | -                                  | 143,846                    |
| Other                                         | 26,207                             | 61,502                     |
| <b>Total operating revenues</b>               | <b>14,391,888</b>                  | <b>1,948,213</b>           |
| <b>Operating expenses</b>                     |                                    |                            |
| Water                                         | 1,417,180                          | -                          |
| Sewage treatment                              | 5,851,909                          | -                          |
| Transmission and distribution                 | 960,981                            | -                          |
| Maintenance and operation                     | 534,620                            | -                          |
| Customer accounting and collection            | 197,437                            | -                          |
| General and administration                    | 355,544                            | -                          |
| Depreciation                                  | 826,279                            | 198,799                    |
| Wages and benefits                            | -                                  | 535,501                    |
| Insurance                                     | -                                  | 386,842                    |
| Gasoline                                      | -                                  | 129,546                    |
| Professional services                         | -                                  | 72,468                     |
| Supplies                                      | -                                  | 157,621                    |
| <b>Total operating expenses</b>               | <b>10,143,950</b>                  | <b>1,480,777</b>           |
| Operating income                              | 4,247,938                          | 467,436                    |
| <b>Nonoperating revenues (expenses)</b>       |                                    |                            |
| Interest income                               | 68,629                             | 4,451                      |
| Interest expense                              | (119,333)                          | -                          |
| <b>Total nonoperating revenues (expenses)</b> | <b>(50,704)</b>                    | <b>4,451</b>               |
| <b>Change in net position</b>                 | <b>4,197,234</b>                   | <b>471,887</b>             |
| Net position, beginning of year               | 14,383,450                         | 1,272,790                  |
| <b>Net position, end of year</b>              | <b>\$ 18,580,684</b>               | <b>\$ 1,744,677</b>        |

The accompanying notes are an integral part of these basic financial statements.

## CITY OF OAK PARK, MICHIGAN

### Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2020

|                                                                  | Business-type<br>Activities        | Governmental<br>Activities |
|------------------------------------------------------------------|------------------------------------|----------------------------|
|                                                                  | Water and Sewer<br>Enterprise Fund | Internal<br>Service Funds  |
| <b>Cash flows from operating activities</b>                      |                                    |                            |
| Receipts from customers                                          | \$ 13,173,468                      | \$ -                       |
| Receipts from interfund services                                 | -                                  | 1,770,926                  |
| Other receipts                                                   | 26,207                             | 205,348                    |
| Payments to suppliers                                            | (9,132,088)                        | (731,015)                  |
| Payments to employees                                            | (1,271,518)                        | (534,569)                  |
| <b>Net cash provided by operating activities</b>                 | <u>2,796,069</u>                   | <u>710,690</u>             |
| <b>Cash flows from capital and related financing activities</b>  |                                    |                            |
| Purchases of capital assets                                      | (1,998,004)                        | (566,069)                  |
| Principal paid on long-term debt                                 | (1,593,931)                        | -                          |
| Interest paid on long-term debt                                  | (125,379)                          | -                          |
| <b>Net cash used in capital and related financing activities</b> | <u>(3,717,314)</u>                 | <u>(566,069)</u>           |
| <b>Cash flows from investing activities</b>                      |                                    |                            |
| Interest and dividends                                           | <u>68,629</u>                      | <u>4,451</u>               |
| <b>Net change in cash and investments</b>                        | (852,616)                          | 149,072                    |
| Cash and investments, beginning of year                          | <u>3,417,942</u>                   | <u>283,776</u>             |
| <b>Cash and investments, end of year</b>                         | <u><u>\$ 2,565,326</u></u>         | <u><u>\$ 432,848</u></u>   |

continued...

## CITY OF OAK PARK, MICHIGAN

### Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2020

|                                                                                         | Business-type<br>Activities        | Governmental<br>Activities |
|-----------------------------------------------------------------------------------------|------------------------------------|----------------------------|
|                                                                                         | Water and Sewer<br>Enterprise Fund | Internal<br>Service Funds  |
| <b>Reconciliation of operating income to net cash provided by operating activities:</b> |                                    |                            |
| Operating income                                                                        | \$ 4,247,938                       | \$ 467,436                 |
| Adjustments to reconcile operating income to net cash provided by operating activities: |                                    |                            |
| Depreciation expense                                                                    | 826,279                            | 198,799                    |
| Change in assets and liabilities:                                                       |                                    |                            |
| Special assessments receivable                                                          | 200                                | -                          |
| Accounts receivable                                                                     | (1,190,478)                        | 28,061                     |
| Due from other governments                                                              | (1,935)                            | -                          |
| Prepaid items                                                                           | 24                                 | 26,848                     |
| Deferred outflows of resources - pension amounts                                        | (186,214)                          | -                          |
| Deferred outflows of resources - other postemployment benefit amount                    | (2,889)                            | -                          |
| Accounts payable                                                                        | (41,427)                           | (11,029)                   |
| Accrued liabilities                                                                     | 9,130                              | 575                        |
| Accrued compensated absences                                                            | 55,733                             | -                          |
| Net pension liability                                                                   | 776,940                            | -                          |
| Net other postemployment benefit liability                                              | (1,697,232)                        | -                          |
| <b>Net cash provided by operating activities</b>                                        | <b>\$ 2,796,069</b>                | <b>\$ 710,690</b>          |

concluded.

The accompanying notes are an integral part of these basic financial statements.



## CITY OF OAK PARK, MICHIGAN

### Statement of Fiduciary Net Position

June 30, 2020

|                                                             | Pension and Other<br>Employee Benefit<br>Trust Funds | Agency<br>Funds   |
|-------------------------------------------------------------|------------------------------------------------------|-------------------|
| <b>Assets</b>                                               |                                                      |                   |
| Cash and cash equivalents                                   | \$ 4,178,182                                         | \$ 792,825        |
| Investments, at fair value:                                 |                                                      |                   |
| Equity mutual funds                                         | 45,157,795                                           | -                 |
| Fixed income mutual funds                                   | 17,134,544                                           | -                 |
| Money market accounts                                       | 3,120,195                                            | -                 |
| Due from other governments                                  | -                                                    | 29,223            |
| Prepaid items                                               | 33,694                                               | -                 |
| <b>Total assets</b>                                         | <u>69,624,410</u>                                    | <u>\$ 822,048</u> |
| <b>Liabilities</b>                                          |                                                      |                   |
| Accounts payable                                            | 682,649                                              | \$ -              |
| Undistributed receipts                                      | -                                                    | 822,048           |
| <b>Total liabilities</b>                                    | <u>682,649</u>                                       | <u>\$ 822,048</u> |
| <b>Net position</b>                                         |                                                      |                   |
| Restricted for pension and other<br>postemployment benefits | <u>\$ 68,941,761</u>                                 |                   |

The accompanying notes are an integral part of these basic financial statements.

## CITY OF OAK PARK, MICHIGAN

### Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2020

|                                         | Pension and Other<br>Employee Benefit<br>Trust Funds |
|-----------------------------------------|------------------------------------------------------|
| <b>Additions</b>                        |                                                      |
| Contributions:                          |                                                      |
| Employer                                | \$ 7,547,613                                         |
| Plan members                            | 549,900                                              |
| Total contributions                     | <u>8,097,513</u>                                     |
| Investment income:                      |                                                      |
| Net change in fair value of investments | 217,754                                              |
| Interest                                | 71,529                                               |
| Dividends                               | <u>1,449,821</u>                                     |
| Total investment income                 | <u>1,739,104</u>                                     |
| Less: investment expense                | <u>(238,839)</u>                                     |
| Net investment income                   | <u>1,500,265</u>                                     |
| <b>Total additions</b>                  | <u>9,597,778</u>                                     |
| <b>Deductions</b>                       |                                                      |
| Benefits                                | 10,060,946                                           |
| Administration                          | <u>4,516</u>                                         |
| <b>Total deductions</b>                 | <u>10,065,462</u>                                    |
| <b>Change in net position</b>           | (467,684)                                            |
| Net position, beginning of year         | <u>69,409,445</u>                                    |
| <b>Net position, end of year</b>        | <u>\$ 68,941,761</u>                                 |

The accompanying notes are an integral part of these basic financial statements.

## CITY OF OAK PARK, MICHIGAN

### Combining Statement of Net Position

Discretely Presented Component Units

June 30, 2020

|                      | Economic<br>Development<br>Corporation | Brownfield<br>Redevelopment<br>Authority | Corridor<br>Improvement<br>Authority | Total<br>Component<br>Units |
|----------------------|----------------------------------------|------------------------------------------|--------------------------------------|-----------------------------|
| <b>Assets</b>        |                                        |                                          |                                      |                             |
| Cash and investments | \$ 12,624                              | \$ 764,566                               | \$ 78,404                            | \$ 855,594                  |
| <b>Liabilities</b>   |                                        |                                          |                                      |                             |
| Accounts payable     | -                                      | 526,257                                  | 2,685                                | 528,942                     |
| <b>Net position</b>  |                                        |                                          |                                      |                             |
| Unrestricted         | \$ 12,624                              | \$ 238,309                               | \$ 75,719                            | \$ 326,652                  |

The accompanying notes are an integral part of these basic financial statements.

## CITY OF OAK PARK, MICHIGAN

### Combining Statement of Activities

Discretely Presented Component Units

For the Year Ended June 30, 2020

|                                  | Economic<br>Development<br>Corporation | Brownfield<br>Redevelopment<br>Authority | Corridor<br>Improvement<br>Authority | Total<br>Component<br>Units |
|----------------------------------|----------------------------------------|------------------------------------------|--------------------------------------|-----------------------------|
| <b>Expenses</b>                  |                                        |                                          |                                      |                             |
| Community development            | \$ -                                   | \$ 541,628                               | \$ 19,116                            | \$ 560,744                  |
| <b>General revenues</b>          |                                        |                                          |                                      |                             |
| Property taxes                   | -                                      | 772,850                                  | 71,271                               | 844,121                     |
| State shared revenues            | -                                      | 500                                      | -                                    | 500                         |
| Investment earnings              | 241                                    | -                                        | 780                                  | 1,021                       |
| Other                            | -                                      | -                                        | 16,744                               | 16,744                      |
| <b>Total general revenues</b>    | <u>241</u>                             | <u>773,350</u>                           | <u>88,795</u>                        | <u>862,386</u>              |
| <b>Changes in net position</b>   | 241                                    | 231,722                                  | 69,679                               | 301,642                     |
| Net position, beginning of year  | <u>12,383</u>                          | <u>6,587</u>                             | <u>6,040</u>                         | <u>25,010</u>               |
| <b>Net position, end of year</b> | <u>\$ 12,624</u>                       | <u>\$ 238,309</u>                        | <u>\$ 75,719</u>                     | <u>\$ 326,652</u>           |

The accompanying notes are an integral part of these basic financial statements.

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## **NOTES TO FINANCIAL STATEMENTS**

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Oak Park, Michigan (the "City") was incorporated October 30, 1945. The City operates under a Mayor/Council-Manager form of government and provides the following services as authorized by the charter: public safety (police and fire), building ordinance enforcement, highways and streets, sanitation, parks and recreation, public improvement, planning and zoning, library service, water, sewer, and refuse removal.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the more significant policies:

#### **Reporting Entity**

As required by GAAP, the financial statements of the reporting entity include those of the City and its component units. The component units discussed below are included in the City's reporting entity because they are entities for which the City is considered to be financially accountable.

#### *Blended Component Unit*

The City's Municipal Building Authority (the "Authority") is a municipal, non-profit, non-stock corporation organized under the laws of the State of Michigan and is presented as a blended component unit. The Authority is governed by a board that is appointed by City Council. The City also has accountability for fiscal matters of the Authority. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its sole purpose is for acquiring and owning facilities for the use of the City.

#### *Discretely Presented Component Units*

The component unit columns in the government-wide financial statements include the financial data of the City's other component units. They are reported in separate columns to emphasize that they are legally separate from the City. The following component units are included in the reporting entity because the primary government is financially accountable and is able to impose its will on the organizations.

**Economic Development Corporation (the "EDC").** The EDC is a municipal, non-profit, non-stock corporation organized under the laws of the State of Michigan for the purpose of promoting development in the City. The EDC is governed by a Board that is appointed by City Council. The City has the ability to significantly influence the daily operations of the EDC. The EDC does not issue a separate financial report.

**Brownfield Redevelopment Authority.** The Brownfield Redevelopment Authority was established to promote the redevelopment of, and private investment in, environmentally distressed properties within the City. The Brownfield Redevelopment Authority is governed by a Board that is appointed by City Council. The City also has accountability for fiscal matters of the Brownfield Redevelopment Authority. The Brownfield Redevelopment Authority does not issue a separate financial report.

**Corridor Improvement Authority.** The Corridor Improvement Authority was established to maintain and upgrade the economic viability in the business districts of the City. The designated corridors, include portions of Nine Mile Road, Eleven Mile Road, and all of Coolidge. The Corridor Improvement Authority is governed by a Board that is appointed by City Council. The City also has accountability for fiscal matters of the Corridor Improvement Authority. The Corridor Improvement Authority does not issue a separate financial report.

### Notes to Financial Statements

#### Government-wide and Fund Financial Statements

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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain component units for which the primary government is financially accountable.

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 who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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 and enterprise funds are reported as separate columns in the respective fund financial statements.

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.



## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

The City reports the following major governmental fund -

The *general fund* is the government's primary operating fund. It accounts for all the financial resources of the general government, except those accounted for and reported in another fund.

The City reports the following major enterprise fund -

The *water and sewer fund* accounts for the operation of the City's water and sewer systems. The fund is financed and operated in a manner similar to a private enterprise. The intent is that costs (expenses, including depreciation) of providing water and sewer services to the general public are recovered through user charges.

In addition the City reports the following governmental fund types:

*Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

*Debt service funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*Capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

*Internal service funds* are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has three internal service funds: 1) the risk management fund is used to accumulate resources from other funds that utilize labor to pay workers compensation premiums to the Michigan Municipal League's workers compensation pool, to pay self-insured health care benefits, and for the City's property and liability insurance; 2) the motor pool fund is used for the purchase and maintenance of the City's fleet through rental charges for equipment to other funds; and 3) the District Court retiree's health care fund is used for the accumulation of assets to fund retiree's health care for District Court employees.

*Pension and other employee benefits trust funds* are used to account for assets held by the City in a trustee capacity for individuals, private organizations, other governments, and/or other funds. The City has two pension trust funds (general and public safety) and a retirees' health care fund, which account for assets, liabilities, revenues, and expenses in essentially the same manner as proprietary funds.

*Agency funds* are used to account for assets held by the City as an agent for individuals, private organizations, and/or other governments. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has a payroll agency fund used to account for payment of employee payrolls. It also uses an escrow agency fund used to hold assets belonging to other persons or entities such as bond deposits.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as 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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 enterprise fund and of the government's internal service funds are charges to customers for sales and services. The enterprise fund also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise fund 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.

Restricted net position includes assets that are subject to restrictions beyond the government's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

#### **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity**

##### ***Cash and Investments***

The City's cash and investments are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All investments are recorded at fair value.

The City participates in the Oakland County Investment Pool (the "Pool") which is managed by the Oakland County Treasurer. In accordance with GASB 79, the Pool shares are recorded at amortized cost, which approximates fair value. The Pool is not subject to regulatory oversight, is not registered with the SEC (Securities Exchange Commission) and does not issue separate financial statements. The value of the City's position in the Pool is the same as the value of the Pool shares and includes accrued interest.

##### ***Interfund Receivables and Payables***

In addition to transactions related to pooled cash, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are included in the "due from other funds" or "due to other funds" accounts on the balance sheet.

##### ***Prepaid Items***

Prepaid items represent payments made to vendors for goods and services applicable to future fiscal years. Prepaids of governmental funds are recorded as expenditures when consumed rather than when purchased. Prepaid items are offset by nonspendable fund balance in governmental funds.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

#### ***Capital Assets***

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government 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 acquisition cost at the date of donation.

Depreciation of all exhaustible capital assets used by proprietary fund types is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund type statements of net position. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

|                            | Years |
|----------------------------|-------|
| Governmental activities:   |       |
| Infrastructure - roads     | 20-45 |
| Infrastructure - sidewalks | 20    |
| Buildings                  | 10-50 |
| Improvements               | 10-50 |
| Library collection         | 10    |
| Vehicles and equipment     | 3-25  |
| Other equipment            | 5-25  |
| Business-type activities:  |       |
| Buildings                  | 30    |
| Garage                     | 50    |
| Vehicles and equipment     | 3-10  |
| Water systems              | 5-100 |
| Water - hydrants           | 20-80 |
| Water - tanks              | 10-30 |
| Water - pump station       | 10    |
| Water - master meter       | 80    |
| Water - reservoir          | 10-80 |
| Water - reservoir pump     | 10-30 |
| Sewer system               | 5-80  |

#### ***Deferred Outflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports deferred outflows of resources related to the net pension liability and the net other postemployment benefit liability.

### Notes to Financial Statements

#### ***Long-term Obligations***

In the government-wide financial statements and 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 statements of net position. Bond premiums and discounts, if any, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### ***Special Assessments***

Special assessments, if any, are recorded as revenues in the fund financial statements when due, not when levied. Estimated annual installments not yet available are reflected as deferred inflows of resources in the governmental fund financial statements and as revenues in the government-wide financial statements. Special assessments are billed annually on June 1 and are due and payable August 1.

#### ***Compensated Absences***

The City accrues vacation pay, sick pay (at 50 percent of unused sick days), compensatory time off, and any salary-related payments for these compensated absences. The current obligations of all funds and the long-term obligations of proprietary funds are recorded in the respective funds. City employees are granted vacation time based on length of service. Most employees have the option of receiving compensatory time off in lieu of pay for overtime worked up to 40 hours. Sick pay is earned at the rate of one day per month, and unused sick days may be accumulated up to 150 days. Employees will be paid for 50 percent of total accumulation upon retirement.

Unused sick and vacation that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. The compensated absence liability is liquidated from the general and water and sewer funds. Unused sick and vacation is accrued when incurred in proprietary funds and reported as a liability. For governmental funds, the current portion of the liability for compensated absences reflects only the unpaid balance of reimbursable unused leave for employees that terminated by the fiscal year end. In accordance with GAAP, for the governmental funds, in the fund financial statements, the noncurrent portion of the compensated absences are considered long-term and, therefore, are not a fund liability and represents a reconciling item between the fund level and government-wide presentations. In addition to the proprietary funds, the general fund, the major streets special revenue fund, and several nonmajor special revenue funds have been used to liquidate the liability for compensated absences.

### Notes to Financial Statements

#### ***Deferred Inflows of Resources***

In addition to liabilities, the statement of financial position and governmental balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds also report unavailable revenues, which arise only under a modified accrual basis of accounting that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows of resources related to pension and other postemployment benefit liabilities.

#### ***Pensions and Other Postemployment Benefits***

For purposes of measuring the net pension liability and net other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefit expense, information about the fiduciary net position of the plans and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### ***Fund Balances***

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed fund balance* is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, City Council. A formal resolution of City Council is required to establish, modify, or rescind a fund balance commitment. The City reports *assigned fund balance* for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The authority to assign fund balance has been granted to the City Manager by City Council. *Unassigned fund balance* is the residual classification for the general fund and deficits from other governmental funds.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance.

#### ***Statements of Cash Flows***

The City presents statements of cash flows for all proprietary fund types. These statements, which have been prepared utilizing the direct method, analyze the net increase or decrease in cash and investments by source. For purposes of the statements of cash flows, the City considers all highly liquid investments purchased with an original maturity of three months or less and the deposits in the investment funds to be cash equivalents.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## 2. COMPLIANCE INFORMATION

### **Budgetary Data**

Budgets are adopted on the modified accrual basis consistent with GAAP. Annual appropriated budgets are adopted for the general and special revenue funds. Annual budgets lapse at year-end.

The level of budgetary control (the level at which expenditures may not legally exceed appropriations) is at the department (activity) level for general government within the general fund, the functional level for all others expenditures in the general fund, and the activity level for special revenue funds.

The governing body must approve budget amendments at the activity level and supplemental appropriations, which affect total fund expenditures. Department directors or the City Manager can transfer appropriations between line items within a department or activity without governing body approval. Supplemental appropriations were necessary during the year.

The City's appropriation resolution is generally passed during the month of May preceding the fiscal year in which the planned expenditures relate. Subsequent amendments are made to avoid unfavorable variances from the original budget. Related resolutions are made to state the purpose and amount of the changes. The City Manager has the responsibility to enforce the budget. Unused appropriations do not carry forward to the next fiscal year.

### **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other firm commitments are used for the expenditure of monies, is utilized as an extension of formal budgetary control in the governmental funds. Encumbered amounts lapse at year-end, however, material encumbrances generally are reappropriated as part of the following year's budget. These material encumbrances outstanding at year-end, if any, are reported as assignments of fund balance since they do not constitute expenditures or liabilities.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

#### 3. EXCESS OF EXPENDITURES OVER BUDGET AND FUND BALANCE DEFICITS

P.A. 621 of 1978 of the State, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated in budget resolutions of the governing body. Budgets are required by State law for general and special revenue funds.

In the body of the financial statements, the City's actual and budgeted expenditures for the budgetary funds have been shown on an activity level for the general fund and on a functional basis for all other funds, with the approved budgets of the City of those budgetary funds being adopted at the activity or department level.

At year end, the City reported unrestricted fund balance deficits in certain nonmajor special revenue funds, as noted below. The governmental fund deficits resulted from unavailable grant revenues.

**Nonmajor governmental funds:**

|                                        |    |          |
|----------------------------------------|----|----------|
| Community Development Block Grant Fund | \$ | (253)    |
| Veterans Treatment Court Grant Fund    |    | (719)    |
| Mental Health Court Grant Fund         |    | (12,553) |

#### 4. BUILDING PERMITS AND RELATED COSTS

The City has the following revenues and costs related to building permits:

|                                       |    |                         |
|---------------------------------------|----|-------------------------|
| Shortfall at July 1, 2019             | \$ | (305,286)               |
| Current year building permit revenue  |    | 289,041                 |
| Related costs                         |    | <u>(338,372)</u>        |
| Cumulative shortfall at June 30, 2020 | \$ | <u><u>(354,617)</u></u> |

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 5. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of June 30, 2020:

|                                                            | Primary<br>Government | Component<br>Units | Totals               |
|------------------------------------------------------------|-----------------------|--------------------|----------------------|
| <b>Statement of net position</b>                           |                       |                    |                      |
| Cash and investments                                       | \$ 14,141,543         | \$ 855,594         | \$ 14,997,137        |
| <b>Statement of fiduciary net position</b>                 |                       |                    |                      |
| Pension and other employee benefit trust funds:            |                       |                    |                      |
| Cash and cash equivalents                                  | 4,178,182             | -                  | 4,178,182            |
| Investments                                                | 65,412,534            | -                  | 65,412,534           |
| Agency funds -                                             |                       |                    |                      |
| Cash and cash equivalents                                  | 792,825               | -                  | 792,825              |
| <b>Total</b>                                               | <u>\$ 84,525,084</u>  | <u>\$ 855,594</u>  | <u>\$ 85,380,678</u> |
| <b>Deposits and investments</b>                            |                       |                    |                      |
| Bank deposits -                                            |                       |                    |                      |
| Checking, savings accounts, and certificates of deposit    |                       |                    | \$ 3,482,131         |
| Treasurer's investments                                    |                       |                    | 16,480,985           |
| Pension and other employee benefit trust funds investments |                       |                    | 65,412,534           |
| Cash on hand                                               |                       |                    | 5,028                |
| <b>Total</b>                                               |                       |                    | <u>\$ 85,380,678</u> |

#### Deposits

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. State law does not require and the City does not have a policy for deposit custodial credit risk. As of year-end, \$3,194,632 of the City's bank balance of \$3,944,632 (book balance of \$3,482,131) was exposed to custodial credit risk because it was uninsured and uncollateralized.

The City's depository policy does not specifically address this risk, although the City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.



## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

#### Investments

*Custodial Credit Risk – Investments.* Investments are exposed to custodial credit risk if the securities are uninsured, unregistered or held by a counterparty or its agent but not in the government's name. All investments are held in the name of the City by a counterparty, and thus are not exposed to custodial credit risk. The City's investments are limited to bonds, commercial paper, and money market accounts.

Following is a summary of the City's investments as of June 30, 2020:

|                                |                             |
|--------------------------------|-----------------------------|
| Municipal bonds                | \$ 2,211,263                |
| Commercial paper               | 1,249,537                   |
| Money market accounts          | 293                         |
| Oakland County Investment Pool | <u>13,019,892</u>           |
| <b>Total</b>                   | <b><u>\$ 16,480,985</u></b> |

*Credit Risk.* State law limits investments to specific governmental securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified money market accounts, and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies.

The City's investments were rated by Standard & Poor's ("S&P") and Moody's as follows:

| Rating    |           | Amount                      |
|-----------|-----------|-----------------------------|
| Moody's   | S&P       |                             |
| AA1       | N/A       | \$ 559,821                  |
| A2        | AA        | 405,871                     |
| A-1       | P-1       | 249,887                     |
| A-2       | P-2       | 999,650                     |
| N/A       | AA        | 1,245,571                   |
| Not rated | Not rated | <u>13,020,185</u>           |
|           |           | <b><u>\$ 16,480,985</u></b> |

*Concentration of Credit Risk.* At June 30, 2020, the concentrations in securities of any one issuer greater than 5 percent of investment fair market value were as follows:

| Investment Type                | Issuer                      | % of Portfolio |
|--------------------------------|-----------------------------|----------------|
| Commercial paper               | Catholic Health Initiatives | 6.07%          |
| Oakland County Investment Pool | Oakland County              | 79.00%         |

The City's investment policy does not address concentration of credit risk.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

*Interest Rate Risk.* Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The maturity dates for the investments are as follows:

|                  | Investment Maturities<br>(fair value by years) |                     |                  |
|------------------|------------------------------------------------|---------------------|------------------|
|                  | Fair Value                                     | Less Than 1         | 1-5              |
| Municipal bonds  | \$ 2,211,263                                   | \$ 2,158,545        | \$ 52,718        |
| Commercial paper | 1,249,537                                      | 1,249,537           | -                |
|                  | <u>\$ 3,460,800</u>                            | <u>\$ 3,408,082</u> | <u>\$ 52,718</u> |

The City's investment policy does not address interest rate risk. The City's investments in U.S. agencies are non-callable. Amounts in the Oakland County Investment Pool are accessible to the City on demand; accordingly, the investment is not deemed to have a maturity date.

*Fair Value Measurements.* The City categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs – other than quoted prices – included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the City's investment manager, and are determined at the fund level based on a review of the investment's class, structure, and what kind of securities are held in funds. The investment managers will request the information from the fund managers, if necessary.

The City had the following recurring fair value measurements as of June 30, 2020:

|                       | Level 1     | Level 2             | Level 3     | Total               |
|-----------------------|-------------|---------------------|-------------|---------------------|
| Municipal bonds       | \$ -        | \$ 2,211,263        | \$ -        | \$ 2,211,263        |
| Commercial paper      | -           | 1,249,537           | -           | 1,249,537           |
| Money market accounts | -           | 293                 | -           | 293                 |
|                       | <u>\$ -</u> | <u>\$ 3,461,093</u> | <u>\$ -</u> | <u>\$ 3,461,093</u> |

#### Investments measured at NAV

|                                |                   |
|--------------------------------|-------------------|
| Oakland County Investment Pool | <u>13,019,892</u> |
|--------------------------------|-------------------|

#### Total investments

|                      |
|----------------------|
| <u>\$ 16,480,985</u> |
|----------------------|

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

Level 2 inputs use one of the following valuation techniques depending on the investment: a) traditional net asset valuation (dividing the asset value by the number of units owned), b) matrix pricing technique (relying on the securities' relationship to other benchmark quoted securities instead of exclusively on quoted prices for specific securities), or c) quoted market prices for similar assets in active markets or quoted prices for identical or similar assets in markets that are not active.

#### Pension and Other Employee Benefits Trust Fund Investments

Following is a summary of the pension and other employee benefits trust funds investments at fair value as of June 30, 2020:

| Investment Type           | Amount                      |
|---------------------------|-----------------------------|
| Equity mutual funds       | \$ 45,157,795               |
| Fixed income mutual funds | 17,134,544                  |
| Money market accounts     | <u>3,120,195</u>            |
| <b>Total investments</b>  | <b><u>\$ 65,412,534</u></b> |

*Custodial Credit Risk - Investments.* Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the trust funds will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Although its investment policy does not specifically address custodial credit risk (and its investments are uninsured and unregistered), the trust funds' investments are not exposed to custodial credit risk since the securities are held by the counterparty or its agent in the trust funds' name.

*Concentration of Credit Risk.* The pension and other employee benefits trust funds investment policy does not address concentration of credit risk. At June 30, 2020, there were no concentrations in securities of any one issuer greater than 5 percent of investment fair market value.

*Interest Rate Risk.* Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. The State of Michigan law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies.

The pension and other employee benefits trust funds investment policy does not address credit or interest rate risk.

*Rate of Return.* For the year ended June 30, 2020, the annual money-weighted rate of return on pension and other postemployment benefits investments, net of investment expense, was as follows:

|                                              |       |
|----------------------------------------------|-------|
| • Employees' Retirement System               | 1.97% |
| • Public Safety Employees' Retirement System | 2.18% |
| • General Retiree Healthcare Plan:           | 2.76% |
| • Public Safety Retiree Healthcare Plan:     | 2.80% |

The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

*Fair Value Measurements.* The pension and other employee benefits trust funds categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs – other than quoted prices – included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the City's investment managers, and are determined at the fund level based on a review of the investment's class, structure, and what kind of securities are held in funds. The investment managers will request the information from the fund managers, if necessary.

The pension and other employee benefits trust funds had the following recurring fair value measurements as of June 30, 2020:

|                           | Level 1              | Level 2     | Level 3     | Total                |
|---------------------------|----------------------|-------------|-------------|----------------------|
| Equity mutual funds       | \$ 45,157,795        | \$ -        | \$ -        | \$ 45,157,795        |
| Fixed income mutual funds | 17,134,544           | -           | -           | 17,134,544           |
| Money market accounts     | 3,120,195            | -           | -           | 3,120,195            |
| <b>Total investments</b>  | <b>\$ 65,412,534</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 65,412,534</b> |

The fair value of the City's Level 1 investments is based on quotes from publicly traded securities markets, where available. Level 2 inputs use one of the following valuation techniques depending on the investment: a) traditional net asset valuation (dividing the asset value by the number of units owned), b) matrix pricing technique (relying on the securities' relationship to other benchmark quoted securities instead of exclusively on quoted prices for specific securities), or c) quoted market prices for similar assets in active markets or quoted prices for identical or similar assets in markets that are not active.

### 6. RECEIVABLES

Receivables are comprised of the following at year-end:

|                                              | Governmental Activities | Business-type Activities |
|----------------------------------------------|-------------------------|--------------------------|
| Taxes receivable                             | \$ 24,637               | \$ -                     |
| Special assessments receivable               | 276,606                 | 1,400                    |
| Accounts receivable                          | 809,959                 | 5,024,092                |
| Due from other governments                   | 827,305                 | 65,029                   |
|                                              | <b>\$ 1,938,507</b>     | <b>\$ 5,090,521</b>      |
| Not expected to be collected within one year | <b>\$ 276,354</b>       | <b>\$ 21,200</b>         |

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year-end:

|                          | Governmental<br>Activities | Business-type<br>Activities |
|--------------------------|----------------------------|-----------------------------|
| Accounts payable         | \$ 1,327,219               | \$ 1,134,343                |
| Accrued liabilities      | 663,643                    | 59,236                      |
| Accrued interest payable | 100,534                    | 25,303                      |
|                          | <u>\$ 2,091,396</u>        | <u>\$ 1,218,882</u>         |

### 8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

Interfund balances are comprised of the following at year-end:

|                             | Due from Other<br>Funds | Due to Other<br>Funds |
|-----------------------------|-------------------------|-----------------------|
| General fund                | \$ 38,877               | \$ -                  |
| Nonmajor governmental funds | -                       | 38,877                |
|                             | <u>\$ 38,877</u>        | <u>\$ 38,877</u>      |

The outstanding balances between funds result mainly from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. All interfund balances are expected to be collected within one year.

For the current fiscal year, interfund transfers consisted of the following:

| Transfers Out                  | Transfers in      |                                   | Total                |
|--------------------------------|-------------------|-----------------------------------|----------------------|
|                                | General<br>Fund   | Nonmajor<br>Governmental<br>Funds |                      |
| General fund                   | \$ -              | \$ 1,803,266                      | \$ 1,803,266         |
| Nonmajor governmental<br>funds | 215,000           | 10,656,020                        | 10,871,020           |
|                                | <u>\$ 215,000</u> | <u>\$ 12,459,286</u>              | <u>\$ 12,674,286</u> |

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

### 9. CAPITAL ASSETS

Capital asset activity for the year of the City's governmental activities was as follows:

|                                                        | Beginning<br>Balance | Additions          | Disposals        | Transfers   | Ending<br>Balance    |
|--------------------------------------------------------|----------------------|--------------------|------------------|-------------|----------------------|
| <b>Governmental activities</b>                         |                      |                    |                  |             |                      |
| Capital assets not being depreciated:                  |                      |                    |                  |             |                      |
| Land                                                   | \$ 1,653,109         | \$ -               | \$ -             | \$ -        | \$ 1,653,109         |
| Rights-of-way                                          | 600,818              | -                  | -                | -           | 600,818              |
| Work in progress                                       | 1,417,144            | 2,139,575          | -                | -           | 3,556,719            |
|                                                        | <u>3,671,071</u>     | <u>2,139,575</u>   | <u>-</u>         | <u>-</u>    | <u>5,810,646</u>     |
| Capital assets being depreciated:                      |                      |                    |                  |             |                      |
| Infrastructure - roads                                 | 105,983,872          | -                  | -                | -           | 105,983,872          |
| Infrastructure - sidewalks                             | 6,149,884            | -                  | -                | -           | 6,149,884            |
| Buildings                                              | 19,634,675           | 194,003            | -                | -           | 19,828,678           |
| Improvements                                           | 4,014,312            | -                  | -                | -           | 4,014,312            |
| Library collection                                     | 663,763              | 43,774             | (4,377)          | -           | 703,160              |
| Vehicles and equipment                                 | 4,447,618            | 566,069            | (319,336)        | -           | 4,694,351            |
| Other equipment                                        | 1,906,170            | 78,811             | -                | -           | 1,984,981            |
|                                                        | <u>142,800,294</u>   | <u>882,657</u>     | <u>(323,713)</u> | <u>-</u>    | <u>143,359,238</u>   |
| Less accumulated depreciation for:                     |                      |                    |                  |             |                      |
| Infrastructure - roads                                 | (88,106,342)         | (1,503,830)        | -                | -           | (89,610,172)         |
| Infrastructure - sidewalks                             | (3,914,845)          | (185,999)          | -                | -           | (4,100,844)          |
| Buildings                                              | (4,918,567)          | (411,138)          | -                | -           | (5,329,705)          |
| Improvements                                           | (2,157,546)          | (165,161)          | -                | -           | (2,322,707)          |
| Library collection                                     | (461,464)            | (44,682)           | 4,377            | -           | (501,769)            |
| Vehicles and equipment                                 | (3,508,249)          | (198,799)          | 319,336          | -           | (3,387,712)          |
| Other equipment                                        | (1,714,205)          | (61,149)           | -                | -           | (1,775,354)          |
|                                                        | <u>(104,781,218)</u> | <u>(2,570,758)</u> | <u>323,713</u>   | <u>-</u>    | <u>(107,028,263)</u> |
| Total capital assets<br>being depreciated, net         | <u>38,019,076</u>    | <u>(1,688,101)</u> | <u>-</u>         | <u>-</u>    | <u>36,330,975</u>    |
| <b>Governmental activities<br/>capital assets, net</b> |                      |                    |                  |             |                      |
|                                                        | <u>\$ 41,690,147</u> | <u>\$ 451,474</u>  | <u>\$ -</u>      | <u>\$ -</u> | <u>\$ 42,141,621</u> |

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

Capital asset activity for the year of the City's business-type activities was as follows:

|                                                         | Beginning<br>Balance | Additions           | Disposals   | Transfers        | Ending<br>Balance    |
|---------------------------------------------------------|----------------------|---------------------|-------------|------------------|----------------------|
| <b>Business-type activities</b>                         |                      |                     |             |                  |                      |
| Capital assets not being depreciated:                   |                      |                     |             |                  |                      |
| Land                                                    | \$ 11,502            | \$ -                | \$ -        | \$ -             | \$ 11,502            |
| Work in progress                                        | 2,357,609            | 1,712,578           | -           | (409,643)        | 3,660,544            |
|                                                         | <u>2,369,111</u>     | <u>1,712,578</u>    | <u>-</u>    | <u>(409,643)</u> | <u>3,672,046</u>     |
| Capital assets being depreciated:                       |                      |                     |             |                  |                      |
| Buildings                                               | 86,500               | -                   | -           | -                | 86,500               |
| Garage                                                  | 24,564               | -                   | -           | -                | 24,564               |
| Vehicles and equipment                                  | 1,243,388            | 228,089             | -           | -                | 1,471,477            |
| Water system                                            | 14,469,695           | -                   | -           | -                | 14,469,695           |
| Water - hydrants                                        | 605,836              | -                   | -           | -                | 605,836              |
| Water - tanks                                           | 419,333              | 23,540              | -           | -                | 442,873              |
| Water - pump station                                    | 1,074,290            | 22,925              | -           | -                | 1,097,215            |
| Water - master meter                                    | 27,514               | -                   | -           | -                | 27,514               |
| Water - reservoir                                       | 852,719              | -                   | -           | -                | 852,719              |
| Water - reservoir pump                                  | 677,557              | -                   | -           | -                | 677,557              |
| Sewer system                                            | 20,879,937           | 10,872              | -           | 409,643          | 21,300,452           |
|                                                         | <u>40,361,333</u>    | <u>285,426</u>      | <u>-</u>    | <u>409,643</u>   | <u>41,056,402</u>    |
| Less accumulated depreciation for:                      |                      |                     |             |                  |                      |
| Buildings                                               | (86,066)             | (434)               | -           | -                | (86,500)             |
| Garage                                                  | (24,564)             | -                   | -           | -                | (24,564)             |
| Vehicles and equipment                                  | (1,181,618)          | (67,064)            | -           | -                | (1,248,682)          |
| Water system                                            | (4,972,891)          | (162,275)           | -           | -                | (5,135,166)          |
| Water - hydrants                                        | (453,704)            | (6,471)             | -           | -                | (460,175)            |
| Water - tanks                                           | (217,333)            | (27,604)            | -           | -                | (244,937)            |
| Water - pump station                                    | (964,826)            | (15,955)            | -           | -                | (980,781)            |
| Water - master meter                                    | (23,043)             | (344)               | -           | -                | (23,387)             |
| Water - reservoir                                       | (562,308)            | (4,400)             | -           | -                | (566,708)            |
| Water - reservoir pump                                  | (376,731)            | (16,695)            | -           | -                | (393,426)            |
| Sewer system                                            | (4,991,649)          | (525,037)           | -           | -                | (5,516,686)          |
|                                                         | <u>(13,854,733)</u>  | <u>(826,279)</u>    | <u>-</u>    | <u>-</u>         | <u>(14,681,012)</u>  |
| Total capital assets<br>being depreciated, net          | <u>26,506,600</u>    | <u>(540,853)</u>    | <u>-</u>    | <u>409,643</u>   | <u>26,375,390</u>    |
| <b>Business-type activities<br/>capital assets, net</b> |                      |                     |             |                  |                      |
|                                                         | <u>\$ 28,875,711</u> | <u>\$ 1,171,725</u> | <u>\$ -</u> | <u>\$ -</u>      | <u>\$ 30,047,436</u> |

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

Depreciation expense was charged to governmental activities functions as follows:

|                               |                     |
|-------------------------------|---------------------|
| General government            | \$ 33,388           |
| Judicial                      | 57,937              |
| Public safety                 | 42,722              |
| Road maintenance and repair   | 1,935,859           |
| Public works                  | 259,780             |
| Library                       | 42,273              |
| Internal service funds        | <u>198,799</u>      |
| Total governmental activities | <u>\$ 2,570,758</u> |

### 10. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2020:

|                                                                                                                                                 | Beginning<br>Balance | Additions        | Deductions          | Ending Balance    | Due Within One<br>Year |
|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------|---------------------|-------------------|------------------------|
| <b>Governmental activities</b>                                                                                                                  |                      |                  |                     |                   |                        |
| <b>General obligation bonds</b>                                                                                                                 |                      |                  |                     |                   |                        |
| \$13,425,000, 2010 Municipal<br>Complex, refunded on<br>June 3, 2020                                                                            | \$ 10,775,000        | \$ -             | \$ (10,325,000)     | \$ 450,000        | \$ 450,000             |
| \$9,150,000, 2012 Refunding Street<br>Improvement, installments of<br>\$520,000 to \$660,000 through<br>May 1, 2028, interest at 2.0<br>to 3.0% | 5,725,000            | -                | (610,000)           | 5,115,000         | 605,000                |
| \$7,825,000, 2015 Refunding Bond,<br>installments of \$415,000 to<br>\$755,000 through May 1,<br>2030, interest at 4.0%                         | 6,535,000            | -                | (465,000)           | 6,070,000         | 485,000                |
| \$9,145,000, 2020 Refunding Bond,<br>installments of \$50,000 to<br>\$740,000 through May 1,<br>2036, interest at 3.0%                          | -                    | 9,145,000        | -                   | 9,145,000         | 50,000                 |
| Total governmental activities<br>bonds                                                                                                          | <u>23,035,000</u>    | <u>9,145,000</u> | <u>(11,400,000)</u> | <u>20,780,000</u> | <u>1,590,000</u>       |

continue...



# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

|                                                                                                               | Beginning<br>Balance | Additions            | Deductions             | Ending Balance       | Due Within One<br>Year |
|---------------------------------------------------------------------------------------------------------------|----------------------|----------------------|------------------------|----------------------|------------------------|
| Unamortized premium:                                                                                          |                      |                      |                        |                      |                        |
| 2012 G.O. bonds                                                                                               | \$ 90,327            | \$ -                 | \$ (10,036)            | \$ 80,291            | \$ 10,036              |
| 2015 G.O. bonds                                                                                               | 637,504              | -                    | (53,126)               | 584,378              | 53,126                 |
| 2020 G.O. bonds                                                                                               | -                    | 849,782              | -                      | 849,782              | 53,111                 |
| Direct borrowings -                                                                                           |                      |                      |                        |                      |                        |
| Capital lease                                                                                                 | 1,990,000            | -                    | (80,000)               | 1,910,000            | 80,000                 |
| Compensated absences                                                                                          | 1,951,541            | 1,154,046            | (722,582)              | 2,383,005            | 723,000                |
| <b>Total governmental activities</b>                                                                          | <u>\$ 27,704,372</u> | <u>\$ 11,148,828</u> | <u>\$ (12,265,744)</u> | <u>\$ 26,587,456</u> | <u>\$ 2,509,273</u>    |
|                                                                                                               | Beginning<br>Balance | Additions            | Deductions             | Ending Balance       | Due Within One<br>Year |
| <b>Business-type activities</b>                                                                               |                      |                      |                        |                      |                        |
| <b>Water revenue bonds</b>                                                                                    |                      |                      |                        |                      |                        |
| George W. Kuhn Drain installments of \$65,707 to \$1,054,343 through April 1, 2029, interest at 1.625 to 2.5% | \$ 5,192,888         | \$ -                 | \$ (1,006,431)         | \$ 4,186,457         | \$ 1,029,369           |
| Claims and judgments                                                                                          | 2,350,000            | -                    | (587,500)              | 1,762,500            | 587,500                |
| Compensated absences                                                                                          | 260,123              | 144,380              | (88,647)               | 315,856              | 88,647                 |
| <b>Total business-type activities</b>                                                                         | <u>\$ 7,803,011</u>  | <u>\$ 144,380</u>    | <u>\$ (1,682,578)</u>  | <u>\$ 6,264,813</u>  | <u>\$ 1,705,516</u>    |

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

Annual debt service requirements to maturity for bonds are as follows:

| Year Ended<br>June 30, | Governmental Activities |                     | Business-type Activities |                   |
|------------------------|-------------------------|---------------------|--------------------------|-------------------|
|                        | Principal               | Interest            | Principal                | Interest          |
| 2021                   | \$ 1,590,000            | \$ 647,076          | \$ 1,029,369             | \$ 101,145        |
| 2022                   | 1,630,000               | 609,213             | 1,054,343                | 76,339            |
| 2023                   | 1,670,000               | 561,513             | 853,582                  | 50,927            |
| 2024                   | 1,710,000               | 510,875             | 857,092                  | 30,190            |
| 2025                   | 1,755,000               | 458,875             | 84,871                   | 9,114             |
| 2026-2030              | 8,300,000               | 1,428,250           | 307,200                  | 17,599            |
| 2031-2035              | 3,385,000               | 421,650             | -                        | -                 |
| 2036                   | 740,000                 | 22,200              | -                        | -                 |
|                        | <u>\$ 20,780,000</u>    | <u>\$ 4,659,652</u> | <u>\$ 4,186,457</u>      | <u>\$ 285,314</u> |

Annual debt service requirements to maturity for the capital lease is as follows:

| Year Ended<br>June 30, | Governmental Activities |                   |
|------------------------|-------------------------|-------------------|
|                        | Principal               | Interest          |
| 2021                   | \$ 80,000               | \$ 69,748         |
| 2022                   | 85,000                  | 67,685            |
| 2023                   | 85,000                  | 65,347            |
| 2024                   | 90,000                  | 62,722            |
| 2025                   | 95,000                  | 59,947            |
| 2026-2030              | 525,000                 | 251,429           |
| 2031-2035              | 650,000                 | 140,012           |
| 2036-2037              | 300,000                 | 13,724            |
|                        | <u>\$ 1,910,000</u>     | <u>\$ 730,614</u> |

All general obligation bonded debt is supported by the City's full faith and credit. Interest is payable on all obligations semi-annually. Principal is paid on an annual basis.

#### Refunded Debt

During fiscal year 2020, the City issued \$9,145,000 of refunding bonds to advance refund \$9,900,000 of the 2010 Municipal Complex bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities. The refunding resulted in a net savings of \$2,085,701 and an economic gain of \$1,775,969.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

The City is a participating community in the George W. Kuhn drain project. The project is administered by the Oakland County Drain Commission and financed through the sale of drain bonds, a State of Michigan revolving loan fund, federal and state grants, and contributions from Oakland County. The City along with 13 other local communities are obligated for payment of principal and interest of the outstanding debt. It is currently anticipated that the City's total obligation at the end of construction will be approximately \$15.6 million with an interest rate ranging from 1.625 percent to 2.5 percent. As of June 30, 2020, the City's outstanding obligation is approximately \$4.2 million and incurred interest expense of \$119,333 for the year then ended. Due to the current construction of the project, the sale of drain bonds and draws from the revolving fund are being incurred on as an as needed basis and thus an accurate schedule of principal and interest payments cannot be determined at this time.

Several years ago, a class action lawsuit was filed against the City related to its water and sewer rates. In October 2018, a settlement was reached whereby the City will pay \$2,850,000 to resolve the claims of the class. Within one week of the settlement date, a payment of \$500,000 was made. Subsequently, a payment of \$587,500 is to be made each year for the next three years. Annual payment requirements are as follows:

| Year Ended June 30, | Amount              |
|---------------------|---------------------|
| 2021                | \$ 587,500          |
| 2022                | 587,500             |
| 2023                | <u>587,500</u>      |
|                     | <u>\$ 1,762,500</u> |

### 11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases insurance coverage through public entity risk pools or commercial carriers. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

### 12. PROPERTY TAXES

Property taxes are levied based on taxable values of property located in the City. Taxable values are established annually. The taxable property values for the 2019 tax levy are as follows:

|                   |                              |
|-------------------|------------------------------|
| Real property     | \$ 465,465,600               |
| Personal property | <u>44,564,310</u>            |
| <b>Total</b>      | <u><b>\$ 510,029,910</b></u> |

For the current fiscal year, the City levied 19.2163 mills for general governmental services, 1.4315 mills for library services, 7.0000 mills for public safety pension (Public Act 345), 2.8349 mills for solid waste, and 4.5633 mills for long-term debt retirement.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

#### 13. TAX ABATEMENTS

The City received reduced property tax revenues during fiscal year 2020 as a result of industrial facilities tax exemptions (IFT's) agreements.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50 percent of the millage rate applicable to other real and personal property in the City. The abatements amounted to approximately \$70,900 in reduced City tax revenues for fiscal year 2020.

#### 14. DEFINED BENEFIT PENSION PLANS

*Plans Administration.* The City has two defined benefit pension plans, the Employees' Retirement System ("ERS", which covers general employees) and the Public Safety Employees' Retirement System ("PS", which covers police and fire employees). Originally, the City had a single pension plan that covered both employee groups, but effective with the June 30, 2013 actuarial valuation the original plan was split into these two plans.

The original plan was established by Chapter 15 of the City Charter as a single-employer defined benefit pension plan covering all employees of the City hired before August 1, 2004. General employees hired after August 1, 2004 and employees belonging to the AFSCME union hired after July 1, 2006 are part of the defined contribution pension plan described below. The separate plans were established by City Council under the authority of Chapter 15 of the City Charter.

The City is the administrator of both the original defined benefit plan and now the two separate plans. Administrative costs of the plans are financed through investment earnings. The plans are included as pension trust funds in the City's financial statements; stand-alone financial reports of the plans have not been issued.

The financial statements of the plans are prepared using the accrual basis of accounting. Member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Plan investments are stated at fair value which is determined as follows: (a) short-term investments are reported at cost, which approximates fair value; (b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; (c) investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the System's governing body, with the assistance of a valuation service; and (d) cash deposits are reported at carrying amounts which reasonably approximates fair value.

Management of the ERS is vested in the City Employees' Retirement System Board of Trustees, which consists of five members, one is the City Manager of the City, one is a citizen member of the City, two members are elected by the active participants of the Plan, and one is appointed by City Council.

Management of the PS is vested in the City of Public Safety Retirement System Board of Trustees, which consists of five members, one is the City Manager of the City, one is an active member from the Command Officers Union group, one is an active member of the Public Safety Officers Union group, and two are appointed by City Council.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

*Plans Membership.* Membership of the plans consisted of the following at June 30, 2019, the date of the latest actuarial valuation for each plan:

|                                                         | General    | Public Safety |
|---------------------------------------------------------|------------|---------------|
| Retirees and beneficiaries currently receiving benefits | 150        | 98            |
| Inactive employees entitled to benefits                 | 23         | 11            |
| Active employees                                        | 19         | 49            |
| <b>Total</b>                                            | <b>192</b> | <b>158</b>    |

*Benefits Provided.* Employees retiring with 10 or more years of service are entitled to annual pension benefits. ERS employees may retire at age 55, with retirement mandatory at age 70 without the employer's consent to continue. ERS employees may retire after 25 years of service, regardless of age. PS employees may retire at age 50, with retirement mandatory at age 60 without the employer's consent to continue. PS employees may retire after 25 years of service, regardless of age.

Vested employees receive a retirement benefit based on a formula established by a negotiated union contract or City Ordinance. The benefit of ERS employees is generally based on a multiplier of 2.5 times the five-year final average compensation. The benefit of PS employees is generally based on a multiplier 2.8 times the three-year final average compensation. Employees can also receive a benefit based on a disability that occurred on the job (duty disability), a disability that occurred outside employment (non-duty disability), or death (paid to surviving spouse or dependent). Benefits can be amended by City Ordinance (voted on by a majority of City Council) or a negotiated contract with union groups.

*Employee Contributions.* Eligible ERS employees are required to contribute 3.50 percent of compensation to the plan. Eligible PS employees are required to contribute 9.50 percent of their annual compensation to the plan.

*Employer Contributions.* The City is required to contribute at annual actuarially determined rate to provide assets sufficient to pay benefits to plan members. The rate paid in fiscal year 2020 by the City is 122.66 percent of annual covered payroll for ERS members and 67.01 percent of annual covered payroll for PS members.

Employer and employee contributions are established, and may be amended, by City Charter and Council approved union contracts.

*Net Pension Liability.* The City's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 (rolled forward to June 30, 2020).

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

*Actuarial Assumptions.* The total pension liability was determined by respective actuarial valuations as of June 30, 2019 (and rolled forward to June 30, 2020), using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |                                                                                                                                                      |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation                 | 2.5 percent                                                                                                                                          |
| Salary increases          | Varies                                                                                                                                               |
| Investment rate of return | 6.5 percent, net of pension plan investment expense, including inflation                                                                             |
| Mortality rate            | Pub-2010 Public Retirement Plans Mortality Tables for Employees; annuitant and non-annuitant, sexdistinct with modified MP-2019 improvement factors. |
| Changes in assumptions    | The mortality tables were changed to the Society of Actuaries tables; discount rate decreased from 7.0% to 6.5%.                                     |

The actuarial assumptions used in the June 30, 2019 valuations were based on the results of an actuarial experience study for the period April 2013 through March 2014.

The long-term expected rate of return on pension plan investments (for both ERS and PS) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 (see the discussion below of the investment allocation policy) are summarized in the following table:

| Asset Class             | Target Allocation | Long-term Expected Real Rate of Return |
|-------------------------|-------------------|----------------------------------------|
| Domestic equities:      |                   |                                        |
| Large cap               | 25%               | 6.95%                                  |
| Mid cap                 | 11%               | 7.75%                                  |
| Small cap               | 7%                | 8.00%                                  |
| International equities: |                   |                                        |
| Developed               | 14%               | 8.60%                                  |
| Small cap               | 3%                | 9.30%                                  |
| Emerging markets        | 3%                | 11.20%                                 |
| Fixed income:           |                   |                                        |
| Core                    | 26%               | 3.00%                                  |
| Leveraged loans         | 3%                | 5.40%                                  |
| Real estate             | 4%                | 9.00%                                  |
| Cash                    | 1%                | 2.50%                                  |
| Infrastructure          | 3%                | 6.95%                                  |
|                         | <u>100%</u>       |                                        |

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

*Investment Allocation Policy.* The plans' policy in regard to the allocation of invested assets is established and may be amended by the respective Board of Trustees. The policy pursues an investment strategy that protects the financial health of the plans and reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Plan assets will be invested in the broad investment categories and asset classes to achieve the allocation targets below. Recognizing that asset returns may vary, causing fluctuations in the relative dollar value levels of assets within classes, the plans may not maintain strict adherence to the targets in the short-term, but may allow the values to fluctuate within these ranges. Over the long-term, the plans will strive to adhere to the given targets as financially practicable and move toward target allocations in a prudent manner consistent with its fiduciary duty.

*Discount Rate.* A single discount rate of 6.5 percent for ERS and PS was used to measure the respective total pension liabilities. The discount rate is equal to the long-term expected rate of return. The projection of cash flows used to determine the respective single discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the ERS and PS's fiduciary net position was projected, using the long-term expected rate of return, to be sufficient to make all projected future benefit payments of current plan members.

*Changes in the Net Pension Liability.* The components of the change in the net pension liability are summarized as follows:

|                                                                  | <b>Total Pension<br/>Liability<br/>(a)</b> | <b>Plan Fiduciary<br/>Net Position<br/>(b)</b> | <b>Net Pension<br/>Liability<br/>(a) - (b)</b> |
|------------------------------------------------------------------|--------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b><i>Employees' Retirement System</i></b>                       |                                            |                                                |                                                |
| Balances at June 30, 2019                                        | \$ 40,702,573                              | \$ 19,438,229                                  | \$ 21,264,344                                  |
| Changes for the year:                                            |                                            |                                                |                                                |
| Service cost                                                     | 223,187                                    | -                                              | 223,187                                        |
| Interest                                                         | 2,753,237                                  | -                                              | 2,753,237                                      |
| Differences between expected and<br>actual experience            | (652,298)                                  | -                                              | (652,298)                                      |
| Changes in assumptions                                           | 2,189,212                                  | -                                              | 2,189,212                                      |
| Employer contributions                                           | -                                          | 1,700,000                                      | (1,700,000)                                    |
| Employee contributions                                           | -                                          | 47,913                                         | (47,913)                                       |
| Net investment income                                            | -                                          | 374,841                                        | (374,841)                                      |
| Benefit payments, including refunds of<br>employee contributions | (3,187,595)                                | (3,187,595)                                    | -                                              |
| Net changes                                                      | 1,325,743                                  | (1,064,841)                                    | 2,390,584                                      |
| <b>Balances at June 30, 2020</b>                                 | <b>\$ 42,028,316</b>                       | <b>\$ 18,373,388</b>                           | <b>\$ 23,654,928</b>                           |

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

|                                                                  | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(a) - (b) |
|------------------------------------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| <b>Public Safety Employees' Retirement System</b>                |                                   |                                       |                                       |
| Balances at June 30, 2019                                        | \$ 78,072,956                     | \$ 44,828,140                         | \$ 33,244,816                         |
| Changes for the year:                                            |                                   |                                       |                                       |
| Service cost                                                     | 940,528                           | -                                     | 940,528                               |
| Interest                                                         | 5,372,543                         | -                                     | 5,372,543                             |
| Differences between expected and<br>actual experience            | 516,897                           | -                                     | 516,897                               |
| Changes in assumptions                                           | 5,155,187                         | -                                     | 5,155,187                             |
| Employer contributions                                           | -                                 | 3,100,000                             | (3,100,000)                           |
| Employee contributions                                           | -                                 | 501,987                               | (501,987)                             |
| Net investment income                                            | -                                 | 972,322                               | (972,322)                             |
| Benefit payments, including refunds of<br>employee contributions | (4,525,738)                       | (4,525,738)                           | -                                     |
| Net changes                                                      | 7,459,417                         | 48,571                                | 7,410,846                             |
| <b>Balances at June 30, 2020</b>                                 | <b>\$ 85,532,373</b>              | <b>\$ 44,876,711</b>                  | <b>\$ 40,655,662</b>                  |

*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 6.5 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 (5.5 percent) or 1 percentage point higher (7.5 percent) than the current rate:

|               | 1%<br>Decrease<br>(5.5%) | Current<br>Discount<br>(6.5%) | 1%<br>Increase<br>(7.5%) |
|---------------|--------------------------|-------------------------------|--------------------------|
| General       | \$ 27,861,500            | \$ 23,654,928                 | \$ 20,078,393            |
| Public safety | 50,951,500               | 40,655,662                    | 32,115,329               |
| Total         | \$ 78,813,000            | \$ 64,310,590                 | \$ 52,193,722            |



## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

*Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions.* For the year ended June 30, 2020, the City recognized pension expense of \$3,517,618 and \$6,830,509, for the ERS and PS systems, respectively. At June 30, 2020, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

|                                                                                  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|----------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------------------------|
| <b>Employees' Retirement System</b>                                              |                                      |                                     |                                                       |
| Net difference between projected and actual earnings on pension plan investments | \$ 614,825                           | \$ -                                | \$ 614,825                                            |
| <b>Public Safety Employees' Retirement System</b>                                |                                      |                                     |                                                       |
| Difference between expected and actual experience                                | 347,847                              | 391,984                             | (44,137)                                              |
| Changes in assumptions                                                           | 3,843,536                            | -                                   | 3,843,536                                             |
| Net difference between projected and actual earnings on pension plan investments | 1,407,218                            | -                                   | 1,407,218                                             |
|                                                                                  | 5,598,601                            | 391,984                             | 5,206,617                                             |
| <b>Total</b>                                                                     | <b>\$ 6,213,426</b>                  | <b>\$ 391,984</b>                   | <b>\$ 5,821,442</b>                                   |

Amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense through annual amortization as follows:

| Year Ended<br>June 30, | Employees'<br>Retirement<br>System | Public Safety<br>Employees'<br>Retirement<br>System |
|------------------------|------------------------------------|-----------------------------------------------------|
| 2021                   | \$ 57,912                          | \$ 2,547,214                                        |
| 2022                   | 187,638                            | 1,829,465                                           |
| 2023                   | 182,185                            | 403,273                                             |
| 2024                   | 187,090                            | 426,665                                             |
|                        | <u>\$ 614,825</u>                  | <u>\$ 5,206,617</u>                                 |

The net pension liability is generally liquidated by the general fund.

There were no amounts due to the pension plans at June 30, 2020.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

#### 15. 45th DISTRICT COURT PENSION PLANS

The 45th District Court's defined contribution plan, 457 plan, and health savings plan are held in trust. The District Court contributes 7.5 percent of compensation for full-time and part-time employees, the 457 plan is voluntary with employees making up to 3.0 percent contribution and the employer matching up to 3.0 percent (full-time employees only), and the health savings plan is for full-time employees hired after July 2009, where the employer contributes 3.0 percent of compensation and employees are allowed to contribute payments (post-tax) to this plan with no matching. The third party administrator for this plan is the Michigan Employees Retirement System ("MERS"). The plans cost to the 45th District Court for the fiscal year ended June 30, 2020 was \$96,718. There was no defined contribution pension cost to the employees. Contributions to the plan are recognized when due and payable. Plan provisions and contribution rates are established and may be amended by resolution of City Council. Unvested benefits forfeited by employees who leave employment early are redistributed to active participants.

#### 16. DEFINED CONTRIBUTION PENSION PLAN

The City defined contribution pension plan provides retirement benefits to general employees hired after August 1, 2004 and employees belonging to the TPOAM union hired after July 1, 2006. The City contributes 7.5 percent of covered payroll and will match an employee's voluntary contribution up to 3.0 percent of covered payroll. Plan provisions and contribution requirements are established by City Council. Total contributions for the year ended June 30, 2020 were \$87,383 by employees and \$292,478 by the City. The City contributes 3.0 percent of covered payroll to a health savings plan for general employees hired after August 1, 2004 and employees belonging to the TPOAM union hired after July 1, 2006. There are 49 plan members at June 30, 2020. The City contributes 1.0 percent of covered payroll to a health savings plan for POAM, POLC, and Dispatchers hired after March 1, 2013. There are 18 plan members at June 30, 2020.

#### 17. POSTEMPLOYMENT HEALTH BENEFITS

*Plan Administration.* The City provides a single-employer defined benefit postemployment group hospitalization plan for its general employees and group hospitalization, dental, and optical plans for its public safety employees hired before August 1, 2004. Group hospitalization, dental, and optical plans are provided for district court employees. The City contributes 3.0 percent of covered payroll to a health savings plan for general employees hired after August 1, 2004 and employees belonging to the TPOAM union hired after July 1, 2006. These plans were established through the employees' union contracts; employees not covered by union contracts receive the same benefits that general employees receive. The General and Public Safety plans are included as OPEB trust funds in the City's financial statements and the Court plan is included as the retiree health care court internal service fund of the City's financial statements; stand-alone financial reports of the plans have not been issued.

The general employees' postemployment benefits and the public safety employees' coverage pass to the surviving spouse upon death of the retiree.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

The City pays 100 percent of the benefits for all public safety, court, and general current retirees. Co-pays, at the percentage indicated below, are required for retirees who were hired after January 18, 1993 for public safety officers and July 1, 1992 for public safety command officers.

| Years of Service | Employer Pays | Retiree Pays |
|------------------|---------------|--------------|
| 0-9              | 0%            | 100%         |
| 10-14            | 55%           | 45%          |
| 15-19            | 75%           | 25%          |
| 20-24            | 85%           | 15%          |
| 25 and up        | 100%          | 0%           |

Expenditures for the premiums are paid and recognized as they become due. There is the added stipulation in the union contracts that once retirees and dependents reach age 65, they shall be converted to Medicare coverage.

The City has created a retiree's health care fund, an other employee benefit trust, in anticipation of pre-funding retiree's health care for general and public safety employees. The funds set aside are held in a fund authorized by Public Act 149 of the State.

*Plans Membership.* Membership of the plans consisted of the following at June 30, 2020, the date of the latest actuarial valuation for each plan:

|                                                                | General    | Public Safety | Court     |
|----------------------------------------------------------------|------------|---------------|-----------|
| Inactive plan members receiving or entitled to future benefits | 14         | 1             | -         |
| Covered spouse/dependents                                      | 130        | 93            | 19        |
| Active plan members                                            | 18         | 33            | 9         |
| <b>Total</b>                                                   | <b>162</b> | <b>127</b>    | <b>28</b> |

*Benefits Provided.* The City provides medical, pharmacy, dental, and vision for eligible retirees hired prior to July 1, 2010 and their dependents. Pre-Medicare benefits are provided through self-insured plans administered by Blue Cross Blue Shield of Michigan. Medicare Supplemental benefits are provided through fully-insured arrangements administered by Blue Cross Blue Shield of Michigan Medicare Advantage plan. City Council has the authority to establish or amend benefit terms, to determine the types of benefits provided through the OPEB Plan, and to determine the classes of plan members covered.

*Contributions.* The City has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment; in other words, the plan may be financed on a pay-as-you-go basis. Administrative costs of the plan are paid for by the City's general fund. Plan participants are required to make co-payments, as noted above. For the year ended June 30, 2020, the City made an additional contribution over the pay-as-you-go amount of approximately \$424,513.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

*Actuarial Assumptions.* The total other postemployment liability was determined by respective actuarial valuations as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation                  | 2.0 percent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Salary increases           | 2.5 percent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Investment rate of return  | 4.5 percent, net of other postemployment benefit plan investment expense, including inflation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Healthcare cost trend rate | Pre-Medicare 8.25% graded down to 4.5% by 0.25% per year;<br>Post-Medicare, 6.5% graded down to 4.5% by 0.25% per year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Mortality rate             | 2010 Public General Employees and Healthy Retirees, Headcount weighted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Changes in assumptions     | General and Court: Mortality updated from RP-2014 adjusted to 2006 Total Data Set, Headcount-weighted, with MP-2017 (set-forward 10 years for disability); Trend Rates updated from Pre-65; 8.0% graded down to 5% over six years, 5.0% per annum for Medicare costs; Discount rate updated from 3.0%.<br>Public Safety: Mortality updated from RP-2014 adjusted to 2006 Total Data Set, Headcount-weighted, with MP-2017 (set-forward 10 years for disability); Trend Rates updated from Pre-65; 8.0% graded down to 5% over six years, 5.0% per annum for Medicare costs; Timing of claims payments changed from middle of year to beginning of year; Discount rate updated from 3.0%. |

The actuarial assumptions used in the June 30, 2020 valuations were based on the results of an actuarial experience study for the period April 2013 through March 2014.

The long-term expected rate of return on other postemployment benefit plan investments (for General, Public Safety, and Court) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the other postemployment benefit plan's target asset allocation as of June 30, 2020 (see the discussion below of the investment allocation policy) are summarized in the following table:

| Asset Class                | Target Allocation | Long-term Expected Real Rate of Return |
|----------------------------|-------------------|----------------------------------------|
| Fidelity 500 Index Premium | 25%               | 10.00%                                 |
| Pooled cash                | 75%               | 0.00%                                  |
|                            | <u>100%</u>       |                                        |

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

**Investment Allocation Policy.** The plans' policy in regard to the allocation of invested assets is established and may be amended by the respective Board of Trustees. The policy pursues an investment strategy that protects the financial health of the plans and reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Plan assets will be invested in the broad investment categories and asset classes to achieve the allocation targets above. Recognizing that asset returns may vary, causing fluctuations in the relative dollar value levels of assets within classes, the plans may not maintain strict adherence to the targets in the short-term, but may allow the values to fluctuate within these ranges. Over the long-term, the plans will strive to adhere to the given targets as financially practicable and move toward target allocations in a prudent manner consistent with its fiduciary duty.

**Discount Rate.** A single discount rate of 3.27 percent for General and Court and 3.97 percent for Public Safety was used to measure the respective total other postemployment benefit liabilities. The assets are not projected to be sufficient to make projected future benefit payments of current plan members beyond the first year. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. The discount rate is used to determine the total OPEB liability. The discount rate used as of June 30, 2020 was 3.27 percent for General and Court and 3.97 percent for Public Safety.

**Changes in the Net Other Postemployment Benefit Liability.** The components of the change in the net other postemployment benefit liability are summarized as follows:

|                                                               | <b>Total OPEB<br/>Liability<br/>(a)</b> | <b>Plan Fiduciary<br/>Net Position<br/>(b)</b> | <b>Net OPEB<br/>Liability<br/>(a) - (b)</b> |
|---------------------------------------------------------------|-----------------------------------------|------------------------------------------------|---------------------------------------------|
| <b>General Retiree Healthcare Plan</b>                        |                                         |                                                |                                             |
| Balances at June 30, 2019                                     | \$ 43,420,319                           | \$ 2,151,068                                   | \$ 41,269,251                               |
| Changes for the year:                                         |                                         |                                                |                                             |
| Service cost                                                  | 214,178                                 | -                                              | 214,178                                     |
| Interest                                                      | 1,293,005                               | -                                              | 1,293,005                                   |
| Differences between expected and actual experience            | (11,842,304)                            | -                                              | (11,842,304)                                |
| Changes in assumptions                                        | (295,522)                               | -                                              | (295,522)                                   |
| Employer contributions                                        | -                                       | 1,268,657                                      | (1,268,657)                                 |
| Net investment income                                         | -                                       | 64,034                                         | (64,034)                                    |
| Benefit payments, including refunds of employee contributions | (1,068,657)                             | (1,068,657)                                    | -                                           |
| Administrative expense                                        | -                                       | (1,889)                                        | 1,889                                       |
| Net changes                                                   | (11,699,300)                            | 262,145                                        | (11,961,445)                                |
| <b>Balances at June 30, 2020</b>                              | <b>\$ 31,721,019</b>                    | <b>\$ 2,413,213</b>                            | <b>\$ 29,307,806</b>                        |

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

|                                                                  | Total OPEB<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net OPEB<br>Liability<br>(a) - (b) |
|------------------------------------------------------------------|--------------------------------|---------------------------------------|------------------------------------|
| <b>Public Safety Retiree Healthcare Plan</b>                     |                                |                                       |                                    |
| Balances at June 30, 2019                                        | \$ 46,375,001                  | \$ 2,992,008                          | \$ 43,382,993                      |
| Changes for the year:                                            |                                |                                       |                                    |
| Service cost                                                     | 1,040,742                      | -                                     | 1,040,742                          |
| Interest                                                         | 1,403,288                      | -                                     | 1,403,288                          |
| Differences between expected and<br>actual experience            | (10,844,739)                   | -                                     | (10,844,739)                       |
| Changes in assumptions                                           | (2,996,366)                    | -                                     | (2,996,366)                        |
| Employer contributions                                           | -                              | 1,478,956                             | (1,478,956)                        |
| Net investment income                                            | -                              | 89,068                                | (89,068)                           |
| Benefit payments, including refunds of<br>employee contributions | (1,278,956)                    | (1,278,956)                           | -                                  |
| Administrative expense                                           | -                              | (2,627)                               | 2,627                              |
| Net changes                                                      | (12,676,031)                   | 286,441                               | (12,962,472)                       |
| <b>Balances at June 30, 2020</b>                                 | <b>\$ 33,698,970</b>           | <b>\$ 3,278,449</b>                   | <b>\$ 30,420,521</b>               |
|                                                                  |                                |                                       |                                    |
|                                                                  | Total OPEB<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net OPEB<br>Liability<br>(a) - (b) |
| <b>Court Retiree Healthcare Plan</b>                             |                                |                                       |                                    |
| Balances at June 30, 2019                                        | \$ 6,473,115                   | \$ 12,016                             | \$ 6,461,099                       |
| Changes for the year:                                            |                                |                                       |                                    |
| Service cost                                                     | 82,899                         | -                                     | 82,899                             |
| Interest                                                         | 193,584                        | -                                     | 193,584                            |
| Differences between expected and<br>actual experience            | (1,910,688)                    | -                                     | (1,910,688)                        |
| Changes in assumptions                                           | (43,668)                       | -                                     | (43,668)                           |
| Employer contributions                                           | -                              | 230,946                               | (230,946)                          |
| Net investment income                                            | -                              | 561                                   | (561)                              |
| Benefit payments, including refunds of<br>employee contributions | (206,433)                      | (206,433)                             | -                                  |
| Administrative expense                                           | -                              | 336                                   | (336)                              |
| Net changes                                                      | (1,884,306)                    | 25,410                                | (1,909,716)                        |
| <b>Balances at June 30, 2020</b>                                 | <b>\$ 4,588,809</b>            | <b>\$ 37,426</b>                      | <b>\$ 4,551,383</b>                |

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.* The following presents the net OPEB liability of the City, calculated using the discount rate of 3.27 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.27 percent) or 1 percentage point higher (4.27 percent) than the current rate:

|               | <b>1%<br/>Decrease<br/>(2.27%)</b> | <b>Current<br/>Discount<br/>(3.27%)</b> | <b>1%<br/>Increase<br/>(4.27%)</b> |
|---------------|------------------------------------|-----------------------------------------|------------------------------------|
| General       | \$ 34,396,470                      | \$ 29,307,806                           | \$ 25,267,041                      |
| Public Safety | 35,638,698                         | 30,420,521                              | 26,237,129                         |
| Court         | 5,184,692                          | 4,551,383                               | 4,036,833                          |
| <b>Total</b>  | <b>\$ 75,219,860</b>               | <b>\$ 64,279,710</b>                    | <b>\$ 55,541,003</b>               |

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate of 8.25 percent graded down to 4.5 percent over six years for pre-65 costs and 6.5 percent for Medicare costs, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower (7.25 percent graded down to 3.5 percent over six years/5.5 percent) or 1 percentage point higher (9.25 percent graded down to 5.5 percent over six years/7.5 percent) than the current rate:

|               | <b>1%<br/>Decrease<br/>(7.25% graded<br/>down to 3.5% /<br/>5.5%)</b> | <b>Current<br/>Healthcare Cost<br/>Trend Rate<br/>(8.25% graded<br/>down to 4.5% /<br/>6.50%)</b> | <b>1%<br/>Increase<br/>(9.25% graded<br/>down to 5.5% /<br/>7.5%)</b> |
|---------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| General       | \$ 25,169,280                                                         | \$ 29,307,806                                                                                     | \$ 34,492,306                                                         |
| Public Safety | 25,876,322                                                            | 30,420,521                                                                                        | 36,155,886                                                            |
| Court         | 3,996,935                                                             | 4,551,383                                                                                         | 5,240,163                                                             |
| <b>Total</b>  | <b>\$ 55,042,537</b>                                                  | <b>\$ 64,279,710</b>                                                                              | <b>\$ 75,888,355</b>                                                  |

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

*Other Postemployment Benefit Expense and Deferred Outflows/Inflows of Resources Related to Other Postemployment Benefits.* For the year ended June 30, 2020, the City recognized other postemployment benefit expense of \$(10,713,151), \$(2,359,451), and \$(1,532,864), for the General, Public Safety, and Court retiree healthcare plans, respectively. At June 30, 2020, the City reported deferred outflows and inflows of resources related to other postemployment benefits from the following sources:

|                                                                                                       | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|-------------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------------------------|
| <b>General Retiree Healthcare Plan</b>                                                                |                                      |                                     |                                                       |
| Net difference between projected and actual earnings on other postemployment benefit plan investments | \$ 53,851                            | \$ -                                | \$ 53,851                                             |
| <b>Public Safety Retiree Healthcare Plan</b>                                                          |                                      |                                     |                                                       |
| Difference between expected and actual experience                                                     | 1,599                                | 6,229,956                           | (6,228,357)                                           |
| Changes in assumptions                                                                                | -                                    | 1,721,317                           | (1,721,317)                                           |
| Net difference between projected and actual earnings on other postemployment benefit plan investments | 66,508                               | -                                   | 66,508                                                |
|                                                                                                       | 68,107                               | 7,951,273                           | (7,883,166)                                           |
| <b>Court Retiree Healthcare Plan</b>                                                                  |                                      |                                     |                                                       |
| Net difference between projected and actual earnings on other postemployment benefit plan investments | \$ 408                               | \$ -                                | \$ 408                                                |
| <b>Total</b>                                                                                          | <b>\$ 122,366</b>                    | <b>\$ 7,951,273</b>                 | <b>\$ (7,828,907)</b>                                 |

The net other postemployment benefit liability is generally liquidated by the general fund.

Amounts reported as deferred outflows and inflows of resources related to other postemployment benefits will be recognized in other postemployment benefits expense through annual amortization as follows:

| Year Ended<br>June 30, | General<br>Employees'<br>Retirement<br>System | Public Safety<br>Employees'<br>Retirement<br>System | Court<br>Employees'<br>Retirement<br>System | Total                 |
|------------------------|-----------------------------------------------|-----------------------------------------------------|---------------------------------------------|-----------------------|
| 2021                   | \$ 16,858                                     | \$ (5,867,377)                                      | \$ 100                                      | \$ (5,850,419)        |
| 2022                   | 16,860                                        | (2,040,583)                                         | 100                                         | (2,023,623)           |
| 2023                   | 12,688                                        | 14,793                                              | 100                                         | 27,581                |
| 2024                   | 7,445                                         | 10,001                                              | 108                                         | 17,554                |
|                        | <u>\$ 53,851</u>                              | <u>\$ (7,883,166)</u>                               | <u>\$ 408</u>                               | <u>\$ (7,828,907)</u> |



# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 18. FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT FUNDS

|                                                             | Plan Net Position                  |                                                     |                                                          |                   |
|-------------------------------------------------------------|------------------------------------|-----------------------------------------------------|----------------------------------------------------------|-------------------|
|                                                             | Employees'<br>Retirement<br>System | Public Safety<br>Employees'<br>Retirement<br>System | Retiree Health<br>Care - General<br>and Public<br>Safety | Total             |
| <b>Assets</b>                                               |                                    |                                                     |                                                          |                   |
| Cash and cash equivalents                                   | \$ (380,837)                       | \$ (119,562)                                        | \$ 4,678,581                                             | \$ 4,178,182      |
| Investments, at fair value:                                 |                                    |                                                     |                                                          |                   |
| Equity mutual funds                                         | 13,343,063                         | 31,814,732                                          | -                                                        | 45,157,795        |
| Fixed income mutual funds                                   | 4,918,472                          | 12,216,072                                          | -                                                        | 17,134,544        |
| Money market accounts                                       | 770,940                            | 1,336,174                                           | 1,013,081                                                | 3,120,195         |
| Prepaid items                                               | -                                  | 33,694                                              | -                                                        | 33,694            |
| <b>Total assets</b>                                         | <b>18,651,638</b>                  | <b>45,281,110</b>                                   | <b>5,691,662</b>                                         | <b>69,624,410</b> |
| <b>Liabilities</b>                                          |                                    |                                                     |                                                          |                   |
| Accounts payable                                            | 278,250                            | 404,399                                             | -                                                        | 682,649           |
| <b>Net position</b>                                         |                                    |                                                     |                                                          |                   |
| Restricted for pension and other<br>postemployment benefits | \$ 18,373,388                      | \$ 44,876,711                                       | \$ 5,691,662                                             | \$ 68,941,761     |

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

|                                         | Changes in Plan Net Position |                                            |                                                 |               |
|-----------------------------------------|------------------------------|--------------------------------------------|-------------------------------------------------|---------------|
|                                         | Employees' Retirement System | Public Safety Employees' Retirement System | Retiree Health Care - General and Public Safety | Total         |
| <b>Additions</b>                        |                              |                                            |                                                 |               |
| Contributions:                          |                              |                                            |                                                 |               |
| Employer                                | \$ 1,700,000                 | \$ 3,100,000                               | \$ 2,747,613                                    | \$ 7,547,613  |
| Plan members                            | 47,913                       | 501,987                                    | -                                               | 549,900       |
| Total contributions                     | 1,747,913                    | 3,601,987                                  | 2,747,613                                       | 8,097,513     |
| Investment income:                      |                              |                                            |                                                 |               |
| Net change in fair value of investments | 19,323                       | 116,858                                    | 81,573                                          | 217,754       |
| Interest                                | -                            | -                                          | 71,529                                          | 71,529        |
| Dividends                               | 432,671                      | 1,017,150                                  | -                                               | 1,449,821     |
| Total investment income                 | 451,994                      | 1,134,008                                  | 153,102                                         | 1,739,104     |
| Less: investment expense                | (77,153)                     | (161,686)                                  | -                                               | (238,839)     |
| Net investment income                   | 374,841                      | 972,322                                    | 153,102                                         | 1,500,265     |
| <b>Total additions</b>                  | 2,122,754                    | 4,574,309                                  | 2,900,715                                       | 9,597,778     |
| <b>Deductions</b>                       |                              |                                            |                                                 |               |
| Benefits                                | 3,187,595                    | 4,525,738                                  | 2,347,613                                       | 10,060,946    |
| Administration                          | -                            | -                                          | 4,516                                           | 4,516         |
| <b>Total deductions</b>                 | 3,187,595                    | 4,525,738                                  | 2,352,129                                       | 10,065,462    |
| <b>Change in net position</b>           | (1,064,841)                  | 48,571                                     | 548,586                                         | (467,684)     |
| Net position, beginning of year         | 19,438,229                   | 44,828,140                                 | 5,143,076                                       | 69,409,445    |
| <b>Net position, end of year</b>        | \$ 18,373,388                | \$ 44,876,711                              | \$ 5,691,662                                    | \$ 68,941,761 |

## 19. JOINT VENTURES

The City is a member of the Southeastern Oakland County Resource Recovery Authority (the "Authority") which consists of 12 municipalities in Oakland County and provides refuse disposal services for the benefit of member municipalities. The City appoints one member of the joint venture's governing board and controls six of 69 votes. The governing board approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2020, the last available audited financial statements, the Authority reported a decrease in net position in the amount of \$349,866, resulting in ending net position in the amount of \$3,732,135. During the year ended June 30, 2020, the City expended \$1,934,320 of payments made to the Authority. The City is unaware of any situation that would cause any additional financial benefit or burden related to the Authority. Complete financial statements for the Southeastern Oakland County Resource Recovery Authority can be obtained from its administrative offices at 3910 Webster Road, Royal Oak, Michigan, 48073.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

#### 20. LEASES

The City has an agreement with Rolston Hockey, LLC (Rolston) for the operation of the City ice rink. Rolston will pay rent of \$2,500 each month, which is to be paid in advance by the tenth of the month. The City may terminate the contract only if Rolston fails to perform the terms and conditions of the contract. The City received \$30,000 from Rolston for the fiscal year ended June 30, 2020.

The City has an agreement with Hatzalah of Michigan (Hatzalah) for the use of building space. Hatzalah will pay rent of \$826 each month, which is to be paid in advance by the first of the month. The term of the lease commenced on May 1, 2019 and expired on April 30, 2020, but was renewed on May 1, 2020, and expires on April 30, 2021. The City received \$8,258 from Hatzalah for the fiscal year ended June 30, 2020.

#### 21. FUND BALANCES

A detailed listing of nonspendable, restricted, assigned and unassigned fund balances of governmental funds is as follows:

|                            | General<br>Fund     | Nonmajor<br>Governmental<br>Funds | Total                |
|----------------------------|---------------------|-----------------------------------|----------------------|
| Nonspendable -             |                     |                                   |                      |
| Prepays                    | \$ 476,775          | \$ 82                             | \$ 476,857           |
| Restricted for:            |                     |                                   |                      |
| Road surface repairs       | -                   | 2,488,244                         | 2,488,244            |
| Sidewalks                  | -                   | 219,683                           | 219,683              |
| Solid waste                | -                   | 1,711,284                         | 1,711,284            |
| Debt service               | -                   | 695,044                           | 695,044              |
| Library                    | -                   | 113,992                           | 113,992              |
| Public safety              | -                   | 71,560                            | 71,560               |
| Courts                     | -                   | 236,050                           | 236,050              |
| Unspent bond proceeds      | -                   | 44,558                            | 44,558               |
| Total restricted           | -                   | 5,580,415                         | 5,580,415            |
| Assigned for:              |                     |                                   |                      |
| Library                    | -                   | 298,850                           | 298,850              |
| Municipal buildings        | -                   | 1,010,631                         | 1,010,631            |
| Total assigned             | -                   | 1,309,481                         | 1,309,481            |
| Unassigned (deficits)      | 3,868,765           | (13,525)                          | 3,855,240            |
| <b>Total fund balances</b> | <b>\$ 4,345,540</b> | <b>\$ 6,876,453</b>               | <b>\$ 11,221,993</b> |

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 22. SUMMARY OF SIGNIFICANT CONTINGENCIES

There are several pending lawsuits in which the City is involved. The City Attorney estimates that potential claims against the City being defended by attorneys appointed by liability insurance carriers would not materially affect the operations or financial condition of the City. The City Attorney estimates, that while possible, it is not probable that the City will receive unfavorable rulings in any other lawsuits.

### 23. NET INVESTMENT IN CAPITAL ASSETS

The composition of the net investment in capital assets as of June 30, 2020, was as follows:

|                                             | Governmental<br>Activities  | Business-type<br>Activities |
|---------------------------------------------|-----------------------------|-----------------------------|
| Capital assets:                             |                             |                             |
| Capital assets not being depreciated        | \$ 5,810,646                | \$ 3,672,046                |
| Capital assets being depreciated, net       | <u>36,330,975</u>           | <u>26,375,390</u>           |
|                                             | <u>42,141,621</u>           | <u>30,047,436</u>           |
| Related debt:                               |                             |                             |
| General obligation bonds                    | 20,780,000                  | 4,186,457                   |
| Unamortized bond premium                    | 1,514,451                   | -                           |
| Capital lease                               | 1,910,000                   | -                           |
| Less unamortized deferred loss on refunding | (264,979)                   | -                           |
| Less unexpended bond proceeds               | <u>(44,558)</u>             | <u>-</u>                    |
|                                             | <u>23,894,914</u>           | <u>4,186,457</u>            |
| <b>Net investment in capital assets</b>     | <u><u>\$ 18,246,707</u></u> | <u><u>\$ 25,860,979</u></u> |

### 24. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. The extent of the ultimate impact of the pandemic on the City's operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it may place additional demands on the City for providing emergency services to its citizens. While management reasonably expects the COVID-19 outbreak to negatively impact the City's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

#### Employee's Retirement System and Public Safety Employee's Retirement System Schedule of Investment Returns

| <b>Fiscal<br/>Year<br/>Ended</b>                  | <b>Annual Money-<br/>Weighted Rate<br/>of Return, Net<br/>of Investment<br/>Expense</b> |
|---------------------------------------------------|-----------------------------------------------------------------------------------------|
| <b>Employees' Retirement System</b>               |                                                                                         |
| 6/30/2020                                         | 1.97%                                                                                   |
| 6/30/2019                                         | 7.23%                                                                                   |
| 6/30/2018                                         | 7.85%                                                                                   |
| 6/30/2017                                         | 11.59%                                                                                  |
| 6/30/2016                                         | -1.72%                                                                                  |
| 6/30/2015                                         | 0.91%                                                                                   |
| 6/30/2014                                         | 13.89%                                                                                  |
| <b>Public Safety Employees' Retirement System</b> |                                                                                         |
| 6/30/2020                                         | 2.18%                                                                                   |
| 6/30/2019                                         | 7.41%                                                                                   |
| 6/30/2018                                         | 7.81%                                                                                   |
| 6/30/2017                                         | 11.69%                                                                                  |
| 6/30/2016                                         | -1.35%                                                                                  |
| 6/30/2015                                         | -0.02%                                                                                  |
| 6/30/2014                                         | 17.37%                                                                                  |

See notes to required supplementary information.



## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

#### General Employees' Retirement System

#### Schedule of Changes in the City's Net Pension Liability and Related Ratios

|                                                                            | Year Ended June 30,  |                      |                      |
|----------------------------------------------------------------------------|----------------------|----------------------|----------------------|
|                                                                            | 2020                 | 2019                 | 2018                 |
| <b>Change in total pension liability</b>                                   |                      |                      |                      |
| Service cost                                                               | \$ 223,187           | \$ 233,255           | \$ 246,853           |
| Interest                                                                   | 2,753,237            | 2,672,022            | 2,679,864            |
| Differences between expected and actual experience                         | (652,298)            | 616,284              | (486,200)            |
| Changes of assumptions                                                     | 2,189,212            | 827,930              | (807,180)            |
| Benefit payments, including refunds of member contributions                | (3,187,595)          | (3,170,823)          | (2,893,955)          |
| Other changes                                                              | -                    | -                    | 48,778               |
| <b>Net change in total pension liability</b>                               | <u>1,325,743</u>     | <u>1,178,668</u>     | <u>(1,211,840)</u>   |
| <b>Total pension liability, beginning</b>                                  | <u>40,702,573</u>    | <u>39,523,905</u>    | <u>40,735,745</u>    |
| <b>Total pension liability, ending (a)</b>                                 | <u>42,028,316</u>    | <u>40,702,573</u>    | <u>39,523,905</u>    |
| <b>Change in plan fiduciary net position</b>                               |                      |                      |                      |
| Contributions - employer                                                   | 1,700,000            | 1,850,000            | 1,445,558            |
| Contributions - member                                                     | 47,913               | 52,428               | 51,977               |
| Net investment income (loss)                                               | 374,841              | 1,336,058            | 1,461,332            |
| Benefit payments, including refunds of member contributions                | (3,187,595)          | (3,170,823)          | (2,893,955)          |
| Administrative expense                                                     | -                    | -                    | -                    |
| Other - transfer to Public Safety Employees' Retirement System             | -                    | -                    | -                    |
| <b>Net change in plan fiduciary net position</b>                           | <u>(1,064,841)</u>   | <u>67,663</u>        | <u>64,912</u>        |
| <b>Plan fiduciary net position, beginning</b>                              | <u>19,438,229</u>    | <u>19,370,566</u>    | <u>19,305,654</u>    |
| <b>Plan fiduciary net position, ending (b)</b>                             | <u>18,373,388</u>    | <u>19,438,229</u>    | <u>19,370,566</u>    |
| <b>City's net pension liability, ending (a)-(b)</b>                        | <u>\$ 23,654,928</u> | <u>\$ 21,264,344</u> | <u>\$ 20,153,339</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 43.7%                | 47.8%                | 49.0%                |
| Covered payroll                                                            | \$ 1,385,953         | \$ 1,572,221         | \$ 1,706,969         |
| City's net pension liability as a percentage of covered payroll            | 1706.8%              | 1352.5%              | 1180.7%              |

See notes to required supplementary information.

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|  |  |  |  |
|--|--|--|--|

| Year Ended June 30, |      |      |      |
|---------------------|------|------|------|
| 2017                | 2016 | 2015 | 2014 |

|            |            |            |            |
|------------|------------|------------|------------|
| \$ 325,140 | \$ 303,303 | \$ 485,484 | \$ 471,343 |
| 2,563,114  | 2,726,891  | 2,159,545  | 2,471,316  |

|             |           |             |   |
|-------------|-----------|-------------|---|
| (56,941)    | (136,533) | 810,181     | - |
| (2,789,126) | 4,952,784 | (8,131,545) | - |

|             |             |             |             |
|-------------|-------------|-------------|-------------|
| (3,081,680) | (3,079,825) | (3,165,651) | (3,237,481) |
|-------------|-------------|-------------|-------------|

|             |           |             |           |
|-------------|-----------|-------------|-----------|
| -           | -         | -           | -         |
| (3,039,493) | 4,766,620 | (7,841,986) | (294,822) |

|            |            |            |            |
|------------|------------|------------|------------|
| 43,775,238 | 39,008,618 | 46,850,604 | 47,145,426 |
|------------|------------|------------|------------|

|            |            |            |            |
|------------|------------|------------|------------|
| 40,735,745 | 43,775,238 | 39,008,618 | 46,850,604 |
|------------|------------|------------|------------|

|           |           |           |             |
|-----------|-----------|-----------|-------------|
| 1,338,260 | 1,336,565 | 1,272,539 | 1,367,086   |
| 48,211    | 52,239    | 54,389    | 61,130      |
| 2,053,473 | (326,643) | 196,674   | (3,162,566) |

|             |             |             |             |
|-------------|-------------|-------------|-------------|
| (3,081,680) | (3,079,825) | (3,165,651) | (3,237,481) |
| -           | (4,531)     | -           | -           |

|   |   |   |              |
|---|---|---|--------------|
| - | - | - | (31,376,710) |
|---|---|---|--------------|

|         |             |             |              |
|---------|-------------|-------------|--------------|
| 358,264 | (2,022,195) | (1,642,049) | (36,348,541) |
|---------|-------------|-------------|--------------|

|            |            |            |            |
|------------|------------|------------|------------|
| 18,947,390 | 20,969,585 | 22,611,634 | 58,960,175 |
|------------|------------|------------|------------|

|            |            |            |            |
|------------|------------|------------|------------|
| 19,305,654 | 18,947,390 | 20,969,585 | 22,611,634 |
|------------|------------|------------|------------|

|                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|
| <u>\$ 21,430,091</u> | <u>\$ 24,827,848</u> | <u>\$ 18,039,033</u> | <u>\$ 24,238,970</u> |
|----------------------|----------------------|----------------------|----------------------|

|       |       |       |       |
|-------|-------|-------|-------|
| 47.4% | 43.3% | 53.8% | 48.3% |
|-------|-------|-------|-------|

|              |              |              |              |
|--------------|--------------|--------------|--------------|
| \$ 1,695,162 | \$ 1,786,708 | \$ 1,885,123 | \$ 1,998,057 |
|--------------|--------------|--------------|--------------|

|         |         |        |         |
|---------|---------|--------|---------|
| 1264.2% | 1389.6% | 956.9% | 1213.1% |
|---------|---------|--------|---------|

# CITY OF OAK PARK, MICHIGAN

## Required Supplementary Information

### Public Safety Employees' Retirement System

### Schedule of Changes in the City's Net Pension Liability and Related Ratios

|                                                                            | Year Ended June 30,         |                             |                             |
|----------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                                                            | 2020                        | 2019                        | 2018                        |
| <b>Change in total pension liability</b>                                   |                             |                             |                             |
| Service cost                                                               | \$ 940,528                  | \$ 998,688                  | \$ 837,339                  |
| Interest                                                                   | 5,372,543                   | 5,251,142                   | 5,173,752                   |
| Differences between expected and actual experience                         | 516,897                     | (1,200,198)                 | 446,463                     |
| Changes of assumptions                                                     | 5,155,187                   | 1,242,814                   | 3,895,295                   |
| Benefit payments, including refunds of member contributions                | (4,525,738)                 | (4,474,212)                 | (4,121,370)                 |
| Other changes                                                              | -                           | -                           | (1,628,637)                 |
| <b>Net change in total pension liability</b>                               | <u>7,459,417</u>            | <u>1,818,234</u>            | <u>4,602,842</u>            |
| <b>Total pension liability, beginning</b>                                  | <u>78,072,956</u>           | <u>76,254,722</u>           | <u>71,651,880</u>           |
| <b>Total pension liability, ending (a)</b>                                 | <u>85,532,373</u>           | <u>78,072,956</u>           | <u>76,254,722</u>           |
| <b>Change in plan fiduciary net position</b>                               |                             |                             |                             |
| Contributions - employer                                                   | 3,100,000                   | 3,381,218                   | 2,551,000                   |
| Contributions - member                                                     | 501,987                     | 453,727                     | 407,715                     |
| Net investment income (loss)                                               | 972,322                     | 3,062,888                   | 3,096,956                   |
| Benefit payments, including refunds of member contributions                | (4,525,738)                 | (4,474,212)                 | (4,121,370)                 |
| Administrative expense                                                     | -                           | -                           | -                           |
| Other - transfer from Employees' Retirement System                         | -                           | -                           | -                           |
| <b>Net change in plan fiduciary net position</b>                           | <u>48,571</u>               | <u>2,423,621</u>            | <u>1,934,301</u>            |
| <b>Plan fiduciary net position, beginning</b>                              | <u>44,828,140</u>           | <u>42,404,519</u>           | <u>40,470,218</u>           |
| <b>Plan fiduciary net position, ending (b)</b>                             | <u>44,876,711</u>           | <u>44,828,140</u>           | <u>42,404,519</u>           |
| <b>City's net pension liability, ending (a)-(b)</b>                        | <u><u>\$ 40,655,662</u></u> | <u><u>\$ 33,244,816</u></u> | <u><u>\$ 33,850,203</u></u> |
| Plan fiduciary net position as a percentage of the total pension liability | 52.5%                       | 57.4%                       | 55.6%                       |
| Covered payroll                                                            | \$ 4,626,234                | \$ 4,726,656                | \$ 4,436,592                |
| City's net pension liability as a percentage of covered payroll            | 878.8%                      | 703.3%                      | 763.0%                      |

See notes to required supplementary information.

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| Year Ended June 30,  |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|
| 2017                 | 2016                 | 2015                 | 2014                 |
| \$ 1,116,227         | \$ 941,346           | \$ 1,391,903         | \$ 1,351,362         |
| 4,968,550            | 4,427,324            | 4,346,878            | 4,381,564            |
| (251,605)            | 2,342,761            | 136,404              | -                    |
| (2,189,134)          | 3,938,301            | (19,693,917)         | -                    |
| (4,431,882)          | (4,378,526)          | (4,280,101)          | (4,961,937)          |
| -                    | -                    | -                    | -                    |
| (787,844)            | 7,271,206            | (18,098,833)         | 770,989              |
| 72,439,724           | 65,168,518           | 83,267,351           | 82,496,362           |
| 71,651,880           | 72,439,724           | 65,168,518           | 83,267,351           |
| 2,387,270            | 2,521,391            | 2,438,761            | 2,869,461            |
| 325,575              | 330,804              | 317,315              | 325,361              |
| 4,198,316            | (513,784)            | (7,748)              | 11,976,064           |
| (4,431,882)          | (4,378,526)          | (4,280,101)          | (4,961,937)          |
| (11,984)             | (10,848)             | -                    | -                    |
| -                    | -                    | -                    | 31,376,710           |
| 2,467,295            | (2,050,963)          | (1,531,773)          | 41,585,659           |
| 38,002,923           | 40,053,886           | 41,585,659           | -                    |
| 40,470,218           | 38,002,923           | 40,053,886           | 41,585,659           |
| <u>\$ 31,181,662</u> | <u>\$ 34,436,801</u> | <u>\$ 25,114,632</u> | <u>\$ 41,681,692</u> |

|              |              |              |              |
|--------------|--------------|--------------|--------------|
| 56.5%        | 52.5%        | 61.5%        | 49.9%        |
| \$ 4,169,534 | \$ 4,041,630 | \$ 3,954,232 | \$ 3,727,181 |
| 747.8%       | 852.1%       | 635.1%       | 1118.3%      |

## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

Employee's Retirement System and Public Safety Employee's Retirement System  
Schedule of City Contributions

| Fiscal Year Ended                          | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|--------------------------------------------|-------------------------------------|----------------------------------------------------------------------|----------------------------------|-----------------|--------------------------------------------------|
| Employees' Retirement System               |                                     |                                                                      |                                  |                 |                                                  |
| 6/30/2020                                  | \$ 1,584,904                        | \$ 1,700,000                                                         | \$ (115,096)                     | \$ 1,385,953    | 122.7%                                           |
| 6/30/2019                                  | 1,678,746                           | 1,850,000                                                            | (171,254)                        | 1,572,221       | 117.7%                                           |
| 6/30/2018                                  | 1,384,659                           | 1,445,558                                                            | (60,899)                         | 1,706,969       | 84.7%                                            |
| 6/30/2017                                  | 1,256,953                           | 1,338,260                                                            | (81,307)                         | 1,695,162       | 78.9%                                            |
| 6/30/2016                                  | 1,318,377                           | 1,336,565                                                            | (18,188)                         | 1,786,708       | 74.8%                                            |
| 6/30/2015                                  | 1,272,539                           | 1,272,539                                                            | -                                | 1,885,123       | 67.5%                                            |
| 6/30/2014                                  | 1,211,912                           | 1,367,086                                                            | (155,174)                        | 1,998,057       | 68.4%                                            |
| Public Safety Employees' Retirement System |                                     |                                                                      |                                  |                 |                                                  |
| 6/30/2020                                  | \$ 2,997,391                        | \$ 3,100,000                                                         | \$ (102,609)                     | \$ 4,626,234    | 67.0%                                            |
| 6/30/2019                                  | 3,099,614                           | 3,381,218                                                            | (281,604)                        | 4,726,656       | 71.5%                                            |
| 6/30/2018                                  | 2,550,106                           | 2,551,000                                                            | (894)                            | 4,436,592       | 57.5%                                            |
| 6/30/2017                                  | 2,314,911                           | 2,387,270                                                            | (72,359)                         | 4,169,534       | 57.3%                                            |
| 6/30/2016                                  | 2,326,055                           | 2,521,391                                                            | (195,336)                        | 4,041,630       | 62.4%                                            |
| 6/30/2015                                  | 2,159,875                           | 2,438,761                                                            | (278,886)                        | 3,954,232       | 61.7%                                            |
| 6/30/2014                                  | 2,105,664                           | 2,869,461                                                            | (763,797)                        | 3,727,181       | 77.0%                                            |

See notes to required supplementary information.

## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

#### General, Public Safety, and Court Retiree Healthcare Plans Schedule of Investment Returns

| Fiscal<br>Year<br>Ended                | Annual Money-<br>Weighted Rate<br>of Return, Net of<br>Investment<br>Expense |
|----------------------------------------|------------------------------------------------------------------------------|
| General Retiree Healthcare Plan:       |                                                                              |
| 6/30/2020                              | 2.76%                                                                        |
| 6/30/2019                              | 3.04%                                                                        |
| 6/30/2018                              | 2.99%                                                                        |
| 6/30/2017                              | 3.59%                                                                        |
| Public Safety Retiree Healthcare Plan: |                                                                              |
| 6/30/2020                              | 2.80%                                                                        |
| 6/30/2019                              | 3.58%                                                                        |
| 6/30/2018                              | 2.99%                                                                        |
| 6/30/2017                              | 3.59%                                                                        |
| Court Retiree Healthcare Plan:         |                                                                              |
| 6/30/2020                              | 2.28%                                                                        |
| 6/30/2019                              | 0.67%                                                                        |
| 6/30/2018                              | N/A <sup>(1)</sup>                                                           |

See notes to required supplementary information.

## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

#### General Retiree Healthcare Plan

#### Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios

|                                                                                                 | Year Ended June 30,  |                      |                      |                      |
|-------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                                                 | 2020                 | 2019                 | 2018                 | 2017                 |
| <b>Change in total other postemployment benefit liability</b>                                   |                      |                      |                      |                      |
| Service cost                                                                                    | \$ 214,178           | \$ 224,750           | \$ 304,260           | \$ 372,392           |
| Interest                                                                                        | 1,293,005            | 1,358,699            | 1,076,780            | 1,435,899            |
| Differences between expected and actual experience                                              | (11,842,304)         | 2,039                | 1,107,922            | -                    |
| Changes of assumptions                                                                          | (295,522)            | 4,079,733            | 3,071,218            | 7,013,108            |
| Benefit payments, including refunds of member contributions                                     | (1,068,657)          | (1,446,516)          | (1,578,228)          | (1,545,294)          |
| <b>Net change in total other postemployment benefit liability</b>                               | <u>(11,699,300)</u>  | <u>4,218,705</u>     | <u>3,981,952</u>     | <u>7,276,105</u>     |
| <b>Total other postemployment benefit liability, beginning</b>                                  | 43,420,319           | 39,201,614           | 39,957,630           | 32,681,525           |
| <b>Less amounts for Court Retiree Healthcare Plan (1)</b>                                       | <u>-</u>             | <u>-</u>             | <u>(4,737,968)</u>   | <u>-</u>             |
| <b>Total other postemployment benefit liability, ending (a)</b>                                 | <u>31,721,019</u>    | <u>43,420,319</u>    | <u>39,201,614</u>    | <u>39,957,630</u>    |
| <b>Change in plan fiduciary net position</b>                                                    |                      |                      |                      |                      |
| Contributions - employer                                                                        | 1,268,657            | 2,046,516            | 1,878,228            | 1,545,294            |
| Net investment income                                                                           | 64,034               | 54,619               | 38,027               | 40,168               |
| Benefit payments, including refunds of member contributions                                     | (1,068,657)          | (1,446,516)          | (1,578,228)          | (1,545,294)          |
| Administrative expense                                                                          | (1,889)              | -                    | -                    | -                    |
| <b>Net change in plan fiduciary net position</b>                                                | <u>262,145</u>       | <u>654,619</u>       | <u>338,027</u>       | <u>40,168</u>        |
| <b>Plan fiduciary net position, beginning</b>                                                   | <u>2,151,068</u>     | <u>1,496,449</u>     | <u>1,158,422</u>     | <u>1,118,254</u>     |
| <b>Plan fiduciary net position, ending (b)</b>                                                  | <u>2,413,213</u>     | <u>2,151,068</u>     | <u>1,496,449</u>     | <u>1,158,422</u>     |
| <b>City's net other postemployment benefit liability, ending (a)-(b)</b>                        | <u>\$ 29,307,806</u> | <u>\$ 41,269,251</u> | <u>\$ 37,705,165</u> | <u>\$ 38,799,208</u> |
| Plan fiduciary net position as a percentage of the total other postemployment benefit liability | 7.61%                | 4.95%                | 3.82%                | 2.90%                |
| Covered payroll                                                                                 | \$ 1,368,940         | \$ 1,475,359         | \$ 1,706,969         | \$ 2,105,252         |
| City's net other postemployment benefit liability as a percentage of covered payroll            | 2140.91%             | 2797.23%             | 2208.90%             | 1842.97%             |

See notes to required supplementary information.

# CITY OF OAK PARK, MICHIGAN

## Required Supplementary Information

### Public Safety Retiree Healthcare Plan

#### Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios

|                                                                                                 | Year Ended June 30,  |                      |                      |                      |
|-------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                                                 | 2020                 | 2019                 | 2018                 | 2017                 |
| <b>Change in total other postemployment benefit liability</b>                                   |                      |                      |                      |                      |
| Service cost                                                                                    | \$ 1,040,742         | \$ 1,042,819         | \$ 525,509           | \$ 525,509           |
| Interest                                                                                        | 1,403,288            | 1,368,038            | 1,164,989            | 1,307,879            |
| Differences between expected and actual experience                                              | (10,844,739)         | 17,585               | (575,996)            | -                    |
| Changes of assumptions                                                                          | (2,996,366)          | -                    | 7,594,136            | 7,536,448            |
| Benefit payments, including refunds of member contributions                                     | (1,278,956)          | (1,214,780)          | (1,204,145)          | (1,553,955)          |
| <b>Net change in total other postemployment benefit liability</b>                               | <b>(12,676,031)</b>  | <b>1,213,662</b>     | <b>7,504,493</b>     | <b>7,815,881</b>     |
| <b>Total other postemployment benefit liability, beginning</b>                                  | <b>46,375,001</b>    | <b>45,161,339</b>    | <b>37,656,846</b>    | <b>29,840,965</b>    |
| <b>Total other postemployment benefit liability, ending (a)</b>                                 | <b>33,698,970</b>    | <b>46,375,001</b>    | <b>45,161,339</b>    | <b>37,656,846</b>    |
| <b>Change in plan fiduciary net position</b>                                                    |                      |                      |                      |                      |
| Contributions - employer                                                                        | 1,478,956            | 1,814,780            | 1,504,145            | 1,553,955            |
| Net investment income                                                                           | 89,068               | 93,001               | 63,534               | 67,112               |
| Benefit payments, including refunds of member contributions                                     | (1,278,956)          | (1,214,780)          | (1,204,145)          | (1,553,955)          |
| Administrative expense                                                                          | (2,627)              | -                    | -                    | -                    |
| <b>Net change in plan fiduciary net position</b>                                                | <b>286,441</b>       | <b>693,001</b>       | <b>363,534</b>       | <b>67,112</b>        |
| <b>Plan fiduciary net position, beginning</b>                                                   | <b>2,992,008</b>     | <b>2,299,007</b>     | <b>1,935,473</b>     | <b>1,868,361</b>     |
| <b>Plan fiduciary net position, ending (b)</b>                                                  | <b>3,278,449</b>     | <b>2,992,008</b>     | <b>2,299,007</b>     | <b>1,935,473</b>     |
| <b>City's net other postemployment benefit liability, ending (a)-(b)</b>                        | <b>\$ 30,420,521</b> | <b>\$ 43,382,993</b> | <b>\$ 42,862,332</b> | <b>\$ 35,721,373</b> |
| Plan fiduciary net position as a percentage of the total other postemployment benefit liability | 9.73%                | 6.45%                | 5.09%                | 5.14%                |
| Covered payroll                                                                                 | \$ 4,869,302         | \$ 4,744,250         | \$ 3,464,030         | \$ 3,842,496         |
| City's net other postemployment benefit liability as a percentage of covered payroll            | 624.74%              | 914.43%              | 1237.35%             | 929.64%              |

See notes to required supplementary information.



## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

Court Retiree Healthcare Plan

Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios

|                                                                                                 | Year Ended June 30, |                     |                     |
|-------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
|                                                                                                 | 2020                | 2019                | 2018                |
| <b>Change in total other postemployment benefit liability</b>                                   |                     |                     |                     |
| Service cost                                                                                    | \$ 82,899           | \$ 77,646           | \$ 68,132           |
| Interest                                                                                        | 193,584             | 207,992             | 143,650             |
| Differences between expected and actual experience                                              | (1,910,688)         | (64,182)            | 1,076,251           |
| Changes of assumptions                                                                          | (43,668)            | 528,673             | 291,606             |
| Benefit payments, including refunds of member contributions                                     | (206,433)           | (250,158)           | (344,463)           |
| <b>Net change in total other postemployment benefit liability</b>                               | <b>(1,884,306)</b>  | <b>499,971</b>      | <b>1,235,176</b>    |
| <b>Total other postemployment benefit liability, beginning</b>                                  | <b>6,473,115</b>    | <b>5,973,144</b>    | <b>4,737,968</b>    |
| <b>Total other postemployment benefit liability, ending (a)</b>                                 | <b>4,588,809</b>    | <b>6,473,115</b>    | <b>5,973,144</b>    |
| <b>Change in plan fiduciary net position</b>                                                    |                     |                     |                     |
| Contributions - employer                                                                        | 230,946             | 262,134             | 344,463             |
| Contributions - member                                                                          |                     |                     |                     |
| Net investment income                                                                           | 561                 | 40                  | -                   |
| Benefit payments, including refunds of member contributions                                     | (206,433)           | (250,158)           | (344,463)           |
| Other                                                                                           | 336                 | -                   | -                   |
| <b>Net change in plan fiduciary net position</b>                                                | <b>25,410</b>       | <b>12,016</b>       | <b>-</b>            |
| <b>Plan fiduciary net position, beginning</b>                                                   | <b>12,016</b>       | <b>-</b>            | <b>-</b>            |
| <b>Plan fiduciary net position, ending (b)</b>                                                  | <b>37,426</b>       | <b>12,016</b>       | <b>-</b>            |
| <b>City's net other postemployment benefit liability, ending (a)-(b)</b>                        | <b>\$ 4,551,383</b> | <b>\$ 6,461,099</b> | <b>\$ 5,973,144</b> |
| Plan fiduciary net position as a percentage of the total other postemployment benefit liability | 0.82%               | 0.19%               | 0.00%               |
| Covered payroll                                                                                 | \$ 473,348          | \$ 435,990          | \$ 422,984          |
| City's net other postemployment benefit liability as a percentage of covered payroll            | 961.53%             | 1481.94%            | 1412.14%            |

See notes to required supplementary information.

## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

General, Public Safety, and Court Retiree Healthcare Plans  
Schedule of City Contributions

| Fiscal Year Ended                      | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|----------------------------------------|-------------------------------------|----------------------------------------------------------------------|----------------------------------|-----------------|--------------------------------------------------|
| General Retiree Healthcare Plan:       |                                     |                                                                      |                                  |                 |                                                  |
| 6/30/2020                              | \$ 5,520,972                        | \$ 1,268,657                                                         | \$ 4,252,315                     | \$ 1,368,940    | 92.7%                                            |
| 6/30/2019                              | 5,280,276                           | 2,046,516                                                            | \$ 3,233,760                     | 1,475,359       | 138.7%                                           |
| 6/30/2018                              | 4,307,310                           | 1,878,228                                                            | 2,429,082                        | 1,706,969       | 110.0%                                           |
| 6/30/2017                              | 1,620,940                           | 1,545,294                                                            | 75,646                           | 2,105,252       | 73.4%                                            |
| Public Safety Retiree Healthcare Plan: |                                     |                                                                      |                                  |                 |                                                  |
| 6/30/2020                              | \$ 6,157,774                        | \$ 1,478,956                                                         | \$ 4,678,818                     | \$ 4,869,302    | 30.4%                                            |
| 6/30/2019                              | 5,586,225                           | 1,814,780                                                            | 3,771,445                        | 4,744,250       | 38.3%                                            |
| 6/30/2018                              | 3,988,426                           | 1,504,145                                                            | 2,484,281                        | 3,464,030       | 43.4%                                            |
| 6/30/2017                              | 1,901,699                           | 1,553,955                                                            | 347,744                          | 3,842,496       | 40.4%                                            |
| Court Retiree Healthcare Plan:         |                                     |                                                                      |                                  |                 |                                                  |
| 6/30/2020                              | \$ 1,278,089                        | \$ 230,946                                                           | \$ 1,047,143                     | \$ 473,348      | 48.8%                                            |
| 6/30/2019                              | 949,686                             | 262,134                                                              | 687,552                          | 435,990         | 60.1%                                            |
| 6/30/2018                              | 625,762                             | 344,463                                                              | 281,299                          | 422,984         | 81.4%                                            |

See notes to required supplementary information.

## CITY OF OAK PARK, MICHIGAN

### Notes to Required Supplementary Information

#### Pension Information

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Note: GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

#### Notes to the Schedule of Changes in the City's Net Pension Liability and Related Ratios: General Employees' Retirement System

The June 30, 2020 changes in assumptions are due to the following:

- The mortality tables were changed to the Society of Actuaries tables for public employees.
- The discount rate decreased from 7.0% to 6.5%.

The June 30, 2019 changes in assumptions are due to the following:

- The mortality tables changed to the new government tables provided by the State.

The June 30, 2018 changes in assumptions are due to the following:

- The assumption that mortality and disability decrements do not occur during the first five years of employment was removed.
- The liability load for "roll-in amounts" decreased from 9.00% to 4.00%.
- The adjusted dates of hire were added to the data to reflect the adjusted service accurately.
- The discount rate was decreased from 8.00% to 7.00%.

The June 30, 2017 changes in assumptions are due to the following:

- For the calculation of year end liabilities, the tax-exempt municipal bond rate increased from 3.18% to 3.58%.
- The discount rate increased from 6.07% to 6.77%.
- The long-term inflation assumption has decreased from 3.0% to 2.5% as of July 1, 2016. This change applies to both the salary increase assumption and the amortization of the unfunded actuarial accrued liability.

The June 30, 2016 changes in assumptions are due to the following:

- For the calculation of year end liabilities, the tax-exempt municipal bond rate decreased from 3.80% to 3.18%.
- The discount rate decreased from 7.38% to 6.07%.

The June 30, 2015 changes in assumptions are due to the following:

- For the calculation of year end liabilities, the tax-exempt municipal bond rate decreased from 4.29% to 3.80%.
- The long-term rate of return on assets increased from 6.54% to 8.00%.
- The discount rate increased from 5.40% to 7.38%.

## CITY OF OAK PARK, MICHIGAN

### Notes to Required Supplementary Information

#### **Notes to the Schedule of Changes in the City's Net Pension Liability and Related Ratios: Public Safety Employees' Retirement System**

The June 30, 2020 changes in assumptions are due to the following:

- The mortality tables were changed to the Society of Actuaries tables for public employees.
- The discount rate decreased from 7.0% to 6.5%.

The June 30, 2019 changes in assumptions are due to the following:

- The mortality tables changed to the new government tables provided by the State.

The June 30, 2018 changes in assumptions are due to the following:

- The assumption that mortality and disability decrements do not occur during the first five years of employment was removed.
- The liability load for "roll-in amounts" decreased from 12.50% to 7.00%.
- The liability load for subsidized service purchases was removed and replaced with actual adjusted service dates.
- The discount rate was changed from 7.52% to 7.00%

The June 30, 2017 changes in assumptions are due to the following:

- For the calculation of year end liabilities, the tax-exempt municipal bond rate increased from 3.18% to 3.58%.
- The discount rate increased from 7.27% to 7.52%.
- The long-term inflation assumption has decreased from 3.0% to 2.5% as of July 1, 2016. This change applies to both the salary increase assumption and the amortization of the unfunded actuarial accrued liability.

The June 30, 2016 changes in assumptions are due to the following:

- For the calculation of year end liabilities, the tax-exempt municipal bond rate decreased from 3.80% to 3.18%.
- The discount rate decreased from 7.83% to 7.27%.

The June 30, 2015 changes in assumptions are due to the following:

- The actuarial equivalence basis for converting between option forms of benefit payment was updated.

## CITY OF OAK PARK, MICHIGAN

### Notes to Required Supplementary Information

#### Notes to Schedule of Contributions

|                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation date                                                | July 1, 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Notes                                                         | Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Methods and assumptions used to determine contribution rates: |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Actuarial cost method                                         | Entry age normal level percent of pay                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Amortization method                                           | General: 2.5 percent scale on amortization is applied to recognize increasing amortization payments; Public Safety: spread gain/loss with 2.5 percent scale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Remaining amortization period                                 | 24 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Asset valuation method                                        | General: The actuarial value of assets is equal to the prior year's actuarial value brought forward to the valuation date with contributions, benefit payments, and expected investment income. The excess/(deficit) of actual return on market assets over expected return on actuarial assets is the asset gain(loss) for the year. The rolled forward actuarial assets are then adjusted by adding/(subtracting) 20 percent of the asset gains/(losses) for each of the five preceding years. A final adjustment is made, if necessary, so the actuarial value of assets is no more than 120 percent nor less than 80 percent of the market value.<br>Public Safety: Equal to market value of assets |
| Inflation                                                     | 2.50 percent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Salary increases                                              | Varies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Investment rate of return                                     | 6.5 percent net of pension plan investment expense, including inflation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Mortality rates                                               | Pub-2010 Public Retirement Plans Mortality Tables for with MP-2019; annuitant and non-annuitant, sex-distinct                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

## CITY OF OAK PARK, MICHIGAN

### Notes to Required Supplementary Information

#### OPEB Information

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GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

#### Notes to Schedule of Investment Returns

(1) The Court Retiree Healthcare Plan is not pre-funded and has no assets.

#### Notes to Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios: General Retiree Healthcare Plan

(1) The Court Retiree Healthcare Plan total other postemployment benefit liability was presented with the General Retiree Healthcare Plan for the year ended 6/30/2017, but is presented separately for the year ended 6/30/2018 (prospectively).

The June 30, 2020 changes in assumptions are due to the following:

- Mortality updated from RP-2014 adjusted to 2006 Total Data Set, Headcount-weighted, with MP-2017 (set-forward 10 years for disability)
- Trend Rates updated from Pre-65; 8.0% graded down to 5% over six years, 5.0% per annum for Medicare costs
- Discount rate updated from 3.0%

The June 30, 2019 changes in assumptions are due to the following:

- Discount rate lowered from 3.51% to 3.0%.

The June 30, 2018 changes in assumptions are due to the following:

- First valuation performed by Watkins Ross.
- The discount rate was lowered from 3.1% to 3.0%.
- The trend rates changed from 6.0% graded down to 4.0% to 8.0% graded down to 5.0% for pre-65 claims, 5.0% for age 65 and after.
- The mortality rates changed from RP-2014 Group Annuity Mortality Table 50/50 blend male/female to RPH-2014 adjusted to 2006 Total Data Set with MP-2017 (set-forward 10 years for disability).

The June 30, 2017 changes in assumptions are due to the following:

- Discount rate lowered from 4.5% to 3.1%.

## CITY OF OAK PARK, MICHIGAN

### Notes to Required Supplementary Information

#### **Notes to Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios: Public Safety Retiree Healthcare Plan**

The June 30, 2020 changes in assumptions are due to the following:

- Mortality updated from RP-2014 adjusted to 2006 Total Data Set, Headcount-weighted, with MP-2017 (set-forward 10 years for disability)
- Trend Rates updated from Pre-65; 8.0% graded down to 5% over six years, 5.0% per annum for Medicare costs
- Timing of claims payments changed from middle of year to beginning of year
- Discount rate updated from 3.0%

The June 30, 2018 changes in assumptions are due to the following:

- First valuation performed by Watkins Ross.
- The discount rate was lowered from 3.1% to 3.0%.
- The trend rates changed from 6.0% graded down to 4.0% to 8.0% graded down to 5.0% for pre-65 claims, 5.0% for age 65 and after.
- The mortality rates changed from RP-2014 Group Annuity Mortality Table 50/50 blend male/female to RPH-2014 adjusted to 2006 Total Data Set with MP-2017 (set-forward 10 years for disability).

The June 30, 2017 changes in assumptions are due to the following:

- Discount rate lowered from 4.5% to 3.1%.

#### **Notes to Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios: Court Retiree Healthcare Plan**

The June 30, 2020 changes in assumptions are due to the following:

- Mortality updated from RP-2014 adjusted to 2006 Total Data Set, Headcount-weighted, with MP-2017 (set-forward 10 years for disability)
- Trend Rates updated from Pre-65; 8.0% graded down to 5% over six years, 5.0% per annum for Medicare costs
- Discount rate updated from 3.0%

The June 30, 2019 changes in assumptions are due to the following:

- Discount rate lowered from 3.51% to 3.0%.

The June 30, 2018 changes in assumptions are due to the following:

- First valuation performed by Watkins Ross.
- The discount rate was lowered from 3.1% to 3.0%.
- The trend rates changed from 6.0% graded down to 4.0% to 8.0% graded down to 5.0% for pre-65 claims, 5.0% for age 65 and after.
- The mortality rates changed from RP-2014 Group Annuity Mortality Table 50/50 blend male/female to RPH-2014 adjusted to 2006 Total Data Set with MP-2017 (set-forward 10 years for disability).

## CITY OF OAK PARK, MICHIGAN

### Notes to Required Supplementary Information

#### Notes to Schedule of Contributions

Valuation date June 30, 2020

Methods and assumptions used to determine contribution rates:

|                               |                                                                                                                     |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Actuarial cost method         | Entry age normal                                                                                                    |
| Amortization method           | Level percentage of compensation                                                                                    |
| Remaining amortization period | 24 years                                                                                                            |
| Asset valuation method        | Market value                                                                                                        |
| Healthcare inflation rate     | Pre-Medicare 8.25% graded down to 4.5% by 0.25% per year; Post Medicare, 6.5% graded down to 4.5% by 0.25% per year |
| Inflation rate                | 2.0 percent                                                                                                         |
| Salary increases              | 2.5 percent                                                                                                         |
| Investment rate of return     | 4.5 percent, including inflation                                                                                    |
| Mortality rates               | 2010 Public General Employees and Healthy Retirees, Headcount weighted                                              |



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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

# CITY OF OAK PARK, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2020

|                                                                            | Special<br>Revenue  | Debt<br>Service   | Capital<br>Project  | Total<br>Nonmajor<br>Governmental |
|----------------------------------------------------------------------------|---------------------|-------------------|---------------------|-----------------------------------|
| <b>Assets</b>                                                              |                     |                   |                     |                                   |
| Cash and investments                                                       | \$ 4,809,911        | \$ 729,497        | \$ 1,411,809        | \$ 6,951,217                      |
| Receivables:                                                               |                     |                   |                     |                                   |
| Special assessments                                                        | 261,832             | -                 | 14,774              | 276,606                           |
| Accounts                                                                   | 586,589             | 4,547             | -                   | 591,136                           |
| Due from other governments                                                 | 425,501             | -                 | -                   | 425,501                           |
| Prepaid items                                                              | 82                  | -                 | -                   | 82                                |
| <b>Total assets</b>                                                        | <u>\$ 6,083,915</u> | <u>\$ 734,044</u> | <u>\$ 1,426,583</u> | <u>\$ 8,244,542</u>               |
| <b>Liabilities</b>                                                         |                     |                   |                     |                                   |
| Accounts payable                                                           | \$ 759,340          | \$ -              | \$ 133,365          | \$ 892,705                        |
| Accrued liabilities                                                        | 92,379              | 39,000            | 15,328              | 146,707                           |
| Due to other funds                                                         | 38,877              | -                 | -                   | 38,877                            |
| <b>Total liabilities</b>                                                   | <u>890,596</u>      | <u>39,000</u>     | <u>148,693</u>      | <u>1,078,289</u>                  |
| <b>Deferred inflows of resources</b>                                       |                     |                   |                     |                                   |
| Unavailable revenue - special assessments                                  | 261,832             | -                 | 3,018               | 264,850                           |
| Unavailable revenue - grants                                               | 24,950              | -                 | -                   | 24,950                            |
| <b>Total deferred inflows of resources</b>                                 | <u>286,782</u>      | <u>-</u>          | <u>3,018</u>        | <u>289,800</u>                    |
| <b>Fund balances</b>                                                       |                     |                   |                     |                                   |
| Nonspendable                                                               | 82                  | -                 | -                   | 82                                |
| Restricted                                                                 | 4,621,130           | 695,044           | 264,241             | 5,580,415                         |
| Assigned                                                                   | 298,850             | -                 | 1,010,631           | 1,309,481                         |
| Unassigned (deficit)                                                       | (13,525)            | -                 | -                   | (13,525)                          |
| <b>Total fund balances</b>                                                 | <u>4,906,537</u>    | <u>695,044</u>    | <u>1,274,872</u>    | <u>6,876,453</u>                  |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <u>\$ 6,083,915</u> | <u>\$ 734,044</u> | <u>\$ 1,426,583</u> | <u>\$ 8,244,542</u>               |

# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds  
For the Year Ended June 30, 2020

|                                             | Special<br>Revenue  | Debt<br>Service   | Capital<br>Project  | Total<br>Nonmajor<br>Governmental |
|---------------------------------------------|---------------------|-------------------|---------------------|-----------------------------------|
| <b>Revenues</b>                             |                     |                   |                     |                                   |
| Property taxes                              | \$ 2,119,940        | \$ 2,337,816      | \$ -                | \$ 4,457,756                      |
| Special assessments                         | 122,610             | -                 | 122,149             | 244,759                           |
| Intergovernmental:                          |                     |                   |                     |                                   |
| Federal grants                              | 125,415             | -                 | -                   | 125,415                           |
| State grants                                | 3,457,093           | 11,341            | -                   | 3,468,434                         |
| Charges for services                        | 1,743,801           | -                 | -                   | 1,743,801                         |
| Fines and forfeitures                       | 75,238              | -                 | 46,282              | 121,520                           |
| Interest income                             | 101,028             | 44,352            | 28,023              | 173,403                           |
| Other revenue                               | 242,391             | -                 | 358,974             | 601,365                           |
| <b>Total revenues</b>                       | <b>7,987,516</b>    | <b>2,393,509</b>  | <b>555,428</b>      | <b>10,936,453</b>                 |
| <b>Expenditures</b>                         |                     |                   |                     |                                   |
| Current:                                    |                     |                   |                     |                                   |
| Judicial                                    | 2,361,940           | -                 | -                   | 2,361,940                         |
| Public safety                               | 42,604              | -                 | -                   | 42,604                            |
| Road maintenance and repair                 | 4,016,353           | -                 | -                   | 4,016,353                         |
| Public works                                | -                   | -                 | 39,695              | 39,695                            |
| Health and sanitation                       | 2,800,210           | -                 | -                   | 2,800,210                         |
| Library                                     | 562,446             | -                 | -                   | 562,446                           |
| Community development                       | 108,814             | -                 | 181,478             | 290,292                           |
| Debt service:                               |                     |                   |                     |                                   |
| Principal                                   | -                   | 1,580,000         | -                   | 1,580,000                         |
| Interest and fiscal charges                 | -                   | 1,079,109         | -                   | 1,079,109                         |
| <b>Total expenditures</b>                   | <b>9,892,367</b>    | <b>2,659,109</b>  | <b>221,173</b>      | <b>12,772,649</b>                 |
| Revenues over (under) expenditures          | (1,904,851)         | (265,600)         | 334,255             | (1,836,196)                       |
| <b>Other financing sources (uses)</b>       |                     |                   |                     |                                   |
| Issuance of long-term debt                  | -                   | 9,145,000         | -                   | 9,145,000                         |
| Premium on issuance of long-term debt       | -                   | 849,782           | -                   | 849,782                           |
| Payments to refund bond escrow agent        | -                   | (10,023,119)      | -                   | (10,023,119)                      |
| Transfers in                                | 2,438,388           | 10,017,898        | 3,000               | 12,459,286                        |
| Transfers out                               | (787,170)           | (9,865,850)       | (218,000)           | (10,871,020)                      |
| <b>Total other financing sources (uses)</b> | <b>1,651,218</b>    | <b>123,711</b>    | <b>(215,000)</b>    | <b>1,559,929</b>                  |
| <b>Net change in fund balances</b>          | <b>(253,633)</b>    | <b>(141,889)</b>  | <b>119,255</b>      | <b>(276,267)</b>                  |
| Fund balances, beginning of year            | 5,160,170           | 836,933           | 1,155,617           | 7,152,720                         |
| <b>Fund balances, end of year</b>           | <b>\$ 4,906,537</b> | <b>\$ 695,044</b> | <b>\$ 1,274,872</b> | <b>\$ 6,876,453</b>               |

# CITY OF OAK PARK, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds

June 30, 2020

|                                                                            | Major<br>Streets    | Local<br>Streets    | Solid<br>Waste      | Narcotics<br>Forfeiture |
|----------------------------------------------------------------------------|---------------------|---------------------|---------------------|-------------------------|
| <b>Assets</b>                                                              |                     |                     |                     |                         |
| Cash and investments                                                       | \$ 672,852          | \$ 1,862,145        | \$ 1,259,230        | \$ 51,195               |
| Receivables:                                                               |                     |                     |                     |                         |
| Special assessments                                                        | 261,832             | -                   | -                   | -                       |
| Accounts                                                                   | 4,848               | 10,916              | 565,331             | -                       |
| Due from other governments                                                 | 271,849             | 105,968             | -                   | -                       |
| Prepaid items                                                              | 81                  | -                   | -                   | -                       |
| <b>Total assets</b>                                                        | <u>\$ 1,211,462</u> | <u>\$ 1,979,029</u> | <u>\$ 1,824,561</u> | <u>\$ 51,195</u>        |
| <b>Liabilities</b>                                                         |                     |                     |                     |                         |
| Accounts payable                                                           | \$ 246,707          | \$ 163,444          | \$ 89,307           | \$ -                    |
| Accrued liabilities                                                        | 9,887               | 9,771               | 23,970              | -                       |
| Due to other funds                                                         | -                   | -                   | -                   | -                       |
| <b>Total liabilities</b>                                                   | <u>256,594</u>      | <u>173,215</u>      | <u>113,277</u>      | <u>-</u>                |
| <b>Deferred inflows of resources</b>                                       |                     |                     |                     |                         |
| Unavailable revenue - special assessments                                  | 261,832             | -                   | -                   | -                       |
| Unavailable revenue - grants                                               | -                   | 10,525              | -                   | -                       |
| <b>Total deferred inflows of resources</b>                                 | <u>261,832</u>      | <u>10,525</u>       | <u>-</u>            | <u>-</u>                |
| <b>Fund balances</b>                                                       |                     |                     |                     |                         |
| Nonspendable                                                               | 81                  | -                   | -                   | -                       |
| Restricted                                                                 | 692,955             | 1,795,289           | 1,711,284           | 51,195                  |
| Assigned                                                                   | -                   | -                   | -                   | -                       |
| Unassigned (deficits)                                                      | -                   | -                   | -                   | -                       |
| <b>Total fund balances (deficits)</b>                                      | <u>693,036</u>      | <u>1,795,289</u>    | <u>1,711,284</u>    | <u>51,195</u>           |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <u>\$ 1,211,462</u> | <u>\$ 1,979,029</u> | <u>\$ 1,824,561</u> | <u>\$ 51,195</u>        |



| Criminal<br>Justice<br>Training | Community<br>Development<br>Block Grant | Indigent<br>Defense<br>Grant | Caseflow<br>Assistance | Veterans<br>Treatment<br>Court Grant | 45th District<br>Court |
|---------------------------------|-----------------------------------------|------------------------------|------------------------|--------------------------------------|------------------------|
| \$ 20,365                       | \$ -                                    | \$ 223,749                   | \$ 19,163              | \$ -                                 | \$ 242,712             |
| -                               | -                                       | -                            | -                      | -                                    | -                      |
| -                               | -                                       | -                            | -                      | -                                    | 2,042                  |
| -                               | 9,382                                   | 900                          | -                      | 8,646                                | -                      |
| -                               | -                                       | -                            | -                      | -                                    | -                      |
| <u>\$ 20,365</u>                | <u>\$ 9,382</u>                         | <u>\$ 224,649</u>            | <u>\$ 19,163</u>       | <u>\$ 8,646</u>                      | <u>\$ 244,754</u>      |
| \$ -                            | \$ -                                    | \$ 6,862                     | \$ -                   | \$ 2,363                             | \$ 197,401             |
| -                               | 253                                     | -                            | -                      | 425                                  | 29,616                 |
| -                               | 9,129                                   | -                            | -                      | 5,858                                | 17,737                 |
| -                               | 9,382                                   | 6,862                        | -                      | 8,646                                | 244,754                |
| -                               | -                                       | -                            | -                      | -                                    | -                      |
| -                               | 253                                     | 900                          | -                      | 719                                  | -                      |
| -                               | 253                                     | 900                          | -                      | 719                                  | -                      |
| -                               | -                                       | -                            | -                      | -                                    | -                      |
| 20,365                          | -                                       | 216,887                      | 19,163                 | -                                    | -                      |
| -                               | -                                       | -                            | -                      | -                                    | -                      |
| -                               | (253)                                   | -                            | -                      | (719)                                | -                      |
| 20,365                          | (253)                                   | 216,887                      | 19,163                 | (719)                                | -                      |
| <u>\$ 20,365</u>                | <u>\$ 9,382</u>                         | <u>\$ 224,649</u>            | <u>\$ 19,163</u>       | <u>\$ 8,646</u>                      | <u>\$ 244,754</u>      |

continued...

## CITY OF OAK PARK, MICHIGAN

### Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds

June 30, 2020

|                                                                                | Library           | Mental Health<br>Court Grant | Total               |
|--------------------------------------------------------------------------------|-------------------|------------------------------|---------------------|
| <b>Assets</b>                                                                  |                   |                              |                     |
| Cash and investments                                                           | \$ 458,500        | \$ -                         | \$ 4,809,911        |
| Receivables:                                                                   |                   |                              |                     |
| Special assessments                                                            | -                 | -                            | 261,832             |
| Accounts                                                                       | -                 | 3,452                        | 586,589             |
| Due from other governments                                                     | -                 | 28,756                       | 425,501             |
| Prepaid items                                                                  | 1                 | -                            | 82                  |
| <b>Total assets</b>                                                            | <b>\$ 458,501</b> | <b>\$ 32,208</b>             | <b>\$ 6,083,915</b> |
| <b>Liabilities</b>                                                             |                   |                              |                     |
| Accounts payable                                                               | \$ 27,584         | \$ 25,672                    | \$ 759,340          |
| Accrued liabilities                                                            | 18,074            | 383                          | 92,379              |
| Due to other funds                                                             | -                 | 6,153                        | 38,877              |
| <b>Total liabilities</b>                                                       | <b>45,658</b>     | <b>32,208</b>                | <b>890,596</b>      |
| <b>Deferred inflows of resources</b>                                           |                   |                              |                     |
| Unavailable revenue - special assessments                                      | -                 | -                            | 261,832             |
| Unavailable revenue - grants                                                   | -                 | 12,553                       | 24,950              |
| <b>Total deferred inflows of resources</b>                                     | <b>-</b>          | <b>12,553</b>                | <b>286,782</b>      |
| <b>Fund balances</b>                                                           |                   |                              |                     |
| Nonspendable                                                                   | 1                 | -                            | 82                  |
| Restricted                                                                     | 113,992           | -                            | 4,621,130           |
| Assigned                                                                       | 298,850           | -                            | 298,850             |
| Unassigned (deficits)                                                          | -                 | (12,553)                     | (13,525)            |
| <b>Total fund balances (deficits)</b>                                          | <b>412,843</b>    | <b>(12,553)</b>              | <b>4,906,537</b>    |
| <b>Total liabilities, deferred inflows of<br/>resources, and fund balances</b> | <b>\$ 458,501</b> | <b>\$ 32,208</b>             | <b>\$ 6,083,915</b> |

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# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds  
Special Revenue Funds  
For the Year Ended June 30, 2020

|                                              | Major<br>Streets   | Local<br>Streets    | Solid<br>Waste      | Narcotics<br>Forfeiture |
|----------------------------------------------|--------------------|---------------------|---------------------|-------------------------|
| <b>Revenues</b>                              |                    |                     |                     |                         |
| Property taxes                               | \$ -               | \$ -                | \$ 1,410,044        | \$ -                    |
| Special assessments                          | 68,144             | 54,466              | -                   | -                       |
| Intergovernmental:                           |                    |                     |                     |                         |
| Federal grants                               | -                  | -                   | -                   | 13,165                  |
| State grants                                 | 1,951,422          | 766,247             | 6,667               | -                       |
| Charges for services                         | -                  | -                   | 1,590,085           | -                       |
| Fines and forfeitures                        | -                  | -                   | -                   | 2,000                   |
| Interest income                              | 25,571             | 28,868              | 33,271              | 1,080                   |
| Other revenue                                | 133,505            | 97,129              | -                   | -                       |
| <b>Total revenues</b>                        | <u>2,178,642</u>   | <u>946,710</u>      | <u>3,040,067</u>    | <u>16,245</u>           |
| <b>Expenditures</b>                          |                    |                     |                     |                         |
| Current:                                     |                    |                     |                     |                         |
| Judicial                                     | -                  | -                   | -                   | -                       |
| Public safety                                | -                  | -                   | -                   | 36,902                  |
| Road maintenance and repair                  | 2,946,951          | 1,069,402           | -                   | -                       |
| Health and sanitation                        | -                  | -                   | 2,800,210           | -                       |
| Library                                      | -                  | -                   | -                   | -                       |
| Community development                        | -                  | -                   | -                   | -                       |
| <b>Total expenditures</b>                    | <u>2,946,951</u>   | <u>1,069,402</u>    | <u>2,800,210</u>    | <u>36,902</u>           |
| Revenues over (under) expenditures           | <u>(768,309)</u>   | <u>(122,692)</u>    | <u>239,857</u>      | <u>(20,657)</u>         |
| <b>Other financing sources (uses)</b>        |                    |                     |                     |                         |
| Transfers in                                 | -                  | 695,000             | -                   | -                       |
| Transfers out                                | (695,000)          | -                   | -                   | -                       |
| <b>Total other financing sources (uses)</b>  | <u>(695,000)</u>   | <u>695,000</u>      | <u>-</u>            | <u>-</u>                |
| <b>Net change in fund balances</b>           | <u>(1,463,309)</u> | <u>572,308</u>      | <u>239,857</u>      | <u>(20,657)</u>         |
| Fund balances (deficits), beginning of year  | <u>2,156,345</u>   | <u>1,222,981</u>    | <u>1,471,427</u>    | <u>71,852</u>           |
| <b>Fund balances (deficits), end of year</b> | <u>\$ 693,036</u>  | <u>\$ 1,795,289</u> | <u>\$ 1,711,284</u> | <u>\$ 51,195</u>        |



| Criminal Justice Training | Community Development Block Grant | Indigent Defense Grant | Caseflow Assistance | Veterans Treatment Court Grant | 45th District Court |
|---------------------------|-----------------------------------|------------------------|---------------------|--------------------------------|---------------------|
| \$ -                      | \$ -                              | \$ -                   | \$ -                | \$ -                           | \$ -                |
| -                         | -                                 | -                      | -                   | -                              | -                   |
| -                         | 112,250                           | -                      | -                   | -                              | -                   |
| 7,920                     | -                                 | 388,466                | 7,699               | 47,976                         | 91,448              |
| -                         | -                                 | -                      | -                   | -                              | 143,085             |
| -                         | -                                 | -                      | -                   | -                              | 4,920               |
| 359                       | -                                 | -                      | 292                 | -                              | -                   |
| -                         | -                                 | 7,310                  | -                   | -                              | -                   |
| 8,279                     | 112,250                           | 395,776                | 7,991               | 47,976                         | 239,453             |
| -                         | -                                 | 286,920                | 12,348              | 46,511                         | 1,898,501           |
| 5,702                     | -                                 | -                      | -                   | -                              | -                   |
| -                         | -                                 | -                      | -                   | -                              | -                   |
| -                         | -                                 | -                      | -                   | -                              | -                   |
| -                         | -                                 | -                      | -                   | -                              | -                   |
| -                         | 108,814                           | -                      | -                   | -                              | -                   |
| 5,702                     | 108,814                           | 286,920                | 12,348              | 46,511                         | 1,898,501           |
| 2,577                     | 3,436                             | 108,856                | (4,357)             | 1,465                          | (1,659,048)         |
| -                         | -                                 | 42,170                 | -                   | -                              | 1,701,218           |
| -                         | -                                 | -                      | -                   | -                              | (42,170)            |
| -                         | -                                 | 42,170                 | -                   | -                              | 1,659,048           |
| 2,577                     | 3,436                             | 151,026                | (4,357)             | 1,465                          | -                   |
| 17,788                    | (3,689)                           | 65,861                 | 23,520              | (2,184)                        | -                   |
| \$ 20,365                 | \$ (253)                          | \$ 216,887             | \$ 19,163           | \$ (719)                       | \$ -                |

continued...

# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds  
Special Revenue Funds  
For the Year Ended June 30, 2020

|                                              | Library           | Mental Health<br>Court Grant | Total               |
|----------------------------------------------|-------------------|------------------------------|---------------------|
| <b>Revenues</b>                              |                   |                              |                     |
| Property taxes                               | \$ 709,896        | \$ -                         | \$ 2,119,940        |
| Special assessments                          | -                 | -                            | 122,610             |
| Intergovernmental:                           |                   |                              |                     |
| Federal grants                               | -                 | -                            | 125,415             |
| State grants                                 | 33,853            | 155,395                      | 3,457,093           |
| Charges for services                         | 10,631            | -                            | 1,743,801           |
| Fines and forfeitures                        | 68,318            | -                            | 75,238              |
| Interest income                              | 11,587            | -                            | 101,028             |
| Other revenue                                | 4,447             | -                            | 242,391             |
| <b>Total revenues</b>                        | <b>838,732</b>    | <b>155,395</b>               | <b>7,987,516</b>    |
| <b>Expenditures</b>                          |                   |                              |                     |
| Current:                                     |                   |                              |                     |
| Judicial                                     | -                 | 117,660                      | 2,361,940           |
| Public safety                                | -                 | -                            | 42,604              |
| Road maintenance and repair                  | -                 | -                            | 4,016,353           |
| Health and sanitation                        | -                 | -                            | 2,800,210           |
| Library                                      | 562,446           | -                            | 562,446             |
| Community development                        | -                 | -                            | 108,814             |
| <b>Total expenditures</b>                    | <b>562,446</b>    | <b>117,660</b>               | <b>9,892,367</b>    |
| Revenues over (under) expenditures           | 276,286           | 37,735                       | (1,904,851)         |
| <b>Other financing sources (uses)</b>        |                   |                              |                     |
| Transfers in                                 | -                 | -                            | 2,438,388           |
| Transfers out                                | (50,000)          | -                            | (787,170)           |
| <b>Total other financing sources (uses)</b>  | <b>(50,000)</b>   | <b>-</b>                     | <b>1,651,218</b>    |
| <b>Net change in fund balances</b>           | <b>226,286</b>    | <b>37,735</b>                | <b>(253,633)</b>    |
| Fund balances (deficits), beginning of year  | 186,557           | (50,288)                     | 5,160,170           |
| <b>Fund balances (deficits), end of year</b> | <b>\$ 412,843</b> | <b>\$ (12,553)</b>           | <b>\$ 4,906,537</b> |

concluded.

## CITY OF OAK PARK, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Major Streets Fund

For the Year Ended June 30, 2020

|                                    | Original<br>Budget  | Final<br>Budget   | Actual            | Actual Over<br>(Under) Final<br>Budget |
|------------------------------------|---------------------|-------------------|-------------------|----------------------------------------|
| <b>Revenues</b>                    |                     |                   |                   |                                        |
| Special assessments                | \$ 65,856           | \$ 65,856         | \$ 68,144         | \$ 2,288                               |
| Intergovernmental -                |                     |                   |                   |                                        |
| State grants                       | 1,933,000           | 1,924,285         | 1,951,422         | 27,137                                 |
| Interest income                    | 5,330               | 23,291            | 25,571            | 2,280                                  |
| Other revenue                      | 70,000              | 109,747           | 133,505           | 23,758                                 |
| <b>Total revenues</b>              | 2,074,186           | 2,123,179         | 2,178,642         | 55,463                                 |
| <b>Expenditures</b>                |                     |                   |                   |                                        |
| Current -                          |                     |                   |                   |                                        |
| Road maintenance and repair        | 1,661,186           | 3,420,179         | 2,946,951         | (473,228)                              |
| Revenues over (under) expenditures | 413,000             | (1,297,000)       | (768,309)         | (528,691)                              |
| <b>Other financing uses</b>        |                     |                   |                   |                                        |
| Transfers out                      | (695,000)           | (695,000)         | (695,000)         | -                                      |
| <b>Net change in fund balance</b>  | (282,000)           | (1,992,000)       | (1,463,309)       | 528,691                                |
| Fund balance, beginning of year    | 2,156,345           | 2,156,345         | 2,156,345         | -                                      |
| <b>Fund balance, end of year</b>   | <u>\$ 1,874,345</u> | <u>\$ 164,345</u> | <u>\$ 693,036</u> | <u>\$ 528,691</u>                      |

## CITY OF OAK PARK, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Local Streets Fund  
For the Year Ended June 30, 2020

|                                   | Original<br>Budget  | Final<br>Budget     | Actual              | Actual Over<br>(Under) Final<br>Budget |
|-----------------------------------|---------------------|---------------------|---------------------|----------------------------------------|
| <b>Revenues</b>                   |                     |                     |                     |                                        |
| Special assessments               | \$ 20,000           | \$ 62,215           | \$ 54,466           | \$ (7,749)                             |
| Intergovernmental -               |                     |                     |                     |                                        |
| State grants                      | 753,000             | 753,923             | 766,247             | 12,324                                 |
| Interest income                   | 2,498               | 22,020              | 28,868              | 6,848                                  |
| Other revenue                     | -                   | 97,129              | 97,129              | -                                      |
| <b>Total revenues</b>             | 775,498             | 935,287             | 946,710             | 11,423                                 |
| <b>Expenditures</b>               |                     |                     |                     |                                        |
| Current -                         |                     |                     |                     |                                        |
| Road maintenance and repair       | 1,253,498           | 1,338,287           | 1,069,402           | (268,885)                              |
| Revenues under expenditures       | (478,000)           | (403,000)           | (122,692)           | 280,308                                |
| <b>Other financing sources</b>    |                     |                     |                     |                                        |
| Transfers in                      | 695,000             | 695,000             | 695,000             | -                                      |
| <b>Net change in fund balance</b> | 217,000             | 292,000             | 572,308             | 280,308                                |
| Fund balance, beginning of year   | 1,222,981           | 1,222,981           | 1,222,981           | -                                      |
| <b>Fund balance, end of year</b>  | <u>\$ 1,439,981</u> | <u>\$ 1,514,981</u> | <u>\$ 1,795,289</u> | <u>\$ 280,308</u>                      |

## CITY OF OAK PARK, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Solid Waste Fund  
For the Year Ended June 30, 2020

|                                   | Original<br>Budget  | Final<br>Budget     | Actual              | Actual Over<br>(Under) Final<br>Budget |
|-----------------------------------|---------------------|---------------------|---------------------|----------------------------------------|
| <b>Revenues</b>                   |                     |                     |                     |                                        |
| Property taxes                    | \$ 1,393,793        | \$ 1,407,293        | \$ 1,410,044        | \$ 2,751                               |
| Intergovernmental-                |                     |                     |                     |                                        |
| State grants                      | 6,700               | 6,667               | 6,667               | -                                      |
| Charges for services              | 1,573,000           | 1,545,000           | 1,590,085           | 45,085                                 |
| Interest income                   | 13,244              | 29,277              | 33,271              | 3,994                                  |
| <b>Total revenues</b>             | 2,986,737           | 2,988,237           | 3,040,067           | 51,830                                 |
| <b>Expenditures</b>               |                     |                     |                     |                                        |
| Current -                         |                     |                     |                     |                                        |
| Health and sanitation             | 2,986,737           | 2,988,237           | 2,800,210           | (188,027)                              |
| <b>Net change in fund balance</b> | -                   | -                   | 239,857             | 239,857                                |
| Fund balance, beginning of year   | 1,471,427           | 1,471,427           | 1,471,427           | -                                      |
| <b>Fund balance, end of year</b>  | <u>\$ 1,471,427</u> | <u>\$ 1,471,427</u> | <u>\$ 1,711,284</u> | <u>\$ 239,857</u>                      |

## CITY OF OAK PARK, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Narcotics Forfeiture Fund  
For the Year Ended June 30, 2020

|                                   | Original<br>Budget | Final<br>Budget  | Actual           | Actual Over<br>(Under) Final<br>Budget |
|-----------------------------------|--------------------|------------------|------------------|----------------------------------------|
| <b>Revenues</b>                   |                    |                  |                  |                                        |
| Intergovernmental -               |                    |                  |                  |                                        |
| Federal grants                    | \$ -               | \$ 13,165        | \$ 13,165        | \$ -                                   |
| Fines and forfeitures             | 5,000              | 5,000            | 2,000            | (3,000)                                |
| Interest income                   | 400                | 400              | 1,080            | 680                                    |
| <b>Total revenues</b>             | 5,400              | 18,565           | 16,245           | (2,320)                                |
| <b>Expenditures</b>               |                    |                  |                  |                                        |
| Current -                         |                    |                  |                  |                                        |
| Public safety                     | 24,400             | 42,482           | 36,902           | (5,580)                                |
| <b>Net change in fund balance</b> | (19,000)           | (23,917)         | (20,657)         | 3,260                                  |
| Fund balance, beginning of year   | 71,852             | 71,852           | 71,852           | -                                      |
| <b>Fund balance, end of year</b>  | <u>\$ 52,852</u>   | <u>\$ 47,935</u> | <u>\$ 51,195</u> | <u>\$ 3,260</u>                        |

## CITY OF OAK PARK, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Criminal Justice Training Fund

For the Year Ended June 30, 2020

|                                   | Original<br>Budget | Final<br>Budget  | Actual           | Actual Over<br>(Under) Final<br>Budget |
|-----------------------------------|--------------------|------------------|------------------|----------------------------------------|
| <b>Revenues</b>                   |                    |                  |                  |                                        |
| Intergovernmental -               |                    |                  |                  |                                        |
| State grants                      | \$ 8,500           | \$ 8,500         | \$ 7,920         | \$ (580)                               |
| Interest income                   | 25                 | 25               | 359              | 334                                    |
| <b>Total revenues</b>             | 8,525              | 8,525            | 8,279            | (246)                                  |
| <b>Expenditures</b>               |                    |                  |                  |                                        |
| Current -                         |                    |                  |                  |                                        |
| Public safety                     | 8,525              | 8,525            | 5,702            | (2,823)                                |
| <b>Net change in fund balance</b> | -                  | -                | 2,577            | 2,577                                  |
| Fund balance, beginning of year   | 17,788             | 17,788           | 17,788           | -                                      |
| <b>Fund balance, end of year</b>  | <u>\$ 17,788</u>   | <u>\$ 17,788</u> | <u>\$ 20,365</u> | <u>\$ 2,577</u>                        |



## CITY OF OAK PARK, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Community Development Block Grant Fund  
For the Year Ended June 30, 2020

|                                            | Original<br>Budget | Final<br>Budget | Actual          | Actual Over<br>(Under) Final<br>Budget |
|--------------------------------------------|--------------------|-----------------|-----------------|----------------------------------------|
| <b>Revenues</b>                            |                    |                 |                 |                                        |
| Federal grants                             | \$ 118,326         | \$ 118,326      | \$ 112,250      | \$ (6,076)                             |
| <b>Expenditures</b>                        |                    |                 |                 |                                        |
| Current -                                  |                    |                 |                 |                                        |
| Community development                      | 118,326            | 118,326         | 108,814         | (9,512)                                |
| <b>Net change in fund balance</b>          | -                  | -               | 3,436           | 3,436                                  |
| Fund balance (deficit), beginning of year  | -                  | -               | (3,689)         | (3,689)                                |
| <b>Fund balance (deficit), end of year</b> | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ (253)</u> | <u>\$ (253)</u>                        |

## CITY OF OAK PARK, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Indigent Defense Grant Fund  
For the Year Ended June 30, 2020

|                                    | Original<br>Budget | Final<br>Budget  | Actual            | Actual Over<br>(Under) Final<br>Budget |
|------------------------------------|--------------------|------------------|-------------------|----------------------------------------|
| <b>Revenues</b>                    |                    |                  |                   |                                        |
| State grants                       | \$ 511,328         | \$ 454,539       | \$ 388,466        | \$ (66,073)                            |
| Other revenue                      | -                  | -                | 7,310             | 7,310                                  |
| <b>Total revenues</b>              | 511,328            | 454,539          | 395,776           | (58,763)                               |
| <b>Expenditures</b>                |                    |                  |                   |                                        |
| Current -                          |                    |                  |                   |                                        |
| Judicial                           | 511,328            | 515,430          | 286,920           | (228,510)                              |
| Revenues over (under) expenditures | -                  | (60,891)         | 108,856           | 169,747                                |
| <b>Other financing sources</b>     |                    |                  |                   |                                        |
| Transfers in                       | -                  | 42,170           | 42,170            | -                                      |
| <b>Net change in fund balance</b>  | -                  | (18,721)         | 151,026           | 169,747                                |
| Fund balance, beginning of year    | 65,861             | 65,861           | 65,861            | -                                      |
| <b>Fund balance, end of year</b>   | <u>\$ 65,861</u>   | <u>\$ 47,140</u> | <u>\$ 216,887</u> | <u>\$ 169,747</u>                      |

## CITY OF OAK PARK, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Caseflow Assistance Fund  
For the Year Ended June 30, 2020

|                                   | Original<br>Budget | Final<br>Budget  | Actual           | Actual Over<br>(Under) Final<br>Budget |
|-----------------------------------|--------------------|------------------|------------------|----------------------------------------|
| <b>Revenues</b>                   |                    |                  |                  |                                        |
| Intergovernmental -               |                    |                  |                  |                                        |
| State grants                      | \$ 20,000          | \$ 20,000        | \$ 7,699         | \$ (12,301)                            |
| Interest income                   | 2,100              | 2,100            | 292              | (1,808)                                |
| <b>Total revenues</b>             | 22,100             | 22,100           | 7,991            | (14,109)                               |
| <b>Expenditures</b>               |                    |                  |                  |                                        |
| Current -                         |                    |                  |                  |                                        |
| Judicial                          | 20,100             | 31,025           | 12,348           | (18,677)                               |
| <b>Net change in fund balance</b> | 2,000              | (8,925)          | (4,357)          | 4,568                                  |
| Fund balance, beginning of year   | 23,520             | 23,520           | 23,520           | -                                      |
| <b>Fund balance, end of year</b>  | <u>\$ 25,520</u>   | <u>\$ 14,595</u> | <u>\$ 19,163</u> | <u>\$ 4,568</u>                        |

## CITY OF OAK PARK, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Veterans Treatment Court Grant  
For the Year Ended June 30, 2020

|                                            | Original<br>Budget | Final<br>Budget | Actual          | Actual Over<br>(Under) Final<br>Budget |
|--------------------------------------------|--------------------|-----------------|-----------------|----------------------------------------|
| <b>Revenues</b>                            |                    |                 |                 |                                        |
| Intergovernmental -                        |                    |                 |                 |                                        |
| State grants                               | \$ 52,400          | \$ 52,400       | \$ 47,976       | \$ (4,424)                             |
| <b>Expenditures</b>                        |                    |                 |                 |                                        |
| Current -                                  |                    |                 |                 |                                        |
| Judicial                                   | 52,400             | 52,400          | 46,511          | (5,889)                                |
| <b>Net change in fund balance</b>          | -                  | -               | 1,465           | 1,465                                  |
| Fund balance (deficit), beginning of year  | -                  | -               | (2,184)         | (2,184)                                |
| <b>Fund balance (deficit), end of year</b> | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ (719)</u> | <u>\$ (719)</u>                        |

## CITY OF OAK PARK, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - 45th District Court Fund

For the Year Ended June 30, 2020

|                                             | Original<br>Budget | Final<br>Budget | Actual      | Actual Over<br>(Under) Final<br>Budget |
|---------------------------------------------|--------------------|-----------------|-------------|----------------------------------------|
| <b>Revenues</b>                             |                    |                 |             |                                        |
| Intergovernmental -                         |                    |                 |             |                                        |
| State grants                                | \$ 91,448          | \$ 91,448       | \$ 91,448   | \$ -                                   |
| Charges for services                        | 150,000            | 150,000         | 143,085     | (6,915)                                |
| Fines and forfeitures                       | -                  | -               | 4,920       | 4,920                                  |
| <b>Total revenues</b>                       | 241,448            | 241,448         | 239,453     | (1,995)                                |
| <b>Expenditures</b>                         |                    |                 |             |                                        |
| Current -                                   |                    |                 |             |                                        |
| Judicial                                    | 2,099,280          | 2,057,110       | 1,898,501   | (158,609)                              |
| Revenues under expenditures                 | (1,857,832)        | (1,815,662)     | (1,659,048) | 156,614                                |
| <b>Other financing sources (uses)</b>       |                    |                 |             |                                        |
| Transfers in                                | 1,857,832          | 1,857,832       | 1,701,218   | (156,614)                              |
| Transfers out                               | -                  | (42,170)        | (42,170)    | -                                      |
| <b>Total other financing sources (uses)</b> | 1,857,832          | 1,815,662       | 1,659,048   | (156,614)                              |
| <b>Net change in fund balance</b>           | -                  | -               | -           | -                                      |
| Fund balance, beginning of year             | -                  | -               | -           | -                                      |
| <b>Fund balance, end of year</b>            | \$ -               | \$ -            | \$ -        | \$ -                                   |

## CITY OF OAK PARK, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Library Fund  
For the Year Ended June 30, 2020

|                                   | Original<br>Budget | Final<br>Budget   | Actual            | Actual Over<br>(Under) Final<br>Budget |
|-----------------------------------|--------------------|-------------------|-------------------|----------------------------------------|
| <b>Revenues</b>                   |                    |                   |                   |                                        |
| Property taxes                    | \$ 702,349         | \$ 708,449        | \$ 709,896        | \$ 1,447                               |
| Intergovernmental -               |                    |                   |                   |                                        |
| State grants                      | 27,000             | 33,865            | 33,853            | (12)                                   |
| Charges for services              | 12,500             | 10,750            | 10,631            | (119)                                  |
| Fines and forfeitures             | 71,810             | 68,325            | 68,318            | (7)                                    |
| Interest income                   | 7,500              | 9,800             | 11,587            | 1,787                                  |
| Other revenue                     | -                  | 3,810             | 4,447             | 637                                    |
| <b>Total revenues</b>             | <b>821,159</b>     | <b>834,999</b>    | <b>838,732</b>    | <b>3,733</b>                           |
| <b>Expenditures</b>               |                    |                   |                   |                                        |
| Current -                         |                    |                   |                   |                                        |
| Library                           | 767,159            | 791,574           | 562,446           | (229,128)                              |
| Revenues over expenditures        | 54,000             | 43,425            | 276,286           | 232,861                                |
| <b>Other financing uses</b>       |                    |                   |                   |                                        |
| Transfers out                     | (50,000)           | (50,000)          | (50,000)          | -                                      |
| <b>Net change in fund balance</b> | <b>4,000</b>       | <b>(6,575)</b>    | <b>226,286</b>    | <b>232,861</b>                         |
| Fund balance, beginning of year   | 186,557            | 186,557           | 186,557           | -                                      |
| <b>Fund balance, end of year</b>  | <b>\$ 190,557</b>  | <b>\$ 179,982</b> | <b>\$ 412,843</b> | <b>\$ 232,861</b>                      |

## CITY OF OAK PARK, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Mental Health Court Grant Fund

For the Year Ended June 30, 2020

|                                            | Original<br>Budget | Final<br>Budget    | Actual             | Actual Over<br>(Under) Final<br>Budget |
|--------------------------------------------|--------------------|--------------------|--------------------|----------------------------------------|
| <b>Revenues</b>                            |                    |                    |                    |                                        |
| Intergovernmental -<br>State grants        | \$ 120,000         | \$ 120,000         | \$ 155,395         | \$ 35,395                              |
| <b>Expenditures</b>                        |                    |                    |                    |                                        |
| Current -<br>Judicial                      | 120,000            | 120,000            | 117,660            | (2,340)                                |
| <b>Net change in fund balance</b>          | -                  | -                  | 37,735             | 37,735                                 |
| Fund balance (deficit), beginning of year  | (50,288)           | (50,288)           | (50,288)           | -                                      |
| <b>Fund balance (deficit), end of year</b> | <u>\$ (50,288)</u> | <u>\$ (50,288)</u> | <u>\$ (12,553)</u> | <u>\$ 37,735</u>                       |

# CITY OF OAK PARK, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

Debt Service Funds

June 30, 2020

|                                            | 2015<br>Refunding<br>Bond | 2012 Street<br>Refunding<br>Bond | 2010 Municipal<br>Complex<br>Bond | 2011 Library<br>and Recreation<br>Lease | 2020<br>Refunding<br>Bond | Total             |
|--------------------------------------------|---------------------------|----------------------------------|-----------------------------------|-----------------------------------------|---------------------------|-------------------|
| <b>Assets</b>                              |                           |                                  |                                   |                                         |                           |                   |
| Cash and investments                       | \$ 222,076                | \$ 454,354                       | \$ 53,067                         | \$ -                                    | \$ -                      | \$ 729,497        |
| Receivables -                              |                           |                                  |                                   |                                         |                           |                   |
| Accounts                                   | -                         | -                                | -                                 | -                                       | 4,547                     | 4,547             |
| <b>Total assets</b>                        | <u>\$ 222,076</u>         | <u>\$ 454,354</u>                | <u>\$ 53,067</u>                  | <u>\$ -</u>                             | <u>\$ 4,547</u>           | <u>\$ 734,044</u> |
| <b>Liabilities</b>                         |                           |                                  |                                   |                                         |                           |                   |
| Accrued liabilities                        | \$ 13,000                 | \$ 12,000                        | \$ 14,000                         | \$ -                                    | \$ -                      | \$ 39,000         |
| <b>Fund balances</b>                       |                           |                                  |                                   |                                         |                           |                   |
| Restricted                                 | 209,076                   | 442,354                          | 39,067                            | -                                       | 4,547                     | 695,044           |
| <b>Total liabilities and fund balances</b> | <u>\$ 222,076</u>         | <u>\$ 454,354</u>                | <u>\$ 53,067</u>                  | <u>\$ -</u>                             | <u>\$ 4,547</u>           | <u>\$ 734,044</u> |



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# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Debt Service Funds

For the Year Ended June 30, 2020

|                                             | 2015<br>Refunding<br>Bond | 2012 Street<br>Refunding<br>Bond | 2010 Municipal<br>Complex<br>Bond | 2011 Library<br>and Recreation<br>Lease | 2020<br>Refunding<br>Bond | Total             |
|---------------------------------------------|---------------------------|----------------------------------|-----------------------------------|-----------------------------------------|---------------------------|-------------------|
| <b>Revenues</b>                             |                           |                                  |                                   |                                         |                           |                   |
| Property taxes                              | \$ 735,912                | \$ 774,267                       | \$ 827,637                        | \$ -                                    | \$ -                      | \$ 2,337,816      |
| Intergovernmental -                         |                           |                                  |                                   |                                         |                           |                   |
| State grants                                | 3,493                     | 3,773                            | 4,075                             | -                                       | -                         | 11,341            |
| Interest income                             | 12,454                    | 18,863                           | 13,035                            | -                                       | -                         | 44,352            |
| <b>Total revenues</b>                       | <b>751,859</b>            | <b>796,903</b>                   | <b>844,747</b>                    | <b>-</b>                                | <b>-</b>                  | <b>2,393,509</b>  |
| <b>Expenditures</b>                         |                           |                                  |                                   |                                         |                           |                   |
| Debt service:                               |                           |                                  |                                   |                                         |                           |                   |
| Principal                                   | 465,000                   | 610,000                          | 425,000                           | 80,000                                  | -                         | 1,580,000         |
| Interest and fiscal charges                 | 261,978                   | 137,698                          | 420,429                           | 72,048                                  | 186,956                   | 1,079,109         |
| <b>Total expenditures</b>                   | <b>726,978</b>            | <b>747,698</b>                   | <b>845,429</b>                    | <b>152,048</b>                          | <b>186,956</b>            | <b>2,659,109</b>  |
| <b>Revenues over (under) expenditures</b>   | <b>24,881</b>             | <b>49,205</b>                    | <b>(682)</b>                      | <b>(152,048)</b>                        | <b>(186,956)</b>          | <b>(265,600)</b>  |
| <b>Other financing sources (uses)</b>       |                           |                                  |                                   |                                         |                           |                   |
| Issuance of long-term debt                  | -                         | -                                | -                                 | -                                       | 9,145,000                 | 9,145,000         |
| Premium on issuance of long-term debt       | -                         | -                                | -                                 | -                                       | 849,782                   | 849,782           |
| Payments to refund bond escrow agent        | -                         | -                                | (10,023,119)                      | -                                       | -                         | (10,023,119)      |
| Transfers in                                | -                         | -                                | 9,865,850                         | 152,048                                 | -                         | 10,017,898        |
| Transfers out                               | -                         | (62,571)                         | -                                 | -                                       | (9,803,279)               | (9,865,850)       |
| <b>Total other financing sources (uses)</b> | <b>-</b>                  | <b>(62,571)</b>                  | <b>(157,269)</b>                  | <b>152,048</b>                          | <b>191,503</b>            | <b>123,711</b>    |
| <b>Net change in fund balances</b>          | <b>24,881</b>             | <b>(13,366)</b>                  | <b>(157,951)</b>                  | <b>-</b>                                | <b>4,547</b>              | <b>(141,889)</b>  |
| Fund balances, beginning of year            | 184,195                   | 455,720                          | 197,018                           | -                                       | -                         | 836,933           |
| <b>Fund balances, end of year</b>           | <b>\$ 209,076</b>         | <b>\$ 442,354</b>                | <b>\$ 39,067</b>                  | <b>\$ -</b>                             | <b>\$ 4,547</b>           | <b>\$ 695,044</b> |

## CITY OF OAK PARK, MICHIGAN

### Combining Balance Sheet

Nonmajor Governmental Funds

Capital Projects Funds

June 30, 2020

|                                                                                | Public<br>Improvement | City-Owned<br>Property | Sidewalk<br>Program |
|--------------------------------------------------------------------------------|-----------------------|------------------------|---------------------|
| <b>Assets</b>                                                                  |                       |                        |                     |
| Cash and investments                                                           | \$ 367,080            | \$ 318,616             | \$ 223,255          |
| Receivables -                                                                  |                       |                        |                     |
| Special assessments                                                            | -                     | -                      | 14,774              |
| <b>Total assets</b>                                                            | <u>\$ 367,080</u>     | <u>\$ 318,616</u>      | <u>\$ 238,029</u>   |
| <b>Liabilities</b>                                                             |                       |                        |                     |
| Accounts payable                                                               | \$ 49,524             | \$ 15,000              | \$ -                |
| Accrued liabilities                                                            | -                     | -                      | 15,328              |
| <b>Total liabilities</b>                                                       | <u>49,524</u>         | <u>15,000</u>          | <u>15,328</u>       |
| <b>Deferred inflows of resources</b>                                           |                       |                        |                     |
| Unavailable revenue - special assessments                                      | -                     | -                      | 3,018               |
| <b>Fund balances</b>                                                           |                       |                        |                     |
| Restricted                                                                     | -                     | -                      | 219,683             |
| Assigned                                                                       | 317,556               | 303,616                | -                   |
| <b>Total fund balance</b>                                                      | <u>317,556</u>        | <u>303,616</u>         | <u>219,683</u>      |
| <b>Total liabilities, deferred inflows of resources,<br/>and fund balances</b> | <u>\$ 367,080</u>     | <u>\$ 318,616</u>      | <u>\$ 238,029</u>   |

|  |
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|  |
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| Municipal<br>Building<br>Construction | Municipal<br>Complex<br>Construction | Total               |
|---------------------------------------|--------------------------------------|---------------------|
| \$ 458,300                            | \$ 44,558                            | \$ 1,411,809        |
| -                                     | -                                    | 14,774              |
| <u>\$ 458,300</u>                     | <u>\$ 44,558</u>                     | <u>\$ 1,426,583</u> |
| \$ 68,841                             | \$ -                                 | \$ 133,365          |
| -                                     | -                                    | 15,328              |
| <u>68,841</u>                         | <u>-</u>                             | <u>148,693</u>      |
| -                                     | -                                    | 3,018               |
| -                                     | 44,558                               | 264,241             |
| <u>389,459</u>                        | <u>-</u>                             | <u>1,010,631</u>    |
| <u>389,459</u>                        | <u>44,558</u>                        | <u>1,274,872</u>    |
| <u>\$ 458,300</u>                     | <u>\$ 44,558</u>                     | <u>\$ 1,426,583</u> |

## CITY OF OAK PARK, MICHIGAN

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Capital Project Funds

For the Year Ended June 30, 2020

|                                             | Public<br>Improvement | City-Owned<br>Property | Sidewalk<br>Program |
|---------------------------------------------|-----------------------|------------------------|---------------------|
| <b>Revenues</b>                             |                       |                        |                     |
| Special assessments                         | \$ -                  | \$ -                   | \$ 122,149          |
| Fines and forfeitures                       | -                     | -                      | -                   |
| Interest income                             | 8,777                 | 6,246                  | 3,304               |
| Other revenue                               | 163,000               | 148,607                | -                   |
| <b>Total revenues</b>                       | <u>171,777</u>        | <u>154,853</u>         | <u>125,453</u>      |
| <b>Expenditures</b>                         |                       |                        |                     |
| Public works                                | -                     | -                      | 39,606              |
| Community development                       | 165,866               | 15,603                 | -                   |
| <b>Total expenditures</b>                   | <u>165,866</u>        | <u>15,603</u>          | <u>39,606</u>       |
| Revenues over expenditures                  | <u>5,911</u>          | <u>139,250</u>         | <u>85,847</u>       |
| <b>Other financing sources (uses)</b>       |                       |                        |                     |
| Transfers in                                | 3,000                 | -                      | -                   |
| Transfers out                               | (215,000)             | (3,000)                | -                   |
| <b>Total other financing sources (uses)</b> | <u>(212,000)</u>      | <u>(3,000)</u>         | <u>-</u>            |
| <b>Net change in fund balances</b>          | (206,089)             | 136,250                | 85,847              |
| Fund balances, beginning of year            | <u>523,645</u>        | <u>167,366</u>         | <u>133,836</u>      |
| <b>Fund balances, end of year</b>           | <u>\$ 317,556</u>     | <u>\$ 303,616</u>      | <u>\$ 219,683</u>   |



| Municipal<br>Building<br>Construction | Municipal<br>Complex<br>Construction | Total        |
|---------------------------------------|--------------------------------------|--------------|
| \$ -                                  | \$ -                                 | \$ 122,149   |
| 46,282                                | -                                    | 46,282       |
| 8,837                                 | 859                                  | 28,023       |
| 47,367                                | -                                    | 358,974      |
| 102,486                               | 859                                  | 555,428      |
| 89                                    | -                                    | 39,695       |
| -                                     | 9                                    | 181,478      |
| 89                                    | 9                                    | 221,173      |
| 102,397                               | 850                                  | 334,255      |
| -                                     | -                                    | 3,000        |
| -                                     | -                                    | (218,000)    |
| -                                     | -                                    | (215,000)    |
| 102,397                               | 850                                  | 119,255      |
| 287,062                               | 43,708                               | 1,155,617    |
| \$ 389,459                            | \$ 44,558                            | \$ 1,274,872 |

## CITY OF OAK PARK, MICHIGAN

### Combining Statement of Net Position

Internal Service Funds

June 30, 2020

|                                       | Risk<br>Management | Motor Pool          | Retirees<br>Health Care<br>Court | Total               |
|---------------------------------------|--------------------|---------------------|----------------------------------|---------------------|
| <b>Assets</b>                         |                    |                     |                                  |                     |
| Current assets:                       |                    |                     |                                  |                     |
| Cash and investments                  | \$ 292,668         | \$ 114,749          | \$ 25,431                        | \$ 432,848          |
| Prepaid items                         | 19,771             | -                   | 11,995                           | 31,766              |
| Total current assets                  | 312,439            | 114,749             | 37,426                           | 464,614             |
| Noncurrent assets -                   |                    |                     |                                  |                     |
| Capital assets being depreciated, net | -                  | 1,306,639           | -                                | 1,306,639           |
| <b>Total assets</b>                   | <u>312,439</u>     | <u>1,421,388</u>    | <u>37,426</u>                    | <u>1,771,253</u>    |
| <b>Liabilities</b>                    |                    |                     |                                  |                     |
| Current liabilities:                  |                    |                     |                                  |                     |
| Accounts payable                      | -                  | 23,896              | -                                | 23,896              |
| Accrued liabilities                   | -                  | 2,680               | -                                | 2,680               |
| <b>Total liabilities</b>              | <u>-</u>           | <u>26,576</u>       | <u>-</u>                         | <u>26,576</u>       |
| <b>Net position</b>                   |                    |                     |                                  |                     |
| Investment in capital assets          | -                  | 1,306,639           | -                                | 1,306,639           |
| Unrestricted                          | 312,439            | 88,173              | 37,426                           | 438,038             |
| <b>Total net position</b>             | <u>\$ 312,439</u>  | <u>\$ 1,394,812</u> | <u>\$ 37,426</u>                 | <u>\$ 1,744,677</u> |

## CITY OF OAK PARK, MICHIGAN

### Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Internal Service Funds

For the Year Ended June 30, 2020

|                                  | Risk<br>Management | Motor<br>Pool       | Retirees<br>Health Care<br>Court | Total               |
|----------------------------------|--------------------|---------------------|----------------------------------|---------------------|
| <b>Operating revenues</b>        |                    |                     |                                  |                     |
| Charges for services             | \$ 553,662         | \$ 1,102,103        | \$ 87,100                        | \$ 1,742,865        |
| Fines and forfeitures            | -                  | -                   | 143,846                          | 143,846             |
| Other                            | 61,502             | -                   | -                                | 61,502              |
| <b>Total operating revenues</b>  | <u>615,164</u>     | <u>1,102,103</u>    | <u>230,946</u>                   | <u>1,948,213</u>    |
| <b>Operating expenses</b>        |                    |                     |                                  |                     |
| Depreciation                     | -                  | 198,799             | -                                | 198,799             |
| Wages and benefits               | 231,809            | 97,259              | 206,433                          | 535,501             |
| Insurance                        | 386,842            | -                   | -                                | 386,842             |
| Gasoline                         | -                  | 129,546             | -                                | 129,546             |
| Professional services            | 41                 | 72,427              | -                                | 72,468              |
| Supplies                         | -                  | 157,621             | -                                | 157,621             |
| <b>Total operating expenses</b>  | <u>618,692</u>     | <u>655,652</u>      | <u>206,433</u>                   | <u>1,480,777</u>    |
| Operating income (loss)          | (3,528)            | 446,451             | 24,513                           | 467,436             |
| <b>Nonoperating revenues</b>     |                    |                     |                                  |                     |
| Interest income                  | <u>3,528</u>       | <u>362</u>          | <u>561</u>                       | <u>4,451</u>        |
| <b>Change in net position</b>    | -                  | 446,813             | 25,074                           | 471,887             |
| Net position, beginning of year  | <u>312,439</u>     | <u>947,999</u>      | <u>12,352</u>                    | <u>1,272,790</u>    |
| <b>Net position, end of year</b> | <u>\$ 312,439</u>  | <u>\$ 1,394,812</u> | <u>\$ 37,426</u>                 | <u>\$ 1,744,677</u> |



# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2020

|                                                                                                      | Risk<br>Management | Motor Pool        | Retirees<br>Health Care<br>Court | Total             |
|------------------------------------------------------------------------------------------------------|--------------------|-------------------|----------------------------------|-------------------|
| <b>Cash flows from operating activities</b>                                                          |                    |                   |                                  |                   |
| Receipts from interfund services                                                                     | \$ 581,723         | \$ 1,102,103      | \$ 87,100                        | \$ 1,770,926      |
| Miscellaneous receipts                                                                               | 61,502             | -                 | 143,846                          | 205,348           |
| Payments to suppliers                                                                                | (360,509)          | (370,506)         | -                                | (731,015)         |
| Payments to employees                                                                                | (231,809)          | (96,684)          | (206,076)                        | (534,569)         |
| <b>Net cash provided by operating activities</b>                                                     | 50,907             | 634,913           | 24,870                           | 710,690           |
| <b>Cash flows from capital<br/>and related financing activities</b>                                  |                    |                   |                                  |                   |
| Purchases of capital assets                                                                          | -                  | (566,069)         | -                                | (566,069)         |
| <b>Cash flows from investing activities</b>                                                          |                    |                   |                                  |                   |
| Interest and dividends                                                                               | 3,528              | 362               | 561                              | 4,451             |
| <b>Net change in cash and investments</b>                                                            | 54,435             | 69,206            | 25,431                           | 149,072           |
| Cash and investments, beginning of year                                                              | 238,233            | 45,543            | -                                | 283,776           |
| <b>Cash and investments, end of year</b>                                                             | <u>\$ 292,668</u>  | <u>\$ 114,749</u> | <u>\$ 25,431</u>                 | <u>\$ 432,848</u> |
| <b>Reconciliation of operating income (loss) to net<br/>cash provided by operating activities:</b>   |                    |                   |                                  |                   |
| Operating income (loss)                                                                              | \$ (3,528)         | \$ 446,451        | \$ 24,513                        | \$ 467,436        |
| Adjustments to reconcile operating<br>income (loss) to net cash provided by<br>operating activities: |                    |                   |                                  |                   |
| Depreciation expense                                                                                 | -                  | 198,799           | -                                | 198,799           |
| Change in assets and liabilities:                                                                    |                    |                   |                                  |                   |
| Accounts receivable                                                                                  | 28,061             | -                 | -                                | 28,061            |
| Prepaid items                                                                                        | 26,374             | -                 | 474                              | 26,848            |
| Accounts payable                                                                                     | -                  | (10,912)          | (117)                            | (11,029)          |
| Accrued liabilities                                                                                  | -                  | 575               | -                                | 575               |
| <b>Net cash provided by operating activities</b>                                                     | <u>\$ 50,907</u>   | <u>\$ 634,913</u> | <u>\$ 24,870</u>                 | <u>\$ 710,690</u> |

## CITY OF OAK PARK, MICHIGAN

### Combining Statement of Fiduciary Assets and Liabilities

Agency Funds

June 30, 2020

|                            | Payroll<br>Fund  | Escrow<br>Fund    | Tax<br>Fund      | Agency<br>Fund | Total<br>Agency<br>Funds |
|----------------------------|------------------|-------------------|------------------|----------------|--------------------------|
| <b>Assets</b>              |                  |                   |                  |                |                          |
| Cash and cash equivalents  | \$ 28,088        | \$ 763,823        | \$ -             | \$ 914         | \$ 792,825               |
| Due from other governments | -                | -                 | 29,223           | -              | 29,223                   |
| <b>Total assets</b>        | <u>\$ 28,088</u> | <u>\$ 763,823</u> | <u>\$ 29,223</u> | <u>\$ 914</u>  | <u>\$ 822,048</u>        |
| <b>Liabilities</b>         |                  |                   |                  |                |                          |
| Undistributed receipts     | <u>\$ 28,088</u> | <u>\$ 763,823</u> | <u>\$ 29,223</u> | <u>\$ 914</u>  | <u>\$ 822,048</u>        |

# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2020

|                            | Balance<br>June 30,<br>2019 | Additions     | Deductions      | Balance<br>June 30,<br>2020 |
|----------------------------|-----------------------------|---------------|-----------------|-----------------------------|
| <b>Payroll Fund</b>        |                             |               |                 |                             |
| <b>Assets</b>              |                             |               |                 |                             |
| Cash and cash equivalents  | \$ 30,479                   | \$ 11,593,662 | \$ (11,596,053) | \$ 28,088                   |
| <b>Liabilities</b>         |                             |               |                 |                             |
| Undistributed receipts     | \$ 30,479                   | \$ 11,593,662 | \$ (11,596,053) | \$ 28,088                   |
| <b>Escrow Fund</b>         |                             |               |                 |                             |
| <b>Assets</b>              |                             |               |                 |                             |
| Cash and cash equivalents  | \$ 836,255                  | \$ 255,778    | \$ (328,210)    | \$ 763,823                  |
| <b>Liabilities</b>         |                             |               |                 |                             |
| Undistributed receipts     | \$ 836,255                  | \$ 255,778    | \$ (328,210)    | \$ 763,823                  |
| <b>Tax Fund</b>            |                             |               |                 |                             |
| <b>Assets</b>              |                             |               |                 |                             |
| Cash and cash equivalents  | \$ 132,003                  | \$ 16,100,223 | \$ (16,232,226) | \$ -                        |
| Due from other governments | 18,373                      | 20,786        | (9,936)         | 29,223                      |
| <b>Total assets</b>        | \$ 150,376                  | \$ 16,121,009 | \$ (16,242,162) | \$ 29,223                   |
| <b>Liabilities</b>         |                             |               |                 |                             |
| Undistributed receipts     | \$ 150,376                  | \$ 16,121,009 | \$ (16,242,162) | \$ 29,223                   |
| <b>Agency Fund</b>         |                             |               |                 |                             |
| <b>Assets</b>              |                             |               |                 |                             |
| Cash and cash equivalents  | \$ -                        | \$ 30,008,122 | \$ (30,007,208) | \$ 914                      |
| <b>Liabilities</b>         |                             |               |                 |                             |
| Undistributed receipts     | \$ -                        | \$ 30,008,122 | \$ (30,007,208) | \$ 914                      |

continued...

## CITY OF OAK PARK, MICHIGAN

### Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2020

|                               | Balance<br>June 30,<br>2019 | Additions            | Deductions             | Balance<br>June 30,<br>2020 |
|-------------------------------|-----------------------------|----------------------|------------------------|-----------------------------|
| <b>Total All Agency Funds</b> |                             |                      |                        |                             |
| <b>Assets</b>                 |                             |                      |                        |                             |
| Cash and cash equivalents     | \$ 998,737                  | \$ 57,957,785        | \$ (58,163,697)        | \$ 792,825                  |
| Due from other governments    | 18,373                      | 20,786               | (9,936)                | 29,223                      |
| <b>Total assets</b>           | <u>\$ 1,017,110</u>         | <u>\$ 57,978,571</u> | <u>\$ (58,173,633)</u> | <u>\$ 822,048</u>           |
| <b>Liabilities</b>            |                             |                      |                        |                             |
| Undistributed receipts        | <u>\$ 1,017,110</u>         | <u>\$ 57,978,571</u> | <u>\$ (58,173,633)</u> | <u>\$ 822,048</u>           |

concluded.

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## **STATISTICAL SECTION**

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## CITY OF OAK PARK, MICHIGAN

### Statistical Section Table of Contents

This part of the City of Oak Park's (the "City") comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

|                                             | <b><u>Page</u></b>                                                                                                                                                                                                             |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial Trends</b>                     | These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 146                                                                        |
| <b>Revenue Capacity</b>                     | These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. 156                                                                                          |
| <b>Debt Capacity</b>                        | These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 162                            |
| <b>Demographic and Economic Information</b> | These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 167                                                           |
| <b>Operating Information</b>                | 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. 174 |

Sources: Unless otherwise noted, the information in these schedules are derived from the annual financial reports for the applicable year.



## CITY OF OAK PARK, MICHIGAN

### Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

|                                       | 2011                 | 2012                 | 2013                 | 2014                  | 2015                   |
|---------------------------------------|----------------------|----------------------|----------------------|-----------------------|------------------------|
| <b>Governmental activities</b>        |                      |                      |                      |                       |                        |
| Net investment in capital assets      | \$ 2,076,411         | \$ 1,805,028         | \$ 13,132,212        | \$ 14,247,686         | \$ 14,000,594          |
| Restricted                            | 16,892,886           | 16,169,292           | 6,911,104            | 4,887,899             | 4,317,193              |
| Unrestricted (deficit)                | (7,479,222)          | (12,720,940)         | (18,447,947)         | (20,223,425)          | (68,221,764)           |
| <b>Total governmental activities</b>  | <u>\$ 11,490,075</u> | <u>\$ 5,253,380</u>  | <u>\$ 1,595,369</u>  | <u>\$ (1,087,840)</u> | <u>\$ (49,903,977)</u> |
| <b>Business-type activities</b>       |                      |                      |                      |                       |                        |
| Net investment in capital assets      | \$ 17,689,440        | \$ 15,566,968        | \$ 16,175,706        | \$ 16,773,566         | \$ 17,818,784          |
| Unrestricted                          | 1,623,541            | 4,345,077            | 4,653,218            | 6,175,448             | 733,114                |
| <b>Total business-type activities</b> | <u>\$ 19,312,981</u> | <u>\$ 19,912,045</u> | <u>\$ 20,828,924</u> | <u>\$ 22,949,014</u>  | <u>\$ 18,551,898</u>   |
| <b>Primary government</b>             |                      |                      |                      |                       |                        |
| Net investment in capital assets      | \$ 19,765,851        | \$ 17,371,996        | \$ 29,307,918        | \$ 31,021,252         | \$ 31,819,378          |
| Restricted                            | 16,892,886           | 16,169,292           | 6,911,104            | 4,887,899             | 4,317,193              |
| Unrestricted (deficit)                | (5,855,681)          | (8,375,863)          | (13,794,729)         | (14,047,977)          | (67,488,650)           |
| <b>Total primary government</b>       | <u>\$ 30,803,056</u> | <u>\$ 25,165,425</u> | <u>\$ 22,424,293</u> | <u>\$ 21,861,174</u>  | <u>\$ (31,352,079)</u> |

Source: City's annual financial statements

Note: GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015. This resulted in presentation of the City's net pension liability on the statement of net position. Prior years were not restated.

Note: GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2018. This resulted in presentation of the City's net pension liability on the statement of net position. Prior years were not restated.

Schedule 1  
Unaudited

| 2016                   | 2017                   | 2018                   | 2019                    | 2020                   |
|------------------------|------------------------|------------------------|-------------------------|------------------------|
| \$ 15,052,182          | \$ 16,080,881          | \$ 15,026,750          | \$ 16,135,780           | \$ 18,246,707          |
| 4,464,360              | 3,372,538              | 4,388,861              | 5,915,132               | 5,711,679              |
| (66,961,297)           | (62,472,772)           | (115,747,281)          | (125,598,845)           | (115,166,123)          |
| <u>\$ (47,444,755)</u> | <u>\$ (43,019,353)</u> | <u>\$ (96,331,670)</u> | <u>\$ (103,547,933)</u> | <u>\$ (91,207,737)</u> |
|                        |                        |                        |                         |                        |
| \$ 19,700,636          | \$ 20,845,966          | \$ 22,094,929          | \$ 23,682,823           | \$ 25,860,979          |
| (1,894,698)            | (1,633,533)            | (9,270,130)            | (9,299,373)             | (7,280,295)            |
| <u>\$ 17,805,938</u>   | <u>\$ 19,212,433</u>   | <u>\$ 12,824,799</u>   | <u>\$ 14,383,450</u>    | <u>\$ 18,580,684</u>   |
|                        |                        |                        |                         |                        |
| \$ 34,752,818          | \$ 36,926,847          | \$ 37,121,679          | \$ 39,818,603           | \$ 44,107,686          |
| 4,464,360              | 3,372,538              | 4,388,861              | 5,915,132               | 5,711,679              |
| (68,855,995)           | (64,106,305)           | (125,017,411)          | (134,898,218)           | (122,446,418)          |
| <u>\$ (29,638,817)</u> | <u>\$ (23,806,920)</u> | <u>\$ (83,506,871)</u> | <u>\$ (89,164,483)</u>  | <u>\$ (72,627,053)</u> |

# CITY OF OAK PARK, MICHIGAN

## Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

|                                           | 2011         | 2012         | 2013         | 2014         | 2015         |
|-------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Expenses</b>                           |              |              |              |              |              |
| Governmental activities:                  |              |              |              |              |              |
| General government                        | \$ 5,175,795 | \$ 7,507,151 | \$ 7,899,791 | \$ 6,824,175 | \$ 3,064,969 |
| Judicial                                  | 2,438,608    | 2,536,686    | 2,128,180    | 1,976,211    | 1,944,235    |
| Public safety                             | 11,807,208   | 10,268,074   | 2,653,492    | 9,525,007    | 3,497,663    |
| Road maintenance and repair               | 3,773,388    | 3,557,279    | 3,209,098    | 4,098,970    | 4,702,539    |
| Public works                              | 1,468,111    | 960,745      | 2,402,385    | 1,744,556    | 1,141,585    |
| Health and sanitation                     | 1,938,016    | 2,079,476    | 1,983,105    | 2,268,966    | 3,023,012    |
| Culture and recreation                    | 1,257,593    | 966,087      | 1,470,915    | 827,531      | 572,947      |
| Library                                   | 904,488      | 945,653      | 762,658      | 696,640      | 702,648      |
| Community development                     | 1,889,763    | 981,099      | 5,242,607    | 1,161,136    | 384,815      |
| Interest on long-term debt                | 1,211,375    | 1,563,087    | 1,501,533    | 1,170,026    | 1,192,125    |
| Total governmental activities             | 31,864,345   | 31,365,337   | 29,253,764   | 30,293,218   | 20,226,538   |
| Business-type activities:                 |              |              |              |              |              |
| Water and sewer                           | 8,721,512    | 9,517,443    | 10,147,814   | 9,447,898    | 8,242,405    |
| Total primary government expenses         | 40,585,857   | 40,882,780   | 39,401,578   | 39,741,116   | 28,468,943   |
| <b>Program revenues</b>                   |              |              |              |              |              |
| Governmental activities:                  |              |              |              |              |              |
| Charges for services:                     |              |              |              |              |              |
| General government                        | 491,946      | 2,969,159    | 3,623,194    | 2,930,627    | 4,171,972    |
| Judicial                                  | 620,549      | 185,301      | -            | 148,221      | 184,028      |
| Public safety                             | 1,436,686    | 46,635       | 50,257       | 41,518       | 40,237       |
| Road maintenance and repair               | -            | 148,312      | 125,599      | 251,972      | 131,194      |
| Public works                              | 399,625      | 294,580      | 459,765      | 288,447      | 733,485      |
| Health and sanitation                     | 835,541      | 1,101,773    | 1,141,929    | 1,149,094    | 1,245,819    |
| Culture and recreation                    | 433,396      | -            | -            | -            | -            |
| Library                                   | 18,475       | 11,436       | 17,684       | 144,126      | 22,380       |
| Community development                     | 94,507       | 365          | -            | 21,680       | -            |
| Operating grants and contributions        | 3,801,612    | 2,599,832    | 2,273,132    | 2,241,178    | 2,406,046    |
| Capital grants and contributions          | -            | 893          | -            | 1,750        | 561,703      |
| Total governmental activities             | 8,132,337    | 7,358,286    | 7,691,560    | 7,218,613    | 9,496,864    |
| Business-type activities:                 |              |              |              |              |              |
| Charges for services:                     |              |              |              |              |              |
| Water and sewer                           | 10,676,880   | 10,726,423   | 10,985,124   | 11,550,673   | 11,706,574   |
| Operating grants and contributions        | -            | -            | -            | -            | -            |
| Total business-type activities            | 10,676,880   | 10,726,423   | 10,985,124   | 11,550,673   | 11,706,574   |
| Total primary government program revenues | 18,809,217   | 18,084,709   | 18,676,684   | 18,769,286   | 21,203,438   |
| <b>Net (expense)/revenue</b>              |              |              |              |              |              |
| Government activities                     | (23,732,008) | (24,007,051) | (21,562,204) | (23,074,605) | (10,729,674) |
| Business-type activities                  | 1,955,368    | 1,208,980    | 837,310      | 2,102,775    | 3,464,169    |
| Total primary government net expense      | (21,776,640) | (22,798,071) | (20,724,894) | (20,971,830) | (7,265,505)  |

Schedule 2  
Unaudited

| 2016         | 2017         | 2018         | 2019         | 2020         |
|--------------|--------------|--------------|--------------|--------------|
| \$ 9,940,652 | \$ 4,078,708 | \$ 8,428,726 | \$ 9,878,893 | \$ 3,711,686 |
| 2,280,899    | 2,000,064    | 3,312,598    | 3,067,582    | 596,073      |
| 7,401,142    | 9,299,317    | 16,032,718   | 16,498,401   | 11,825,375   |
| 3,125,342    | 3,145,293    | 2,599,451    | 973,456      | 3,947,631    |
| 2,837,202    | 1,516,904    | 2,047,753    | 3,792,312    | (3,355,639)  |
| 280,850      | 2,498,707    | 2,726,238    | 2,772,595    | 2,800,210    |
| 475,963      | 658,582      | 903,615      | 844,486      | (209,601)    |
| 661,836      | 821,249      | 962,330      | 946,003      | (31,194)     |
| 601,863      | 444,575      | 709,763      | 624,666      | (678,663)    |
| 1,076,838    | 1,076,246    | 921,950      | 878,483      | 742,654      |
| 28,682,587   | 25,539,645   | 38,645,142   | 40,276,877   | 19,348,532   |
| 11,841,571   | 9,972,023    | 11,182,425   | 12,282,252   | 10,263,283   |
| 40,524,158   | 35,511,668   | 49,827,567   | 52,559,129   | 29,611,815   |
| 4,357,345    | 3,436,647    | 4,414,603    | 4,284,570    | 3,391,331    |
| 210,220      | 178,908      | 191,037      | 432,860      | 155,315      |
| 58,596       | 55,402       | 66,021       | 31,195       | 40,477       |
| 154,627      | 219,892      | 191,986      | 199,119      | 355,285      |
| 480,086      | 567,170      | 532,062      | 443,549      | 215,798      |
| 1,311,457    | 1,357,366    | 1,462,305    | 1,604,897    | 1,590,085    |
| -            | -            | -            | -            | -            |
| 24,974       | 25,386       | 32,511       | 28,274       | 20,773       |
| -            | -            | -            | -            | -            |
| 2,690,345    | 2,452,723    | 3,096,285    | 3,624,651    | 3,620,442    |
| 100,150      | 422,628      | 44,438       | 58,760       | 13,394       |
| 9,387,800    | 8,716,122    | 10,031,248   | 10,707,875   | 9,402,900    |
| 10,984,177   | 11,353,474   | 12,356,387   | 13,338,756   | 14,365,681   |
| -            | -            | 90,817       | 408,736      | -            |
| 10,984,177   | 11,353,474   | 12,447,204   | 13,747,492   | 14,365,681   |
| 20,371,977   | 20,069,596   | 22,478,452   | 24,455,367   | 23,768,581   |
| (19,294,787) | (16,823,523) | (28,613,894) | (29,569,002) | (9,945,632)  |
| (857,394)    | 1,381,451    | 1,264,779    | 1,465,240    | 4,102,398    |
| (20,152,181) | (15,442,072) | (27,349,115) | (28,103,762) | (5,843,234)  |

continued...

## CITY OF OAK PARK, MICHIGAN

### Changes in Net Position

Last Ten Years

(accrual basis of accounting)

|                                | 2011                  | 2012                  | 2013                  | 2014                | 2015                 |
|--------------------------------|-----------------------|-----------------------|-----------------------|---------------------|----------------------|
| <b>General revenues</b>        |                       |                       |                       |                     |                      |
| Governmental activities:       |                       |                       |                       |                     |                      |
| Property taxes                 | \$ 15,762,619         | \$ 15,222,837         | \$ 14,067,560         | \$ 16,466,311       | \$ 16,326,336        |
| State shared revenues          | 3,438,471             | 2,937,911             | 3,040,964             | 3,134,336           | 3,197,425            |
| Franchise fees                 | 701,558               | 714,074               | 794,287               | 757,237             | 712,120              |
| Investment earnings            | 60,045                | 60,524                | 51,382                | 33,512              | 48,071               |
| Miscellaneous                  | (8,173)               | -                     | -                     | -                   | -                    |
| Transfers                      | (50,000)              | (50,000)              | (50,000)              | -                   | -                    |
| Total governmental activities  | <u>19,904,520</u>     | <u>18,885,346</u>     | <u>17,904,193</u>     | <u>20,391,396</u>   | <u>20,283,952</u>    |
| Business-type activities:      |                       |                       |                       |                     |                      |
| Investment earnings            | 24,277                | 156                   | 29,569                | 17,315              | 16,381               |
| Other                          | -                     | -                     | -                     | -                   | -                    |
| Transfers                      | 50,000                | 50,000                | 50,000                | -                   | -                    |
| Special item                   | -                     | -                     | -                     | -                   | -                    |
| Total business-type activities | <u>74,277</u>         | <u>50,156</u>         | <u>79,569</u>         | <u>17,315</u>       | <u>16,381</u>        |
| Total primary government       | <u>19,978,797</u>     | <u>18,935,502</u>     | <u>17,983,762</u>     | <u>20,408,711</u>   | <u>20,300,333</u>    |
| <b>Change in net position</b>  |                       |                       |                       |                     |                      |
| Governmental activities        | (3,827,488)           | (5,121,705)           | (3,658,011)           | (2,683,209)         | 9,554,278            |
| Business-type activities       | <u>2,029,645</u>      | <u>1,259,136</u>      | <u>916,879</u>        | <u>2,120,090</u>    | <u>3,480,550</u>     |
| Total primary government       | <u>\$ (1,797,843)</u> | <u>\$ (3,862,569)</u> | <u>\$ (2,741,132)</u> | <u>\$ (563,119)</u> | <u>\$ 13,034,828</u> |

Source: City's annual financial statements

Schedule 2  
Unaudited

| 2016                | 2017                | 2018                  | 2019                  | 2020                 |
|---------------------|---------------------|-----------------------|-----------------------|----------------------|
| \$ 17,549,447       | \$ 17,133,346       | \$ 16,340,124         | \$ 17,639,267         | \$ 17,806,967        |
| 3,288,744           | 3,329,476           | 3,556,332             | 3,611,586             | 3,460,549            |
| 717,762             | 683,781             | 642,949               | 631,787               | 616,572              |
| 248,056             | 102,322             | 120,820               | 470,099               | 401,740              |
| -                   | -                   | -                     | -                     | -                    |
| (50,000)            | -                   | -                     | -                     | -                    |
| <u>21,754,009</u>   | <u>21,248,925</u>   | <u>20,660,225</u>     | <u>22,352,739</u>     | <u>22,285,828</u>    |
| 61,434              | 25,044              | 23,870                | 83,894                | 68,629               |
| -                   | -                   | 6,731                 | 9,517                 | 26,207               |
| 50,000              | -                   | -                     | -                     | -                    |
| -                   | -                   | (2,850,000)           | -                     | -                    |
| <u>111,434</u>      | <u>25,044</u>       | <u>(2,819,399)</u>    | <u>93,411</u>         | <u>94,836</u>        |
| <u>21,865,443</u>   | <u>21,273,969</u>   | <u>17,840,826</u>     | <u>22,446,150</u>     | <u>22,380,664</u>    |
| 2,459,222           | 4,425,402           | (7,953,669)           | (7,216,263)           | 12,340,196           |
| <u>(745,960)</u>    | <u>1,406,495</u>    | <u>(1,554,620)</u>    | <u>1,558,651</u>      | <u>4,197,234</u>     |
| <u>\$ 1,713,262</u> | <u>\$ 5,831,897</u> | <u>\$ (9,508,289)</u> | <u>\$ (5,657,612)</u> | <u>\$ 16,537,430</u> |

concluded.

## CITY OF OAK PARK, MICHIGAN

### Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

|                                           | 2011                 | 2012                 | 2013                 | 2014                | 2015                |
|-------------------------------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
| <b>General fund</b>                       |                      |                      |                      |                     |                     |
| Nonspendable                              | \$ 234,242           | \$ 245,037           | \$ 198,853           | \$ 387,059          | \$ 597,521          |
| Unassigned                                | 1,514,649            | 312,162              | 1,802,454            | 2,973,036           | 2,833,231           |
| <b>Total general fund</b>                 | <u>1,748,891</u>     | <u>557,199</u>       | <u>2,001,307</u>     | <u>3,360,095</u>    | <u>3,430,752</u>    |
| <b>All other governmental funds</b>       |                      |                      |                      |                     |                     |
| Nonspendable                              | 25,396               | 22,815               | 16,255               | 702                 | 246                 |
| Restricted                                | 17,436,759           | 16,146,559           | 6,956,543            | 4,887,899           | 4,317,193           |
| Assigned                                  | 1,082,319            | 1,413,109            | 1,642,112            | 1,419,099           | 2,002,675           |
| Unassigned (deficit)                      | -                    | -                    | -                    | (7,869)             | (23,840)            |
| <b>Total all other governmental funds</b> | <u>18,544,474</u>    | <u>17,582,483</u>    | <u>8,614,910</u>     | <u>6,299,831</u>    | <u>6,296,274</u>    |
| <b>Total all governmental funds</b>       | <u>\$ 20,293,365</u> | <u>\$ 18,139,682</u> | <u>\$ 10,616,217</u> | <u>\$ 9,659,926</u> | <u>\$ 9,727,026</u> |

Source: City's annual financial statements

Schedule 3  
Unaudited

|  |
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| 2016          | 2017         | 2018          | 2019          | 2020          |
|---------------|--------------|---------------|---------------|---------------|
| \$ 482,475    | \$ 440,141   | \$ 422,560    | \$ 521,922    | \$ 476,775    |
| 3,196,719     | 3,413,925    | 3,472,254     | 3,847,361     | 3,868,765     |
| 3,679,194     | 3,854,066    | 3,894,814     | 4,369,283     | 4,345,540     |
| 1,842         | 461          | 61            | 37            | 82            |
| 4,585,574     | 3,632,049    | 4,640,051     | 6,158,607     | 5,580,415     |
| 1,907,456     | 1,944,357    | 2,083,209     | 1,050,237     | 1,309,481     |
| (28,218)      | (232,266)    | (52,691)      | (56,161)      | (13,525)      |
| 6,466,654     | 5,344,601    | 6,670,630     | 7,152,720     | 6,876,453     |
| \$ 10,145,848 | \$ 9,198,667 | \$ 10,565,444 | \$ 11,522,003 | \$ 11,221,993 |



# CITY OF OAK PARK, MICHIGAN

## Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

|                                                          | 2011                 | 2012                  | 2013                  | 2014                | 2015              |
|----------------------------------------------------------|----------------------|-----------------------|-----------------------|---------------------|-------------------|
| <b>Revenues</b>                                          |                      |                       |                       |                     |                   |
| Property taxes                                           | \$ 15,793,548        | \$ 14,806,367         | \$ 14,486,295         | \$ 16,422,482       | \$ 16,292,076     |
| Special assessments                                      | 468,193              | 213,990               | 392,523               | 133,052             | 525,492           |
| Licenses and permits                                     | 324,819              | 410,216               | 376,502               | 363,301             | 546,585           |
| Intergovernmental                                        | 7,061,634            | 5,498,001             | 5,274,629             | 5,336,577           | 6,121,119         |
| Charges for services                                     | 1,571,672            | 2,084,989             | 1,922,419             | 2,188,756           | 2,857,318         |
| Fines and forfeitures                                    | 1,864,326            | 1,939,928             | 1,786,713             | 1,803,694           | 2,056,122         |
| Franchise fees                                           | -                    | -                     | -                     | -                   | -                 |
| Interest income                                          | 122,813              | 59,080                | 50,674                | 33,146              | 47,385            |
| Other                                                    | 917,993              | 909,167               | 1,815,024             | 1,284,806           | 1,299,773         |
| <b>Total revenues</b>                                    | <b>28,124,998</b>    | <b>25,921,738</b>     | <b>26,104,779</b>     | <b>27,565,814</b>   | <b>29,745,870</b> |
| <b>Expenditures</b>                                      |                      |                       |                       |                     |                   |
| General government                                       | 3,862,062            | 4,020,488             | 3,708,268             | 3,284,804           | 3,613,552         |
| Judicial                                                 | 2,060,494            | 2,068,527             | 1,670,645             | 1,946,216           | 1,950,499         |
| Public safety                                            | 9,444,711            | 8,463,849             | 6,829,039             | 5,557,392           | 8,447,856         |
| Road maintenance and repair                              | 1,510,941            | 1,175,485             | 1,282,793             | 1,753,709           | 1,756,810         |
| Public works                                             | 2,056,929            | 2,153,619             | 2,253,710             | 2,970,801           | 3,616,070         |
| Health and sanitation                                    | -                    | -                     | -                     | -                   | -                 |
| Recreation and culture                                   | 918,526              | 866,830               | 600,876               | 591,912             | 570,403           |
| Library                                                  | 668,867              | 3,293,302             | 702,671               | 727,789             | 738,863           |
| Community development                                    | 1,611,291            | 815,551               | 549,543               | 600,913             | 593,951           |
| Nondepartmental                                          | 2,735,439            | 2,804,481             | 2,691,078             | 5,214,184           | 3,944,438         |
| Debt service:                                            |                      |                       |                       |                     |                   |
| Principal                                                | 1,295,000            | 1,420,000             | 1,230,000             | 1,360,000           | 1,400,000         |
| Interest                                                 | 1,207,578            | 1,440,644             | 1,493,206             | 1,211,564           | 1,175,121         |
| Bond issuance costs                                      | -                    | -                     | 64,220                | -                   | -                 |
| Prior year tax refunds                                   | -                    | 11,131                | 648,227               | 109,740             | 382,611           |
| Capital outlay                                           | 1,338,008            | 883,378               | 9,812,695             | 3,193,081           | 1,161,178         |
| <b>Total expenditures</b>                                | <b>28,709,846</b>    | <b>29,417,285</b>     | <b>33,536,971</b>     | <b>28,522,105</b>   | <b>29,351,352</b> |
| <b>Revenues over (under) expenditures</b>                | <b>(584,848)</b>     | <b>(3,495,547)</b>    | <b>(7,432,192)</b>    | <b>(956,291)</b>    | <b>394,518</b>    |
| <b>Other financing sources (uses)</b>                    |                      |                       |                       |                     |                   |
| Issuance of long-term debt                               | 13,326,647           | -                     | 9,150,000             | -                   | -                 |
| Premium on issuance of long-term debt                    | -                    | -                     | 160,579               | -                   | -                 |
| Payment to refund bond escrow agent                      | -                    | -                     | (9,160,000)           | -                   | -                 |
| Issuance of capital lease                                | -                    | 2,500,000             | -                     | -                   | -                 |
| Transfers in                                             | 2,476,424            | 2,919,289             | 11,704,946            | 2,695,253           | 2,153,584         |
| Transfers out                                            | (2,526,424)          | (2,969,289)           | (11,939,946)          | (2,695,253)         | (2,153,584)       |
| <b>Total other financing sources (uses)</b>              | <b>13,276,647</b>    | <b>2,450,000</b>      | <b>(84,421)</b>       | <b>-</b>            | <b>-</b>          |
| <b>Net changes in fund balances</b>                      | <b>\$ 12,691,799</b> | <b>\$ (1,045,547)</b> | <b>\$ (7,516,613)</b> | <b>\$ (956,291)</b> | <b>\$ 394,518</b> |
| Debt services as a percentage of noncapital expenditures | 9.14%                | 10.03%                | 11.61%                | 10.54%              | 9.15%             |

Source: City's annual financial statements

Schedule 4  
Unaudited

| 2016          | 2017          | 2018          | 2019          | 2020          |
|---------------|---------------|---------------|---------------|---------------|
| \$ 16,997,519 | \$ 17,239,139 | \$ 16,750,759 | \$ 17,655,106 | \$ 17,947,906 |
| 334,150       | 531,443       | 526,728       | 476,592       | 244,759       |
| 633,468       | 516,630       | 688,406       | 704,039       | 650,884       |
| 6,008,506     | 6,142,814     | 6,586,789     | 7,233,687     | 7,073,498     |
| 2,499,661     | 2,094,312     | 2,229,414     | 2,359,400     | 2,169,865     |
| 2,200,334     | 1,986,362     | 2,334,141     | 2,560,104     | 1,666,985     |
| -             | -             | -             | -             | 616,572       |
| 244,144       | 100,369       | 120,111       | 464,757       | 397,289       |
| 1,682,787     | 1,408,372     | 1,806,222     | 1,624,121     | 1,085,279     |
| 30,600,569    | 30,019,441    | 31,042,570    | 33,077,806    | 31,853,037    |
| 3,562,498     | 4,007,155     | 3,498,671     | 3,406,565     | 3,603,050     |
| 2,384,920     | 2,099,767     | 2,169,253     | 2,601,590     | 2,361,940     |
| 8,771,838     | 9,391,416     | 10,236,280    | 10,799,893    | 11,148,719    |
| 2,161,235     | 3,818,001     | 2,184,807     | 1,896,223     | 4,016,353     |
| 3,092,354     | 791,087       | 757,240       | 800,981       | 1,067,710     |
| -             | 2,498,707     | 2,726,238     | 2,772,595     | 2,800,210     |
| 544,721       | 656,008       | 666,885       | 578,873       | 544,031       |
| 766,733       | 827,630       | 805,382       | 762,488       | 562,446       |
| 677,202       | 520,597       | 619,909       | 455,738       | 453,959       |
| 4,681,648     | 3,069,226     | 3,396,046     | 3,905,535     | 2,907,183     |
| 1,641,000     | 1,455,000     | 1,495,000     | 1,540,000     | 1,580,000     |
| 1,425,436     | 1,022,022     | 980,695       | 937,498       | 1,079,109     |
| -             | -             | -             | -             | -             |
| -             | -             | -             | -             | -             |
| 755,044       | 810,006       | 134,188       | 1,663,268     | -             |
| 30,464,629    | 30,966,622    | 29,670,594    | 32,121,247    | 32,124,710    |
| 135,940       | (947,181)     | 1,371,976     | 956,559       | (271,673)     |
| 7,825,000     | -             | -             | -             | 9,145,000     |
| 796,882       | -             | -             | -             | 849,782       |
| (8,289,000)   | -             | -             | -             | (10,023,119)  |
| -             | -             | -             | -             | -             |
| 11,107,393    | 2,125,068     | 2,568,991     | 2,459,079     | 12,674,286    |
| (11,157,393)  | (2,125,068)   | (2,568,991)   | (2,459,079)   | (12,674,286)  |
| 282,882       | -             | -             | -             | (28,337)      |
| \$ 418,822    | \$ (947,181)  | \$ 1,371,976  | \$ 956,559    | \$ (300,010)  |
| 10.58%        | 9.09%         | 8.45%         | 7.71%         | 9.14%         |

## CITY OF OAK PARK, MICHIGAN

### Taxable and Estimated Actual Value of Property

Last Ten Fiscal Years

| Year Ended<br>June 30, | Real Property           |                        |                        | Personal<br>Property |
|------------------------|-------------------------|------------------------|------------------------|----------------------|
|                        | Residential<br>Property | Commercial<br>Property | Industrial<br>Property |                      |
| 2020                   | \$ 335,469,770          | \$ 103,340,280         | \$ 26,655,550          | \$ 44,564,310        |
| 2019                   | 317,258,070             | 101,727,150            | 25,813,190             | 43,550,990           |
| 2018                   | 303,162,780             | 97,241,660             | 24,980,660             | 33,550,020           |
| 2017                   | 293,941,530             | 95,836,930             | 19,829,100             | 30,565,350           |
| 2016                   | 289,174,450             | 97,946,090             | 17,119,170             | 32,054,990           |
| 2015                   | 283,412,310             | 99,570,910             | 17,124,830             | 32,106,170           |
| 2014                   | 280,856,040             | 101,354,490            | 17,629,760             | 34,403,540           |
| 2013                   | 312,688,580             | 107,596,610            | 18,982,270             | 35,705,130           |
| 2012                   | 358,677,900             | 115,935,490            | 23,383,320             | 33,460,080           |
| 2011                   | 427,200,170             | 99,543,660             | 60,865,560             | 36,210,100           |

Source: City of Oak Park Assessing Department

Note: Tax rates are per \$1,000 of taxable value.

Schedule 5  
Unaudited

| Total<br>Taxable Value |             | Total Direct<br>Tax Rate | Estimated<br>Actual Value | Taxable Value as a<br>Percentage of<br>Actual Value |
|------------------------|-------------|--------------------------|---------------------------|-----------------------------------------------------|
| \$                     | 510,029,910 | 35.0460                  | \$ 1,430,380,940          | 35.66%                                              |
|                        | 488,349,400 | 35.5834                  | 1,267,580,720             | 38.53%                                              |
|                        | 458,935,120 | 36.1688                  | 1,170,692,040             | 39.20%                                              |
|                        | 440,172,910 | 36.9308                  | 1,037,375,040             | 42.43%                                              |
|                        | 436,294,700 | 37.6060                  | 945,379,900               | 46.15%                                              |
|                        | 432,214,220 | 37.1191                  | 871,556,740               | 49.59%                                              |
|                        | 434,243,830 | 36.8734                  | 866,136,280               | 50.14%                                              |
|                        | 474,972,590 | 29.8398                  | 948,753,780               | 50.06%                                              |
|                        | 531,456,790 | 27.2386                  | 1,257,602,340             | 42.26%                                              |
|                        | 623,819,490 | 24.5191                  | 1,288,399,640             | 48.42%                                              |

## CITY OF OAK PARK, MICHIGAN

### Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of taxable value)

| Fiscal Year         | Operating Millage | Library | Debt Service | Solid Waste | PA 345 | Total Direct |
|---------------------|-------------------|---------|--------------|-------------|--------|--------------|
| 2020: Homestead (1) | 19.2163           | 1.4315  | 4.5633       | 2.8349      | 7.0000 | 35.0460      |
| 2020: Non-homestead |                   |         |              |             |        | 35.0460      |
| 2019: Homestead (1) | 19.4049           | 1.4457  | 4.8700       | 2.8628      | 7.0000 | 35.5834      |
| 2019: Non-homestead |                   |         |              |             |        | 35.5834      |
| 2018: Homestead (1) | 19.7007           | 1.4690  | 5.1950       | 2.9088      | 6.8953 | 36.1688      |
| 2018: Non-homestead |                   |         |              |             |        | 36.1688      |
| 2017: Homestead (1) | 19.8959           | 1.4836  | 5.6500       | 2.9377      | 6.9636 | 36.9308      |
| 2017: Non-homestead |                   |         |              |             |        | 36.9308      |
| 2016: Homestead (1) | 20.0000           | 1.4914  | 6.1615       | 2.9531      | 7.0000 | 37.6060      |
| 2016: Non-homestead |                   |         |              |             |        | 37.6060      |
| 2015: Homestead (1) | 20.0000           | 1.4914  | 6.2017       | 2.9531      | 6.4729 | 37.1191      |
| 2015: Non-homestead |                   |         |              |             |        | 37.1191      |
| 2014: Homestead (1) | 20.0000           | 1.4914  | 5.9560       | 2.9531      | 6.4729 | 36.8734      |
| 2014: Non-homestead |                   |         |              |             |        | 36.8734      |
| 2013: Homestead (1) | 20.0000           | 1.4914  | 5.3953       | 2.9531      | -      | 29.8398      |
| 2013: Non-homestead |                   |         |              |             |        | 29.8398      |
| 2012: Homestead (1) | 18.8563           | 1.4914  | 4.4378       | 2.4531      | -      | 27.2386      |
| 2012: Non-homestead |                   |         |              |             |        | 27.2386      |
| 2011: Homestead (1) | 17.3563           | 0.9914  | 3.7183       | 2.4531      | -      | 24.5191      |
| 2011: Non-homestead |                   |         |              |             |        | 24.5191      |

Source: City of Oak Park Treasury Department

(1) The State passed a Property Tax Reform measure in 1994 which reduced property taxes for property owners who reside at the property (homestead). This reform created a two tiered tax system which accounts for the presentation above.

| School Districts |          |         |                   |         | Total Rates for Residents Residing In |                          |                         |
|------------------|----------|---------|-------------------|---------|---------------------------------------|--------------------------|-------------------------|
| Oak Park         | Ferndale | Berkley | Community College | County  | Oak Park School District              | Ferndale School District | Berkley School District |
| 8.9773           | 8.1984   | 6.6517  | 1.5303            | 15.0214 | 60.5750                               | 59.7961                  | 58.2494                 |
| 26.9773          | 26.1984  | 24.0366 | 1.5303            | 15.0214 | 78.5750                               | 77.7961                  | 75.6343                 |
| 8.9773           | 8.1984   | 6.7000  | 1.5303            | 13.2978 | 59.3888                               | 58.6099                  | 57.1115                 |
| 26.9773          | 26.1984  | 24.0849 | 1.5303            | 13.2978 | 77.3888                               | 76.6099                  | 74.4964                 |
| 8.9991           | 8.2313   | 7.6843  | 1.5431            | 13.3213 | 60.0323                               | 59.2645                  | 58.7175                 |
| 26.9991          | 26.2313  | 25.3465 | 1.5431            | 13.3213 | 78.0323                               | 77.2645                  | 76.3797                 |
| 9.4592           | 8.3000   | 7.7148  | 1.5707            | 9.1248  | 57.0855                               | 55.9263                  | 55.3411                 |
| 27.4592          | 26.3000  | 25.7148 | 1.5707            | 9.1248  | 75.0855                               | 73.9263                  | 73.3411                 |
| 15.5000          | 13.0000  | 13.7269 | 1.5819            | 9.2081  | 63.8960                               | 61.3960                  | 62.1229                 |
| 33.5000          | 31.0000  | 31.7269 | 1.5819            | 9.2081  | 81.8960                               | 79.3960                  | 80.1229                 |
| 17.8912          | 15.3662  | 13.0788 | 1.5844            | 7.5590  | 64.1537                               | 61.6287                  | 59.3413                 |
| 36.0712          | 33.5462  | 31.2588 | 1.5844            | 7.5590  | 82.3337                               | 79.8087                  | 77.5213                 |
| 17.1251          | 13.5901  | 11.3042 | 1.5844            | 7.5590  | 63.1419                               | 59.6069                  | 57.3210                 |
| 35.3051          | 31.7701  | 29.4842 | 1.5844            | 7.5590  | 81.3219                               | 77.7869                  | 75.5010                 |
| 17.0682          | 13.5332  | 11.2270 | 1.5844            | 8.9051  | 57.3975                               | 53.8625                  | 51.5563                 |
| 35.2482          | 31.7132  | 29.4070 | 1.5844            | 8.9051  | 75.5775                               | 72.0425                  | 69.7363                 |
| 15.5252          | 13.5052  | 11.1788 | 1.5844            | 8.9051  | 53.2533                               | 51.2333                  | 48.9069                 |
| 33.7052          | 31.6852  | 29.3588 | 1.5844            | 8.9051  | 71.4333                               | 69.4133                  | 67.0869                 |
| 14.6800          | 13.4780  | 10.6668 | 1.5844            | 8.7051  | 49.4886                               | 48.2866                  | 45.4754                 |
| 31.8600          | 31.6580  | 28.8468 | 1.5844            | 8.7051  | 66.6686                               | 66.4666                  | 63.6554                 |

**Principal Property Tax Payers**

Current Year and Nine Years Ago

| Taxpayer                                 | 2011                 |      |                     | 2020                 |      |                     |
|------------------------------------------|----------------------|------|---------------------|----------------------|------|---------------------|
|                                          | Taxable Value        | Rank | Percentage of Total | Taxable Value        | Rank | Percentage of Total |
| The Loops Apartments Community, LLC      | \$ -                 | -    | -                   | \$ 10,395,200        | 1    | 2.04%               |
| Spirit Realty, L.P.                      | -                    | -    | -                   | 8,958,200            | 2    | 1.76%               |
| Consumers Energy Company                 | -                    | -    | -                   | 7,618,340            | 3    | 1.49%               |
| DTE Electric Company                     | 3,783,840            | 7    | 0.71%               | 7,206,410            | 4    | 1.41%               |
| Lincoln Towers Apartments, LLP           | 5,535,080            | 3    | 1.04%               | 5,635,980            | 5    | 1.11%               |
| FEDEX                                    | -                    | -    | -                   | 5,304,130            | 6    | 1.04%               |
| Village Green Companies                  | 5,410,200            | 4    | 1.02%               | 4,872,020            | 7    | 0.96%               |
| Oak Park Crown Pointe, LLC               | -                    | -    | 0.00%               | 4,500,000            | 8    | 0.88%               |
| Oak Park Manor MI, LLC                   | 4,416,840            | 5    | 0.83%               | 3,819,690            | 9    | 0.75%               |
| Barton Malow Contracting                 | -                    | -    | -                   | 3,468,870            | 10   | 0.68%               |
| Jewish Federation Apartments             | 8,482,300            | 1    | 1.59%               | -                    | -    | -                   |
| Detroit Square Properties, LLC           | 7,473,800            | 2    | 1.40%               | -                    | -    | -                   |
| Greenfield Lincoln Investments #2 LLC    | 4,395,000            | 6    | 0.83%               | -                    | -    | -                   |
| Lincoln Center                           | 3,242,450            | 8    | 0.61%               | -                    | -    | -                   |
| Symtec Mfg. Technologies/Paramont Boring | 2,889,490            | 9    | 0.54%               | -                    | -    | -                   |
| Oakmont Properties                       | 2,798,100            | 10   | 0.53%               | -                    | -    | -                   |
|                                          | <u>\$ 48,427,100</u> |      | <u>9.10%</u>        | <u>\$ 61,778,840</u> |      | <u>12.11%</u>       |

Source: City of Oak Park Assessing Department

**Property Tax Levies and Collections**

Last Ten Fiscal Years

| Year | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy |           | Subsequent Years Collections | Total Collections to Date |           |
|------|----------------------------------|----------------------------------------------|-----------|------------------------------|---------------------------|-----------|
|      |                                  | Amount                                       | % of Levy |                              | Amount                    | % of Levy |
| 2020 | \$ 17,531,174                    | \$ 16,640,938                                | 94.92%    | \$ 18,056                    | \$ 16,658,994             | 95.02%    |
| 2019 | 17,388,966                       | 16,290,986                                   | 93.69%    | 119,126                      | 16,410,112                | 94.37%    |
| 2018 | 16,611,438                       | 15,521,142                                   | 93.44%    | 64,571                       | 15,585,713                | 93.83%    |
| 2017 | 16,255,214                       | 15,211,479                                   | 93.58%    | 109,269                      | 15,320,748                | 94.25%    |
| 2016 | 16,301,611                       | 15,088,697                                   | 92.56%    | 63,360                       | 15,152,057                | 92.95%    |
| 2015 | 16,104,874                       | 15,031,406                                   | 93.33%    | 94,188                       | 15,125,594                | 93.92%    |
| 2014 | 16,260,957                       | 14,955,242                                   | 91.97%    | 109,923                      | 15,065,165                | 92.65%    |
| 2013 | 15,138,509                       | 13,946,023                                   | 92.12%    | 101,563                      | 14,047,586                | 92.79%    |
| 2012 | 14,899,108                       | 13,746,273                                   | 92.26%    | 81,518                       | 13,827,791                | 92.81%    |
| 2011 | 15,658,581                       | 14,363,567                                   | 91.73%    | 95,810                       | 14,459,377                | 92.34%    |

Source: City of Oak Park Treasury Department



# Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

|                             | Governmental Activities  |                     |               | Business-type Activities |                          |                      |            |
|-----------------------------|--------------------------|---------------------|---------------|--------------------------|--------------------------|----------------------|------------|
| Fiscal Year Ending June 30, | General Obligation Bonds | Unamortized Premium | Capital Lease | Water Revenue Bonds      | Total Primary Government | % of Personal Income | Per Capita |
| 2020                        | \$ 20,780,000            | \$ 1,514,451        | \$ 1,910,000  | \$ 4,186,457             | \$ 28,390,908            | 47.09%               | \$ 968.35  |
| 2019                        | 23,035,000               | 727,831             | 1,990,000     | 5,192,888                | 30,945,719               | 60.09%               | 1,055.48   |
| 2018                        | 24,495,000               | 790,993             | 2,070,000     | 6,176,389                | 33,532,382               | 67.32%               | 1,143.71   |
| 2017                        | 25,915,000               | 854,155             | 2,145,000     | 7,140,320                | 36,054,475               | 75.96%               | 1,229.73   |
| 2016                        | 27,295,000               | 917,317             | 2,220,000     | 8,081,332                | 38,513,649               | 79.74%               | 1,286.26   |
| 2015                        | 29,330,000               | -                   | 2,290,000     | 9,008,845                | 40,628,845               | 84.08%               | 1,390.20   |
| 2014                        | 30,660,000               | 140,507             | 2,360,000     | 9,892,544                | 43,053,051               | 80.52%               | 1,463.64   |
| 2013                        | 31,950,000               | 150,543             | 2,430,000     | 10,754,639               | 45,285,182               | 93.11%               | 1,544.57   |
| 2012                        | 33,120,000               | -                   | 2,500,000     | 12,510,082               | 48,130,082               | 99.29%               | 1,641.60   |
| 2011                        | 34,540,000               | -                   | -             | 13,697,003               | 48,237,003               | 99.06%               | 1,645.25   |

Source: City of Oak Park Finance Department

**Ratios of General Bonded Debt Outstanding**

Last Ten Fiscal Years

| Fiscal Year<br>Ending June 30, | General<br>Obligation<br>Bonds | Unamortized<br>Premium | Less:<br>Amounts<br>Available<br>in Debt<br>Service<br>Funds | Total         | % of Estimated<br>Actual Taxable<br>Value of Property | Per<br>Capita |
|--------------------------------|--------------------------------|------------------------|--------------------------------------------------------------|---------------|-------------------------------------------------------|---------------|
| 2020                           | \$ 20,780,000                  | \$ 1,514,451           | \$ 594,510                                                   | \$ 21,699,941 | 4.25%                                                 | \$ 740        |
| 2019                           | 23,035,000                     | 727,831                | 637,166                                                      | 23,125,665    | 4.74%                                                 | 789           |
| 2018                           | 24,495,000                     | 790,993                | 496,311                                                      | 24,789,682    | 5.40%                                                 | 846           |
| 2017                           | 25,915,000                     | 854,155                | 400,299                                                      | 26,368,856    | 5.94%                                                 | 892           |
| 2016                           | 27,295,000                     | 917,317                | 436,883                                                      | 27,775,434    | 6.18%                                                 | 920           |
| 2015                           | 29,330,000                     | 130,471                | 337,729                                                      | 29,122,742    | 6.71%                                                 | 989           |
| 2014                           | 30,660,000                     | 140,507                | -                                                            | 30,800,507    | 7.01%                                                 | 1,039         |
| 2013                           | 31,950,000                     | 150,543                | -                                                            | 32,100,543    | 6.72%                                                 | 1,090         |
| 2012                           | 33,120,000                     | -                      | -                                                            | 33,120,000    | 6.21%                                                 | 1,126         |
| 2011                           | 34,540,000                     | -                      | -                                                            | 34,540,000    | 5.43%                                                 | 1,156         |

Source: City of Oak Park Finance Department

# CITY OF OAK PARK, MICHIGAN

Schedule 11  
Unaudited

## Direct and Overlapping Governmental Activities Debt

As of June 30, 2020

|                                          | Net Debt<br>Outstanding | Percentage<br>Applicable to<br>City * | Estimated Share<br>of Overlapping<br>Debt |
|------------------------------------------|-------------------------|---------------------------------------|-------------------------------------------|
| <b>Direct</b>                            |                         |                                       |                                           |
| City of Oak Park                         | \$ 24,204,451           | 100.00%                               | <u>\$ 24,204,451</u>                      |
| <b>Overlapping</b>                       |                         |                                       |                                           |
| Berkley School District                  | 50,635,000              | 10.55%                                | 5,341,993                                 |
| Ferndale School District                 | 87,123,391              | 11.33%                                | 9,871,080                                 |
| Oak Park School District                 | 4,640,000               | 76.42%                                | 3,545,888                                 |
| Oakland County (at-large)                | 317,015,768             | 0.85%                                 | 2,694,634                                 |
| Oakland Intermediate School District     | 42,970,000              | 0.85%                                 | <u>365,245</u>                            |
|                                          |                         |                                       | <u>21,818,840</u>                         |
| <b>Total direct and overlapping debt</b> |                         |                                       | <u><u>\$ 46,023,291</u></u>               |

Source: Municipal Advisory Council of Michigan

\* Amount supplied by Municipal Advisory Council of Michigan.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Oak Park. This process recognized that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

# CITY OF OAK PARK, MICHIGAN

Schedule 12  
Unaudited

## Legal Debt Margin

Last Ten Fiscal Years

|                                                   |               |                |
|---------------------------------------------------|---------------|----------------|
| Assessed value                                    |               | \$ 715,190,470 |
| Legal debt limit (10% of SEV)                     |               | \$ 71,519,047  |
| Gross indebtedness                                | \$ 23,354,669 |                |
| Amount available in debt service funds            | (594,510)     |                |
| Net bonded debt                                   |               | 22,760,159     |
| Legal debt margin                                 |               | \$ 48,758,888  |
| Net bonded debt as a percentage of assessed value |               | 3.18%          |

| Fiscal Year | Debt Limit    | Total Net Debt Applicable to Limit | Legal Debt Margin | Total Net Debt Applicable to Limit as a Percentage of Debt Limit |
|-------------|---------------|------------------------------------|-------------------|------------------------------------------------------------------|
| 2020        | \$ 71,519,047 | \$ 22,760,159                      | \$ 48,758,888     | 31.82%                                                           |
| 2019        | 63,379,036    | 25,115,665                         | 38,263,371        | 39.63%                                                           |
| 2018        | 58,534,602    | 26,859,682                         | 31,674,920        | 45.89%                                                           |
| 2017        | 51,868,752    | 27,442,706                         | 24,426,046        | 52.91%                                                           |
| 2016        | 47,268,995    | 29,078,117                         | 18,190,878        | 61.52%                                                           |
| 2015        | 43,577,837    | 31,292,468                         | 12,285,369        | 71.81%                                                           |
| 2014        | 43,306,814    | 32,803,885                         | 10,502,929        | 75.75%                                                           |
| 2013        | 47,437,689    | 35,438,601                         | 11,999,088        | 74.71%                                                           |
| 2012        | 53,202,679    | 33,885,602                         | 19,317,077        | 63.69%                                                           |
| 2011        | 64,419,982    | 21,574,317                         | 42,845,665        | 33.49%                                                           |

Source: City of Oak Park Finance Department

# CITY OF OAK PARK, MICHIGAN

Schedule 13  
Unaudited

## Revenue Bond Coverage

Last Ten Fiscal Years

| Fiscal<br>Year Ended<br>June 30, | Gross<br>Revenue | Expenses Net of<br>Depreciation<br>and Interest | Net Revenue<br>Available for<br>Debt Service | Total<br>Debt Service<br>Requirement | Coverage |
|----------------------------------|------------------|-------------------------------------------------|----------------------------------------------|--------------------------------------|----------|
| 2020                             | \$ 14,460,517    | \$ 9,317,671                                    | \$ 5,142,846                                 | \$ 1,029,369                         | 5.00     |
| 2019                             | 13,840,903       | 11,325,244                                      | 2,515,659                                    | 1,006,431                            | 2.50     |
| 2018                             | 12,477,805       | 10,206,511                                      | 2,271,294                                    | 983,501                              | 2.31     |
| 2017                             | 11,504,380       | 9,002,977                                       | 2,501,403                                    | 963,931                              | 2.60     |
| 2016                             | 11,076,829       | 9,513,741                                       | 1,563,088                                    | 941,012                              | 1.66     |
| 2015                             | 11,756,573       | 9,221,737                                       | 2,534,836                                    | 1,144,100                            | 2.22     |
| 2014                             | 11,550,673       | 8,527,198                                       | 3,023,475                                    | 1,147,399                            | 2.64     |
| 2013                             | 10,985,124       | 9,204,993                                       | 1,780,131                                    | 1,550,517                            | 1.15     |
| 2012                             | 10,726,423       | 8,500,899                                       | 2,225,524                                    | 1,552,305                            | 1.43     |
| 2011                             | 10,676,880       | 8,091,387                                       | 2,585,493                                    | 1,523,214                            | 1.70     |

Source: City of Oak Park Finance Department

Note: This schedule represents the enterprise fund revenue available to cover additional potential debt, after first covering enterprise fund expenses and existing debt (Kuhn Drain bonds). As of June 30, 2020, the City had no revenue bonds outstanding.

# CITY OF OAK PARK, MICHIGAN

Schedule 14  
Unaudited

## Demographic and Economic Statistics

Last Ten Fiscal Years

| Year | Population | Personal<br>Income | Per Capita<br>Personal<br>Income | Median Age | Unemployment<br>Rate |
|------|------------|--------------------|----------------------------------|------------|----------------------|
| 2020 | 29,319     | \$ 52,584          | \$ 26,585                        | 39.3       | 23.10%               |
| 2019 | 29,319     | 51,498             | 24,156                           | 37.6       | 6.20%                |
| 2018 | 29,319     | 49,811             | 23,092                           | 34.6       | 5.70%                |
| 2017 | 29,319     | 47,463             | 22,059                           | 37.8       | 5.80%                |
| 2016 | 29,319     | 47,292             | 22,143                           | 36.8       | 7.90%                |
| 2015 | 29,319     | 48,476             | 21,677                           | 37.1       | 8.10%                |
| 2014 | 29,319     | 53,297             | 22,486                           | 38.2       | 11.30%               |
| 2013 | 29,319     | 48,476             | 23,242                           | 38.6       | 13.50%               |
| 2012 | 29,319     | 48,697             | 21,677                           | 34.6       | 14.40%               |
| 2011 | 29,319     | 48,697             | 21,677                           | 34.6       | 16.20%               |

Source: Michigan Bureau of Labor Market Information and Strategic Initiatives

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**Principal Employers**

Current Year and Nine Years Ago

| Employer                          | 2011         |      |                            | 2020         |      |                            |
|-----------------------------------|--------------|------|----------------------------|--------------|------|----------------------------|
|                                   | Employees    | Rank | % of Total City Employment | Employees    | Rank | % of Total City Employment |
| Kroger                            | -            | -    | -                          | 432          | 1    | 3.42%                      |
| Oak Park School District          | 485          | 1    | 3.50%                      | 386          | 2    | 3.05%                      |
| Fed Ex                            | -            | -    | -                          | 286          | 3    | 2.26%                      |
| Berkely School District           | 105          | 4    | 0.76%                      | 169          | 4    | 1.34%                      |
| Briar, LLC                        | -            | -    | -                          | 150          | 5    | 1.19%                      |
| Eaton Steel                       | -            | -    | -                          | 144          | 6    | 1.14%                      |
| City of Oak Park                  | 197          | 2    | 1.42%                      | 141          | 7    | 1.10%                      |
| Hewson Van Hellemont PC           | -            | -    | -                          | 130          | 8    | 1.03%                      |
| PCI Industries                    | -            | -    | -                          | 130          | 8    | 1.03%                      |
| The Wellness Plan                 | -            | -    | -                          | 125          | 10   | 0.99%                      |
| Aarmco                            | 130          | 3    | 0.94%                      | -            | -    | -                          |
| Hagopian World of Rugs            | 99           | 5    | 0.71%                      | -            | -    | -                          |
| Barton Malow Rigging Company, Inc | 98           | 6    | 0.71%                      | -            | -    | -                          |
| K-Mart Corporation                | 98           | 6    | 0.71%                      | -            | -    | -                          |
| Ferndale School District          | 97           | 8    | 0.70%                      | -            | -    | -                          |
| Visiting Nurse Association        | 96           | 9    | 0.69%                      | -            | -    | -                          |
| Bullseye Telecom                  | 95           | 10   | 0.69%                      | -            | -    | -                          |
|                                   | <u>1,500</u> |      | <u>10.83%</u>              | <u>2,093</u> |      | <u>16.54%</u>              |

Source: City of Oak Park Community &amp; Economic Development



## CITY OF OAK PARK, MICHIGAN

### Full-time Equivalent Employees by Department / Union Group

Last Ten Fiscal Years

| Department/Union                  | 2011          | 2012          | 2013          | 2014          |
|-----------------------------------|---------------|---------------|---------------|---------------|
| <b>Full-time</b>                  |               |               |               |               |
| Council                           | 5.00          | 5.00          | 5.00          | 5.00          |
| City Manager                      | 3.00          | 3.00          | 3.00          | 4.00          |
| Human Resources                   | -             | -             | -             | -             |
| Information Technology            | 1.00          | 1.00          | 1.00          | 1.00          |
| City Attorney                     | -             | -             | 1.00          | -             |
| Community & Economic Development  | -             | -             | -             | -             |
| City Clerk                        | 2.00          | 2.00          | 2.00          | 3.00          |
| Finance & Administrative Services | 13.00         | 11.00         | 10.00         | 10.00         |
| Technical & Planning Services     | 12.00         | 10.00         | 9.00          | 11.00         |
| Public Information                | 3.00          | 3.00          | 2.00          | 2.00          |
| Public Safety                     | 73.00         | 68.00         | 57.00         | 59.00         |
| Public Works                      | 24.00         | 24.00         | 21.00         | 22.00         |
| Recreation                        | 7.00          | 7.00          | 2.00          | 3.00          |
| Library                           | 6.00          | 4.00          | 4.00          | 4.00          |
| District Court 45-B / Probation   | 27.00         | 23.00         | 22.00         | 23.00         |
|                                   | <u>176.00</u> | <u>161.00</u> | <u>139.00</u> | <u>147.00</u> |
| <b>Part-time</b>                  |               |               |               |               |
| City Manager                      | 0.12          | 0.12          | -             | 0.63          |
| City Attorney                     | -             | -             | -             | -             |
| Prosecuting Attorney              | 1.00          | 1.00          | -             | -             |
| Community & Economic Development  | -             | -             | -             | -             |
| City Clerk                        | 0.50          | 0.50          | -             | -             |
| Finance & Administrative Services | -             | -             | -             | -             |
| Technical & Planning Services     | 0.50          | 0.50          | 0.50          | 2.97          |
| Public Information                | -             | -             | -             | -             |
| Public Safety                     | 5.25          | 5.25          | 5.25          | 5.25          |
| Public Works                      | 3.17          | 3.17          | 1.67          | 2.37          |
| Recreation                        | 20.35         | 20.35         | 20.35         | 20.87         |
| Library                           | 3.75          | 3.75          | 2.50          | 5.24          |
| District Court 45-B / Probation   | 0.70          | 1.70          | 2.70          | 4.45          |
|                                   | <u>35.34</u>  | <u>36.34</u>  | <u>32.97</u>  | <u>41.78</u>  |
| <b>Total</b>                      | <u>211.34</u> | <u>197.34</u> | <u>171.97</u> | <u>188.78</u> |

Note: The amounts presented under part-time workers represent full-time equivalents (FTE) and not actual positions. FTEs equalizes part-time hours to that of a full-time worker in a like position. For example a part-time worker who works 30 hours in a office that normally works 40 hours would be recorded at .75 FTE (30 hours / 40 hours = .75 FTE).

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| 2015   | 2016   | 2017   | 2018   | 2019   | 2020   |
|--------|--------|--------|--------|--------|--------|
| 5.00   | 5.00   | 5.00   | 5.00   | 5.00   | 5.00   |
| 4.00   | 4.00   | 3.00   | 3.00   | 3.00   | 3.00   |
| -      | -      | 2.00   | 2.00   | 2.00   | 2.00   |
| 2.00   | -      | 2.00   | 2.00   | -      | -      |
| -      | -      | -      | -      | -      | -      |
| 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 2.00   |
| 3.00   | 3.00   | 3.00   | 3.00   | 3.00   | 3.00   |
| 11.00  | 10.00  | 11.00  | 11.00  | 10.00  | 9.00   |
| 12.50  | 14.00  | 16.50  | 16.50  | 11.00  | 12.00  |
| 1.00   | 2.00   | 2.00   | 2.00   | 2.00   | 1.00   |
| 59.00  | 59.00  | 61.00  | 62.00  | 57.00  | 61.00  |
| 22.00  | 23.00  | 24.00  | 24.00  | 23.00  | 24.00  |
| 3.00   | 3.00   | 3.00   | 3.00   | 4.00   | 2.00   |
| 4.00   | 5.00   | 4.00   | 4.00   | 2.00   | 2.00   |
| 23.00  | 23.00  | 23.00  | 23.00  | 23.00  | 15.00  |
| 150.50 | 152.00 | 160.50 | 165.50 | 146.00 | 141.00 |
| -      | 0.73   | 0.73   | -      | -      | -      |
| 0.56   | -      | -      | -      | -      | -      |
| -      | -      | -      | -      | -      | -      |
| -      | 0.50   | 0.50   | 0.45   | 0.41   | 0.54   |
| -      | -      | -      | -      | 0.75   | 0.29   |
| -      | -      | -      | -      | -      | 0.58   |
| 2.38   | -      | -      | -      | -      | -      |
| -      | 0.70   | -      | -      | -      | -      |
| 5.25   | 5.25   | 5.25   | 5.25   | 5.25   | -      |
| 2.27   | 2.27   | 4.79   | 3.97   | 3.97   | 1.53   |
| 20.35  | 20.35  | 20.35  | 20.35  | 20.35  | 1.24   |
| 6.56   | 2.90   | 5.12   | 5.03   | 5.08   | 1.22   |
| 4.00   | 4.00   | 3.50   | 1.20   | 1.67   | 0.89   |
| 41.37  | 36.70  | 40.24  | 36.25  | 37.48  | 6.29   |
| 191.87 | 188.70 | 200.74 | 201.75 | 183.48 | 147.29 |

continued...

## CITY OF OAK PARK, MICHIGAN

### Full-time Equivalent Employees by Department / Union Group

Last Ten Fiscal Years

| Department/Union                                    | 2011       | 2012       | 2013       | 2014       |
|-----------------------------------------------------|------------|------------|------------|------------|
| <b>Full-time Personnel by Salary Classification</b> |            |            |            |            |
| Legislative                                         | 5          | 5          | 5          | 5          |
| Exempt                                              | 11         | 10         | 11         | 10         |
| Supervisory                                         | 13         | 13         | 10         | 11         |
| Administrative                                      | 5          | 4          | 6          | 5          |
| TPOAM                                               | 56         | 43         | 33         | 38         |
| POAM                                                | 47         | 45         | 34         | 38         |
| COAM                                                | 14         | 13         | 13         | 12         |
| Dispatch                                            | 6          | 5          | 5          | 5          |
| District Court 45-B                                 | 27         | 23         | 22         | 23         |
|                                                     | <u>184</u> | <u>161</u> | <u>139</u> | <u>147</u> |

Source: City of Oak Park Finance Department

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| 2015  | 2016 | 2017  | 2018  | 2019 | 2020 |
|-------|------|-------|-------|------|------|
| 5     | 5    | 5     | 5     | 5    | 5    |
| 10    | 11   | 12    | 12    | 8    | 8    |
| 11    | 11   | 11    | 11    | 13   | 13   |
| 5     | 5    | 6     | 7     | 6    | 9    |
| 41.5  | 43   | 43.5  | 43.5  | 35   | 34   |
| 37    | 37   | 38    | 39    | 37   | 38   |
| 12    | 12   | 14    | 14    | 13   | 13   |
| 5     | 5    | 6     | 6     | 6    | 6    |
| 24    | 23   | 23    | 23    | 23   | 15   |
| 150.5 | 152  | 158.5 | 160.5 | 146  | 141  |

concluded.

## CITY OF OAK PARK, MICHIGAN

### Operating Indicators by Function / Department

Last Ten Fiscal Years

| Function/Program                         | 2011         | 2012         | 2013          | 2014         | 2015          |
|------------------------------------------|--------------|--------------|---------------|--------------|---------------|
| <b>Public Safety</b>                     |              |              |               |              |               |
| Hazardous violations                     | 3,624        | 3,624        | 2,409         | 2,057        | 2,376         |
| Total violations                         | 9,473        | 9,473        | 9,473         | 6,941        | 7,449         |
| EMS requests                             | 2,423        | 2,423        | 2,389         | 2,408        | 2,561         |
| Traffic crashes                          | 655          | 655          | 593           | 648          | 688           |
| <b>Technical &amp; Planning Services</b> |              |              |               |              |               |
| Number of building permits               | 526          | 526          | 649           | 468          | 755           |
| Value of building permits                | \$ 4,560,779 | \$ 4,560,779 | \$ 13,015,549 | \$ 8,184,966 | \$ 14,450,358 |
| <b>Library</b>                           |              |              |               |              |               |
| Residents with library cards             | 18,916       | 18,916       | 19,062        | 19,800       | 20,122        |
| Items available                          | 94,939       | 94,939       | 103,021       | 104,924      | 104,648       |
| <b>Health and Sanitation</b>             |              |              |               |              |               |
| Tons of solid waste recycled             | 793          | 793          | 762           | 817          | 786           |
| <b>Water System</b>                      |              |              |               |              |               |
| Water Rate Per Unit                      | \$ 3.12      | \$ 3.27      | \$ 3.27       | \$ 3.41      | \$ 3.54       |

Source: City of Oak Park Public Safety Department

Source: City of Oak Park Technical & Planning Department

Source: City of Oak Park Library

Source: SOCRRA

Source: City of Oak Park Water & Sewer Department

Schedule 17  
Unaudited

| 2016          | 2017         | 2018          | 2019          | 2020          |
|---------------|--------------|---------------|---------------|---------------|
| 2,093         | 2,736        | 3,670         | 2,485         | 1,650         |
| 5,784         | 7,152        | 9,813         | 6,354         | 5,376         |
| 2,445         | 2,547        | 2,535         | 2,515         | 2,801         |
| 746           | 727          | 719           | 713           | 453           |
| 692           | 713          | 792           | 768           | 643           |
| \$ 25,085,257 | \$ 9,270,250 | \$ 12,426,781 | \$ 13,064,114 | \$ 22,842,717 |
| 19,464        | 19,483       | 13,174        | 9,716         | 8,146         |
| 98,742        | 106,092      | 87,571        | 83,362        | 88,189        |
| 895           | 885          | 951           | 1,468         | 1,458         |
| \$ 3.85       | \$ 3.93      | \$ 4.17       | \$ 4.25       | \$ 4.51       |

## CITY OF OAK PARK, MICHIGAN

### Capital Asset Statistics by Function / Department

Last Ten Fiscal Years

| Function/Program                   | 2011  | 2012  | 2013  | 2014  | 2015  |
|------------------------------------|-------|-------|-------|-------|-------|
| <b>Public Safety</b>               |       |       |       |       |       |
| Vehicles assigned                  | 38    | 33    | 37    | 36    | 27    |
| <b>Public Works</b>                |       |       |       |       |       |
| Vehicles assigned                  | 42    | 42    | 41    | 42    | 45    |
| Number of buildings                | 4     | 4     | 5     | 5     | 5     |
| <b>Road Maintenance and Repair</b> |       |       |       |       |       |
| Miles of major streets             | 21    | 21    | 21    | 21    | 18.35 |
| Miles of local streets             | 65.33 | 65.33 | 65.33 | 65.33 | 65.94 |
| <b>Water &amp; Sewer System</b>    |       |       |       |       |       |
| Miles of water mains               | 115   | 115   | 115   | 115   | 115   |
| Miles of sewers                    | 80.64 | 80.64 | 80.64 | 80.64 | 80.64 |
| <b>Recreation</b>                  |       |       |       |       |       |
| Swimming pool                      | 1     | 1     | 1     | 1     | 1     |
| City parks                         | 10    | 10    | 10    | 10    | 10    |
| Park acreage                       | 109.8 | 109.8 | 109.8 | 109.8 | 109.8 |

Source: City of Oak Park Finance Department

Schedule 18  
Unaudited

|  |
|--|
|  |
|--|

| 2016  | 2017  | 2018  | 2019  | 2020  |
|-------|-------|-------|-------|-------|
| 26    | 36    | 39    | 43    | 41    |
| 49    | 50    | 53    | 54    | 58    |
| 5     | 5     | 5     | 5     | 5     |
| 18.35 | 18.35 | 18.35 | 18.35 | 18.35 |
| 65.94 | 65.94 | 65.94 | 65.94 | 65.94 |
| 115   | 115   | 115   | 115   | 115   |
| 80.64 | 80.64 | 80.64 | 80.64 | 80.64 |
| 1     | 1     | 1     | 1     | 1     |
| 10    | 10    | 10    | 10    | 10    |
| 109.8 | 109.8 | 109.8 | 109.8 | 109.8 |



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

December 17, 2020

The Honorable Mayor and Members of the City Council  
City of Oak Park, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *City of Oak Park, Michigan* (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 17, 2020.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, 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 opinions 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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses as item 2020-001 that we consider to be a significant deficiency.

Rehmann is an independent member of Nexia International.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City of Oak Park, Michigan's Response to Findings**

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lehmann Lobson LLC". The signature is written in a cursive, flowing style.

## CITY OF OAK PARK, MICHIGAN

### Schedule of Findings and Responses

For the Year Ended June 30, 2020

#### **2020-001 - Significant Audit Adjustment: Capital Assets**

**Finding Type.** Significant deficiency in Internal Control over Financial Reporting

**Criteria.** Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles (GAAP).

**Condition.** The governmental activities capital assets schedule was initially understated by approximately \$229,000 as a result of current year additions to work in progress that had not been appropriately identified.

**Cause.** Internal controls did not detect all adjustments necessary to properly record year-end balances.

**Effect.** As a result of this condition, the City's governmental activities capital asset file was initially misstated by an amount significant to the financial statements.

**Recommendation.** We recommend that the City evaluates its procedures for identifying capital related expenditures to ensure all capital assets are properly included. Additionally, we recommend a review process of the capital asset schedules is implemented and this review is documented.

**View of Responsible Officials.** The City did in fact properly identify the capital asset addition noted above but a formula error in the excel spreadsheet resulted in an incorrect number being originally reported. Historically the City have had all audit workpapers reviewed prior to turning them over to the auditors but due to the shutdown and staffing reductions related to the COVID-19 pandemic, this workpaper did not get reviewed. The City will ensure all future schedules are reviewed prior to the auditors starting.

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## INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

December 17, 2020

The Honorable Mayor and members of the City Council  
City of Oak Park, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Oak Park, Michigan** (the "City") as of and for the year ended June 30, 2020, and have issued our report thereon dated December 17, 2020. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated October 12, 2020, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also 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 for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated December 17, 2020.

Rehmann is an independent member of Nexia International.



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

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the City's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements.

There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.

- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.
- The assumptions used in the actuarial valuations of the pension and other postemployment benefits plans are based on historical trends and industry standards.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

### **Significant Difficulties Encountered During the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in Attachment B to this letter.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.



**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

**Other Information in Documents Containing Audited Financial Statements**

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**Upcoming Changes in Accounting Standards**

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment A to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

This information is intended solely for the use of the governing body and management of the **City of Oak Park, Michigan** and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.

## CITY OF OAK PARK, MICHIGAN

### Attachment A – Upcoming Changes in Accounting Standards / Regulations

For the June 30, 2020 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the City in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the City. For the complete text of these and other GASB standards, visit [www.gasb.org](http://www.gasb.org) and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

#### **GASB 84 ■ Fiduciary Activities**

*Effective 12/15/2020 (your FY 2021)*

This standard establishes new criteria for determining how to report fiduciary activities in governmental financial statements. The focus is on whether the government is controlling the assets, and who the beneficiaries are. Under this revised standard, certain activities previously reported in agency funds may be reclassified in future periods.

#### **GASB 87 ■ Leases**

*Effective 06/15/2022 (your FY 2022)*

This standard establishes a single model for reporting all leases (including those previously classified as operating and capital). Lessees will now report offsetting intangible lease assets and lease liabilities equal to the present value of future lease payments. Lessors will report offsetting lease receivables and deferred inflows of resources.

#### **GASB 89 ■ Accounting for Interest Cost Incurred before the End of a Construction Period**

*Effective 12/15/2021 (your FY 2022)*

This standard eliminates the requirement for governments to capitalize interest during the construction period for business-type activities. As this simplifies the accounting for interest, early implementation is encouraged. We do not expect this standard to have any significant effect on the City.

#### **GASB 91 ■ Conduit Debt Obligations**

*Effective 12/15/2022 (your FY 2023)*

This standard defines "conduit debt obligations", where a government issues debt whose proceeds are received and repaid by a third-party obligor without the issuer being primarily liable. The standard requires issuers to disclose conduit debt obligations, but not to record a liability unless it is more likely than not that a commitment made by the issuer will require it to support one or more debt payments for a conduit debt obligation. We do not expect this standard to have any significant effect on the City.

# CITY OF OAK PARK, MICHIGAN

## ■ Attachment A – Upcoming Changes in Accounting Standards / Regulations

For the June 30, 2020 Audit

### **GASB 92 ■ Omnibus 2020**

*Effective 06/15/2022 (your FY 2022)*

This standard includes a variety of small technical revisions to previously issued GASB statements. We do not expect this standard to have any significant effect on the City.

### **GASB 93 ■ Replacement of Interbank Offered Rates**

*Effective 06/15/2022 (your FY 2022)*

This standard provides guidance to governments with agreements with variable payments tied to LIBOR, and how to transition them to a new reference rate. We do not expect this standard to have any significant effect on the City.

### **GASB 94 ■ Public-Private and Public-Public Partnerships and Availability Payment Arrangements**

*Effective 06/15/2023 (your FY 2023)*

This standard addresses accounting and financial reporting for arrangements in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a capital asset for a period of time in an exchange or exchange-like transaction. We do not expect this standard to have any significant effect on the City.

### **GASB 96 ■ Subscription-Based Information Technology Arrangements**

*Effective 06/15/2023 (your FY 2023)*

This standard expands on the new guidance for leases and applies it to computer software contracts (subscriptions) with similar characteristics. Governments that subscribe to a vendor's IT software will now report offsetting intangible subscription assets and subscription liabilities equal to the present value of future subscription payments.

### **GASB 97 ■ Certain Component Unit Criteria and IRC Section 457 Deferred Compensation Plans**

*Effective 06/15/2022 (your FY 2022)*

This standard amends the requirements for when to report defined contribution pension plans (such as 401k and 403b plans) as fiduciary component units, and how to account for Section 457 deferred compensation plans.

■ ■ ■ ■ ■

## **CITY OF OAK PARK, MICHIGAN**

### **Attachment B – Management Representations**

For the June 30, 2020 Audit

The following pages contain the written representations that we requested from management.



# CITY OF OAK PARK

## OFFICE OF THE CITY MANAGER

**Mayor**  
Marian McClellan  
**Mayor Pro Tem**  
Carolyn Burns  
**Council Members**  
Solomon Radner  
Regina Weiss  
Julie Edgar  
**City Manager**  
Erik Tungate

December 17, 2020

Rehmann Robson  
1249 Griswold Street #15/201  
Detroit, Michigan 48226

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Oak Park, Michigan** (the "City") as of and for the year ended June 30, 2020, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, and the budgetary comparison for the General Fund of the City in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 17, 2020:

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 12, 2020, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP, and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
4. With respect to any assistance you provided in drafting the financial statements and related notes, we have performed the following:
  - a. Made all management decisions and performed all management functions;
  - b. Assigned a competent individual to oversee the services;

- c. Evaluated the adequacy of the services performed;
  - d. Evaluated and accepted responsibility for the result of the service performed; and
  - e. Established and maintained internal controls, including monitoring ongoing activities.
5. We acknowledge our responsibility for 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.
  6. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
  7. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
  8. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
  9. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
  10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
  11. With regard to items reported at fair value:
    - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
    - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
    - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
    - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
  12. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
  13. All funds and activities are properly classified.
  14. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
  15. All components of net position and fund balance classifications have been properly reported.
  16. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
  17. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
  18. All interfund and intra-entity transactions and balances have been properly classified and reported.
  19. Deposit and investment risks have been properly and fully disclosed.

20. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
21. All required supplementary information is measured and presented within the prescribed guidelines.
22. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
23. In response to the novel coronavirus outbreak (COVID-19), the Governor issued various temporary Executive Orders that, among other stipulations, effectively prohibited in-person work activities for most businesses and industries including non-essential government services, having the effect of suspending or severely curtailing operations. As a result, the COVID-19 outbreak is disrupting and affecting the City's normal activities. The extent of the ultimate impact of the pandemic on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it may place additional demands on the City for providing emergency services to its citizens. While management reasonably expects the COVID-19 outbreak to negatively impact the City's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

#### Information Provided

24. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
25. All transactions have been recorded in the accounting records and are reflected in the financial statements.
26. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
27. We have disclosed to you all information that we are aware of regarding fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the financial statements.
28. We have disclosed to you all information that we are aware of regarding instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.

29. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
30. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
31. We have a process to track the status of audit findings and recommendations.
32. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
33. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
34. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
35. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
36. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
37. The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
38. We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
39. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
40. There are no:
  - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
  - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
41. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
42. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
43. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or



markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

#### **Supplementary Information in Relation to the Financial Statements as a Whole**

44. With respect to the supplementary information accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
- b. We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

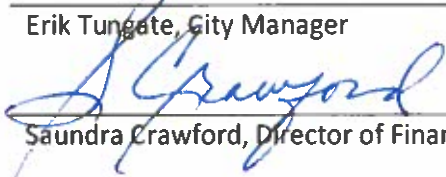
#### **Required Supplementary Information**

45. With respect to the required supplementary information accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
- b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.



Erik Tungate, City Manager



Sandra Crawford, Director of Finance





## BUSINESS OF THE CITY COUNCIL, OAK PARK, MICHIGAN

**AGENDA OF:** January 19, 2021

**AGENDA #**

**SUBJECT:** Proposal for professional services to provide construction engineering services and grant administration for work covered under the Safe Routes to School (SRTS Grant).

**DEPARTMENT:** Technical & Planning/DPW - KJY

**SUMMARY:** Attached is a proposal from OHM Advisors to provide support to City staff in performing inspection, project management and grant administration for work covered as part of the Safe Routes to School (SRTS Grant). Based off of traffic signal work that is routinely inspected by engineering staff we have requested support from OHM Advisor's field staff to assist with the inspection portion of the project. Assistance will also be required by OHM Advisor's office personnel to aid the City in paperwork required for grant administration and reimbursement.

**FINANCIAL STATEMENT:** There is \$110,000 funding available in the Major Streets Fund Account #202-18.479-801.000 for these expenditures.

**RECOMMENDED ACTION:** It is recommended that City Council approve the attached proposal from OHM Advisors to provide construction engineering services and grant administration for work covered under the Safe Routes to School (SRTS Grant), which amounts to a not to exceed amount of \$82,975 upon review by the City Attorney's office.

**APPROVALS:**

City Manager: \_\_\_\_\_ET\_\_\_\_\_

Department Director: \_\_\_\_\_KJY\_\_\_\_\_

Finance Director: \_\_\_\_\_SC\_\_\_\_\_

☐ Budgeted

**EXHIBITS:** Proposal

December 8, 2020

Joseph Jenkins - Assistant City Engineer  
City of Oak Park – Technical and Planning  
14300 Oak Park Blvd  
Oak Park, MI 48237

RE: Proposal for Construction Engineering Services - Safe Routes to School Design

Dear Mr. Jenkins,

OHM Advisors is pleased to submit this proposal for construction engineering, contract administration, inspection, and construction staking for the Safe Routes to School Project.

## PROJECT UNDERSTANDING

The project was bid through MDOT LAP on November 6, 2020 with construction anticipated to begin May 3, 2021. The construction engineering services will oversee and administer the construction of the:

- Replacement of the traffic signals at 10-Mile Road and Church Street to include left turn signal phasing for 10 Mile Road traffic. The new signal will include new signal controller, support structures, signal equipment, pedestrian pushbuttons, vehicle detection and ADA sidewalk ramp design.
- Installing a mid-block pedestrian crossing east of East Rue Versailles Drive and just west of the Young Israel of Oak Park and a Hawk Traffic Signal. This will include a pedestrian refuge island in 10 Mile. Place overhead span wire with hanging traffic signal of this crosswalk.
- Remove the crossing to the center island of Marlowe Place, on Lincoln Street so that pedestrian traffic is crossing on the west side of the intersection and install a Rectangular Rapid Flashing Beacon at that crossing.
- Increase the size of the pedestrian refuge crossing Greenfield Road at 10-Mile Road to better accommodate students crossing Greenfield Road. Include pedestrian pushbuttons in the island.
- Install ramp upgrades to meet ADA specifications at the intersections in the neighborhood to the south of the school that are not currently compliant.

## SCOPE OF SERVICES

We have proposed the following scope of services for construction phase portion of the projects. The scope is based on our experience and understanding of the requirements to administer a project through MDOT's Local Agency Program.

### Construction Layout

1. Stakes providing proper line and grade will be provided for all proposed at sidewalk ramps, curb modifications and proposed traffic signal equipment locations. It is anticipated that stakes for sidewalk landing areas. Any requested re-staking will be back-charged to the contractor.

### Construction Observation

**OHM Advisors**  
34000 PLYMOUTH ROAD  
LIVONIA, MICHIGAN 48150

T 734.522.6711  
F 734.522.6427

[OHM-Advisors.com](http://OHM-Advisors.com)



1. As-needed observation will be provided to supplement the inspection being provided by Oak Park. Daily field reports will be prepared documenting pay item quantities and general progress for the day. Checking line and elevation for compliance with contract documents will also be provided as part of the construction observer's regular responsibilities.
2. It is our understanding that the observation services provided by OHM will be mostly for the traffic signal work. However, should the City require assistance with other observation such as traffic control, concrete work, roadway items, or restoration this can be completed and billed hourly.
3. The construction observer will record all quantities, materials and contractor operations within FieldBook in accordance with procedures as required by MDOT.
4. An OHM Field Engineer will be responsible for resolving any interpretations or issues which may arise with the plans or contract documents.

#### Construction Engineering and Contract Administration

1. Attend a pre-construction meeting with the successful bidder and prepare meeting notes.
2. Conduct Bi-weekly (or as determined) progress meetings to coordinate project details, and communicate project status.
3. Review and approve of all shop drawings, catalogue sheets and samples related to the proposed work.
4. Respond to Contractor requests for information providing design clarifications or revisions as necessary.
5. Request and review construction progress schedules from the Contractor. Progress will be monitored throughout the project to ensure timely construction of the contract work items.
6. Preparing Bi-weekly pay estimates, including materials needs lists.
7. Assist in claim resolution and review and process any change order requests from the Contractor and provide recommendations on action to the City.
8. Perform wage rate interviews, review certified payrolls for the Contractor and all subcontractors.
9. Prepare a final punch list and monitor resolution of these items as well as final restoration until completion of the project.
10. Work with the Contractor and MDOT to perform project closeout.

#### Additional Services

The services outlined herein constitute the total obligation of the parties. If additional services are requested, they can be provided in accordance with OHM's 2021 Hourly Rate Schedule for the year in which the services are performed or at an agreed upon fee.

#### **FEE**

The City will be invoiced monthly for services rendered on an hourly basis, with a not to exceed total amount. Compensation due will be based on the actual hours worked. The following estimated breakdown of the budget is presented for your consideration:

| <u>Construction Services</u>                     | <u>Total Fee</u>  |
|--------------------------------------------------|-------------------|
| Construction Staking.....                        | \$17,000.00       |
| Construction Administration .....                | \$2,500.00        |
| Construction Observation.....                    | \$28,325.00       |
| Construction Engineering/Office Technician ..... | \$24,150.00       |
| Material Testing.....                            | \$11,000.00       |
| <b>Construction Services Total.....</b>          | <b>\$82,975.0</b> |



## SCHEDULE

The project is anticipated to begin on May 3, 2021 and be completed within 10 weeks by July 9, 2021.

The majority of the hardscape (concrete) work should be completed in June; however, long lead-time items (traffic signal strain poles) will push the signal completion to July.

We thank you for this opportunity to provide professional engineering services. Please do not hesitate to contact us if you have questions. Should you find our proposal acceptable, please execute the agreement below and return a copy to us for our files.

Very truly yours,  
**ORCHARD, HILTZ & McCLIMENT, INC.**

---

Mark Loch, P.E.  
Project Manager

**CITY OF OAK PARK  
SAFE ROUTES TO SCHOOL  
Construction Phase Engineering Services**

Accepted By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





## BUSINESS OF THE CITY COUNCIL, OAK PARK, MICHIGAN

**AGENDA OF:** January 19, 2021

**AGENDA #**

**SUBJECT:** Request from Inland Waters Pollution Control Inc. for a contract extension of the 2020 Sewer Lining Contract, M-703.

**DEPARTMENT:** DPW – KJY

**SUMMARY:** Attached is a request from Inland Waters Pollution Control Inc. for a contract extension of the 2020 Sewer Lining Contract, M-703. Inland Water Pollution Control, Inc. has indicated that they would like to execute a one (1) year extension of their unit prices from this project to perform the 2021 Sewer Lining Contract, M-717. The contract allowed for a one (1) year extension. This project will rehabilitate deteriorated sewer mains throughout the project area.

**FINANCIAL STATEMENT:** There is \$300,000 funding available in the Water and Sewer Fund Account #592-18.550-970.000 for these expenditures.

**RECOMMENDED ACTION:** It is recommended City Council approve the offer for the contract extension from Inland Waters Pollution Control, Inc for the 2021 Sewer Lining Contract, M-717 for a total amount of \$289,267.00 be approved. Funding is available in the Water and Sewer Fund.

**APPROVALS:**

City Manager: ET

Department Director: KJY

Finance Director: SC

Budgeted ☐

**EXHIBITS:** Extension letter from Inland Waters, Estimate of work, Area Map





Inland Waters Pollution Control, Inc.  
4086 Michigan Ave.  
Detroit, MI 48210

Danfred Samuel  
City of Oak Park  
14300 Oak Park Blvd.  
Oak Park, MI 48237

November 9, 2020

**RE: 2020 Sewer Lining Project-M-703 / Extension of Contract for Additional Work**

Mr. Samuel:

Pursuant to your recent request, this correspondence shall confirm our acceptance for additional CIPP work, scheduled for February 2021, associated with the above referenced project. Please note that this acceptance is based upon comparable work locations as that provided within the base bid. For additional sections which already have a bid unit, the bid contract units will be utilized. In addition, IWPC has provided a supplemental unit price for the 21" location.

Based on the new scope IWPC estimates 25 additional crew inspection days. However, we have not seen the specific locations and this could change later. Below is the confirmation for unit pricing for the additional work per the estimated quantities provided.

8" Sewer Pipe Lining: \$32.00 / LF 10"  
Sewer Pipe Lining: \$38.00 / LF 12" Sewer  
Pipe Lining: \$44.00 / LF 15" Sewer Pipe  
Lining: \$47.00 / LF 18" Sewer Pipe Lining:  
\$56.00 / LF 21" Sewer Pipe Lining: \$91.00 /  
LF 24" Sewer Pipe Lining: \$110.00 / LF  
Lateral Reinstatement \$50.00 / EA.  
Protruding Lateral Cutting \$50.00 / EA.  
Minor Traffic Control \$1,000.00  
Project Cleanup \$1,000.00  
Crew Inspection Days \$320.00 / DAY

Please advise with any questions or additional needs.

Kind Regards,

Paul Jorgensen  
General Manager

## 2021 Sewer Lining Project, M-717

### EXHIBIT A

Page 1 of 1

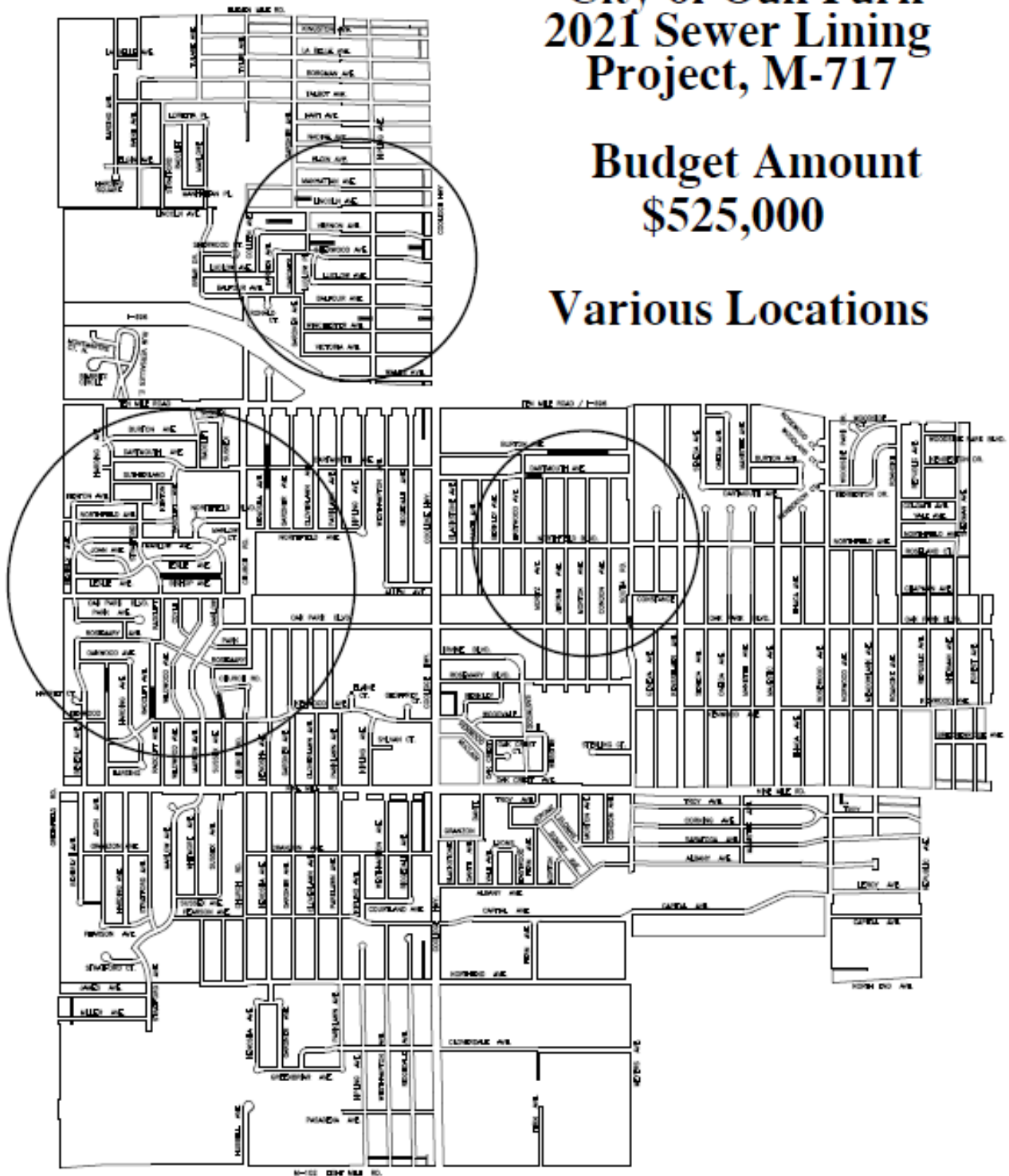
Inland Waters Pollution Control Inc., 4086  
Michigan Avenue, Detroit, MI 48210

| Item          | Item Description                      | Unit | Quantity | Price               | Amount       |
|---------------|---------------------------------------|------|----------|---------------------|--------------|
| 1             | 8" Sewer Pipe Lining                  | LFT  | 0        | \$ 32.00            | \$0.00       |
| 2             | 10" Sewer Pipe Lining                 | LFT  | 561      | \$ 38.00            | \$21,318.00  |
| 3             | 12" Sewer Pipe Lining                 | LFT  | 2,462    | \$ 44.00            | \$108,328.00 |
| 4             | 15" Sewer Pipe Lining                 | LFT  | 568      | \$ 47.00            | \$26,696.00  |
| 5             | 18" Sewer Pipe Lining                 | LFT  | 267      | \$ 56.00            | \$14,952.00  |
| 6             | 24" Sewer Pipe Lining                 | LFT  | 702      | \$ 110.00           | \$77,220.00  |
| 7             | Reinstating Sewer Lateral             | EA   | 149      | \$ 50.00            | \$7,450.00   |
| 8             | Sewer Lateral Protruding Lead Cutting | EA   | 15       | \$ 50.00            | \$750.00     |
| 9             | Minor Traffic Device                  | LSUM | 1        | \$ 1,000.00         | \$1,000.00   |
| 10            | Project Clean Up                      | LSUM | 1        | \$ 1,000.00         | \$1,000.00   |
| 11            | Inspection Crew Days                  | DAYS | 15       | \$ 320.00           | \$4,800.00   |
| 12            | 21" Sewer Pipe Lining                 | LFT  | 283      | \$ 91.00            | \$25,753.00  |
| <b>TOTAL:</b> |                                       |      |          | <b>\$289,267.00</b> |              |

# City of Oak Park 2021 Sewer Lining Project, M-717

Budget Amount  
\$525,000

Various Locations





## BUSINESS OF THE CITY COUNCIL, OAK PARK, MICHIGAN

**AGENDA OF:** January 19, 2021

**SUBJECT:** Brownfield Grant Agreement

**DEPARTMENT:** Economic Development

**SUMMARY:** The department has been working with Union Joints to assist with their development of the WWJ Building into a destination restaurant and event space. In 2019 we received a \$600,000 grant from EGLE that we are administering. Now that EGLE has approved the final work plan they are ready to go to work on the cleanup activities. Union Joints has identified Applied Environmental as its designated agent to complete eligible Grant Contract activities at the property.

As the administrator of the grant, the City will prepare quarterly reports once it receives invoices and paid receipts for activities eligible for reimbursement under the Grant. Next, EGLE sends the amount to the City of Oak Park as the administrator which in turn then reimburses Union Joints or will pay such funds directly to Applied Environmental pursuant to the terms of the Grant Contract.

Since COVID19 the restaurant business has been hit especially hard. While the group would like to continue with these efforts their shrinking cash flow with the shutdowns have been an obstacle. We are asking City Council to allow us to enter into an agreement with them so we can pay for the approved reimbursable environmental costs directly instead of how we were previously operating. This type of agreement has worked well in other communities such as Grand Traverse and acceptable to EGLE. The agreement has been vetted through our City Attorney office.

### **FINANCIAL STATEMENT:**

**RECOMMENDED ACTION:** Approve the City Manager to sign and enter into the attached agreement to allow the change

### **APPROVALS:**

City Manager: \_\_\_\_\_ET\_\_\_\_\_

Department Director: \_\_\_\_\_KM\_\_\_\_\_

Director of Finance: \_\_\_\_\_

Budgeted: ☐

Legal: \_\_\_\_\_

**EXHIBITS: grant agreement**

**AGREEMENT BETWEEN CITY OF OAK PARK BROWNFIELD AUTHORITY AND  
ATE MILE LLC FOR MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY  
BROWNFIELD REVELOPMENT GRANT**

This Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 2021 between the City of Oak Park Brownfield Authority ("OPBA"), ATE Mile, LLC, a Michigan limited liability company, also known as ATE Mile Road, LLC; 8 Mile Road LLC; and Kahn Bar LLC, doing business as 8MK. ATE Mile LLC, 8 Mile Road LLC, and Kahn Bar LLC, and any variations or assumed names for any of the aforementioned entities, shall be collectively known as ("Owner").

**RECITALS**

A. Owner holds title in fee simple to property commonly known as 12700 W. Eight Mile Rd., Oak Park, Michigan (the "Property") with Tax Parcel No. 52-25-32-376-031.

B. The Property is environmentally contaminated and it is in the best interest of both the OPBA and of the Owner that the environmental contamination on the Property be eliminated.

C. The City of Oak Park has been awarded a Brownfield Redevelopment Grant Contract "DEQ Project Name 8MK ," Tracking Code #2019-2402 ("Grant Contract") from the Michigan Department of Environmental Quality ("DEQ") executed by OPBA on August 23, 2019 and the DEQ on August 8, 2019. Implementation of said Grant will be completed through the OPBA through this signed agreement between the OPBA and Owner.

D. Owner has identified Applied Environmental as its designated agent to complete eligible Grant Contract activities as may be further defined in DEQ approved Grant Work Plan(s), as may be amended.

F. The OPBA has certain administrative responsibilities which it must fulfill with respect to the Grant Contract. The administrative duties to achieve successful implementation of eligible Grant Contact activities will be divided between OPBA and the Owner as set forth below:

**OPBA responsibilities shall include but may not be limited to in order to comply with administrative duties required under the Grant:**

1. OPBA shall promptly process all Grant Payment Requests from Owner or its Agents to Applied Environmental a total amount not to exceed the amount of the grant as specified in the Grant Contract. Owner acknowledges and agrees that an amount equal to ten percent (10%) of the grant award will be withheld by

the State until the project is completed in accordance with the Grant Contract. Owner further acknowledges that expenditures made after the August 8, 2021 end date specified in the Grant Contract are not eligible for payment and OPBA shall be under no obligation to process these requests

2. Process final Payment Request in accordance with the Grant Contract.
3. Provide DEQ Progress Reports and other required close out documents as required.
4. Perform Grant Closeout and Audit Requirements, if required, including, but not limited to, a site inspection by the State

**Owner's responsibilities shall include (but are not limited to):**

1. Provide all necessary assistance to OPBA so that the OPBA can fulfill its duties and responsibilities under this Agreement and the Grant Contract, including, but not limited to, providing OPBA with all supporting documentation of eligible project expenses.
2. Provide OPBA with all bid documents and contracts with Applied Environmental.
3. Provide OPBA with the schedule of eligible Grant activities.
4. Submit Grant payment requests at least monthly but not more than two times per month to OPBA.
5. Provide OPBA with invoices and other supporting documentation showing expenditures are reasonable for, and qualify as, eligible Grant activities.
6. Expend such funds as are required under the Grant Contract and DEQ Grant Work Plan(s), as may be amended.
7. Comply in all material respects with all environmental laws and regulations applicable to Grant Contract activities, and further agrees that, except as in compliance with applicable laws, not to knowingly place or dispose of, or knowingly cause to be placed or disposed of, any toxic or hazardous substances on the Property subject to the Grant Contract, and not knowingly manufacture, store, use, treat or dispose of such substances, or permit any manufacturing, storage, use, treatment or disposal of any hazardous substances.

G. It is understood by the outline above that the OPBA will undertake certain administrative duties and the Owner, and any agents designated by Owner, will execute

and fulfill the terms of the Grant Contract and DEQ Grant Work Plan(s) as may be amended.

NOW THEREFORE, it is agreed that:

1. OPBA hereby engages Owner, through Owner's Agents, to implement, as outlined in the recitals above, the completion of the activities eligible for reimbursement under the Grant. The Recitals are specifically incorporated as part of the substantive terms of this Agreement. Owner shall perform all activities necessary to assure compliance with the requirements of the Grant in order to enable the OPBA to receive the Grant funds to fulfill Grant Payment Requests of the Owner, through Owner's Agents.

2. In implementing the eligible Grant activities, Owner shall in all respects comply with the terms of the Grant Contract and approved DEQ Grant Work Plan(s), as may be amended. If, for any reason other than the sole fault of the OPBA, the OPBA is required to refund, return or repay any Grant monies previously disbursed to Owner, Owner shall promptly reimburse OPBA for the full amount that OPBA is required to refund, return or repay upon written demand from the OPBA.

3. The foregoing notwithstanding:

- a. OPBA shall only be obligated to reimburse Owner pursuant to the terms and conditions of this Agreement, the Grant Contract, as well as the policies and procedures of the OPBA for review and approval of invoices. All invoices for reimbursement under this Agreement must be authorized for use of grant funds by DEQ, and OPBA shall have no obligation under this Agreement to reimburse any invoice or expenditure incurred by Owner that is not approved by DEQ.
- b. Owner shall have no authority to act as the agent of the City, the OPBA or to otherwise contractually bind the City of Oak Park. However, provided that Owner has complied with the requirements of the Grant Contract in causing the activities eligible for reimbursement under the Grant to be performed and shall have documented expenditures for such activities by submission of invoices and other appropriate documentation to OPBA for its review within one year from the date of the invoice, and provided that OPBA has reviewed and approved such invoices, OPBA shall request that the DEQ Grant Administrator disburse the Grant funds applicable to such activities, and OPBA shall pay such funds directly to Applied Environmental pursuant to the terms of the Grant Contract and approved DEQ Grant Work Plan(s), as may be amended; and



- c. All reports, requests and other materials, required to be provided by the OPBA to the DEQ Grant Administrator pursuant to the Grant Contract, or required to be retained by the OPBA to evidence the OPBA's compliance with the Grant Contract, including but not limited to supporting materials demonstrating compliance with contract and materials procurement requirements, shall be submitted by Owner or by Owner's Agents to the OPBA, and the OPBA shall submit all required reports, requests, and other materials to the DEQ Grant Administrator in compliance with the Grant Contract.
  - d. No OPBA Member, City Council member or any other City of Oak Park official, employee, agent, consultant, advisor, attorney or representative of the OPBA shall be personally liable to Owner in the event of any default or breach by any party under this Agreement, or for any amount which may become due to any party or on any obligations under the terms of this Agreement.
  - e. Owner shall maintain insurance, identifying OPBA and the City of Oak Park as additional insureds, to protect against claims that may arise during the course of work within the scope of the Grant Contract.
  - f. Owner shall enter into a voluntary access agreement with OPBA and the City of Oak Park prior to the performance of the scope of work allowing the OPBA, City of Oak Park, and/or designated agents of the State of Michigan to access the property where grant activities will be undertaken.
4. The OPBA will in a timely fashion, upon being presented with documents confirming completion of the eligible Grant activities, cause such completion to be verified and if confirmed, then certified to the DEQ Grant Administrator to close out the Grant at the Property. Until completion of the eligible Grant activities is confirmed, Owner will not: (i) assign, sell or transfer its interest in the Property and/or the Project or any part thereof or any interest therein, except for utility easements; or (ii) assign this Agreement, without in each case the prior written consent of the OPBA. This section relates only to grant activities as set forth in this Agreement, and shall not be construed or interpreted as imposing any restrictions on the use, transfer or sale of any other Property.
5. The OPBA will in a timely fashion, forward or copy to Owner's Agents all communications to and from the DEQ Grant Administrator pertaining to the Grant Contract or approved Grant Work Plan(s).
6. The OPBA will in a timely fashion, forward applicable communications to the DEQ Grant Administrator by Owner's Agents.

7. Whenever a provision in this Agreement provides for any notice of any kind, notice shall be deemed to be given: (i) when personally delivered to the party to be given such notice; (ii) on the business day that such notice is sent by telefacsimile, email, or similar electronic device, fully prepaid, which facsimile, email or similar electronic communication shall promptly be confirmed by hand delivery or mailed notice; (iii) on the third business day following the date of deposit in the United States mail if such notice is sent by certified or registered mail with return receipt requested and postage fully prepaid; or (iv) on the business day following the day such notice or other communication is sent by reputable overnight courier to the following:

Owner:

ATE Mile, LLC  
Attn: Curt Catallo  
90 N. Main Street  
Clarkston MI 48346

Owner's Agent:

Kahn Bar LLC d/b/a 8MK  
Attn: Curt Catallo  
90 N. Main Street  
Clarkston MI 48346

Oak Park Brownfield Authority  
14000 Oak Park Blvd.  
Oak Park MI 48237

Applied Environmental  
1210 North Maple Road  
Ann Arbor MI 48103

or to such other address or email as the parties may designate by proper notice.

8. The parties hereto agree to execute and deliver promptly, at the expense of the party requesting such action, any and all other and further instruments, documents, drawings, and information which a party may request and which are reasonably necessary or appropriate to give full force and effect to the terms and intent of this Agreement.

9. Owner releases from and covenants and agrees that the OPBA and the City of Oak Park shall not be liable for, and Owner agrees to indemnify, defend and hold harmless the officials, employees, agents, consultants, advisors, attorneys and representatives thereof against any losses, demands, claims, actions, suits, judgments, damages, liabilities, penalties, costs and expenses (including without limitation the fees and expenses of attorneys and other consultants) which are asserted against, or are

imposed upon or incurred by the OPBA or the City of Oak Park or any above-listed person and which result from, relate to, or arise out of any of the following:

- i. any negligence or willful misconduct of Owner, its agents or independent interests in connection with the activities undertaken pursuant to the terms of the Grant Contract or this agreement;
- ii. the use of Grant revenues, including any order, ruling, or instruction to repay or refund the State of Michigan for any amounts paid to Owner, its agents, or Applied Environmental under this agreement;
- iii. the professional quality, technical accuracy, timely completion, and coordination of all designs, drawings, specifications, reports, and other services submitted to the State of Michigan under this Agreement.
- iv. any act or omission of the Owner with respect to any response or remedial activity for the Property, including any failure by the Owner and/or its agents to take any affirmative action to prevent the release of a hazardous substance or any other contaminant or the exacerbation of an existing environmental condition.
- v. the eligible activities for the property; or
- vi. the operation of the business of the owner or its agents on the property.

The OPBA may, at its discretion and without consent of Owner, set-off any amount owing to the Owner under this Agreement to satisfy any indemnification obligation of the Owner under this Section. Prior to set-off of any amount owing to the Owner to satisfy any indemnification obligation of the Owner under this Section, the Owner shall be provided an opportunity to address the Board of the OPBA and the Board shall determine that the exercise of the rights of set-off provided under this subsection is necessary to protect the interests of the OPBA.

10. Time is of the essence to this Agreement and in the performance of all of the covenants, obligations, and conditions hereof.

11. This agreement shall be null and void if the Grant is canceled by the State of Michigan as permitted by the Grant Contract. Owner acknowledges and agrees that if the grant is terminated or canceled for any reason by the State of Michigan, the State of Michigan reserves the right to require all or a portion of the funds received under the terms of the Grant Agreement to be repaid.

12. This Agreement contains the entire agreement and understanding between the parties with respect to all of the subject matter contained herein, thereby merging and

superseding all prior agreements and representations, whether written or oral, by the parties with respect to such subject matter. The agreement is considered completed and satisfied upon a determination of project completion by the State of Michigan, that may include a site inspection and an audit, issuance of final payment from the State, and EGLE sign-off of the Grant Contract activities.

13. This Agreement may be executed in two counterparts, both of which shall be deemed an original and when taken together shall constitute one and the same instrument.

In witness whereof the parties have signed this Agreement effective the date the last party signs this Agreement.

OPBA

Owner:

\_\_\_\_\_  
By:

\_\_\_\_\_  
By: Curt Catallo  
Its: Member and Authorized Agent, ATE Mile, LLC, a Michigan limited liability company, also known as ATE Mile Road, LLC; 8 Mile Road LLC; and Kahn Bar LLC, doing business as 8MK.



## BUSINESS OF THE CITY COUNCIL, OAK PARK, MICHIGAN

**AGENDA OF:** January 21, 2021

**SUBJECT:** Resolution to approve COVID-19 Business Assistance Package Phase III

**DEPARTMENT:** Economic Development

**SUMMARY:**

The Economic Development Department has been diligently working on resources to provide to our Oak Park businesses during this time. We originally presented a Business Assistance Package as well as a Phase II which include elements are soon to expire. In order to continue supporting our businesses we have made amendments to extend the assistance that we provide our businesses. We are asking City Council to approve these items so we can continue to support our businesses in Oak Park.

**FINANCIAL STATEMENT:** N/A

**RECOMMENDED ACTION:** Request that city council approve the COVID-19 Business Assistance Package- Phase III

**APPROVALS:**

City Manager: \_\_\_\_ET\_\_\_\_

Department Director: \_\_\_\_KM\_\_\_\_

Director of Finance: \_\_\_\_\_

Budgeted: ☐

Legal: \_\_\_\_\_

**EXHIBITS:** Resolution

**CITY OF OAK PARK  
MICHIGAN**

**RESOLUTION IN SUPPORT OF THE COVID-19 BUSINESS ASSISTANCE PACKAGE  
PHASE III**

WHEREAS, The City of Oak Park has been guiding local businesses throughout the COVID-19 Pandemic by providing resources; and

WHEREAS, The City of Oak Park has created a Business Assistance Package to help Oak Pak businesses through their recovery efforts; and

WHEREAS, The City of Oak Park will make ordinance amendments where necessary to support the Business Assistance Package; and

WHEREAS, The City of Oak Park will waive the \$150 outdoor dining permit fee until April 30, 2021; and

WHEREAS, The City of Oak Park will extend the outdoor dining season to be year round and allow where feasible and meeting local building and fire codes, additional dining in sidewalks and parking spaces until May 1, 2021; and

WHEREAS, The City of Oak Park will reduce advertising fees by 50% in the Oak Park quarterly magazine for Oak Park licensed businesses until Winter edition 2021; and

WHEREAS, The City of Oak Park will allow businesses to display one 32 s.f. banner style temporary sign without a permit until April 30, 2021; and

WHEREAS, The City of Oak Park will continue a BUY LOCAL campaign to promote Oak Park licensed businesses;

WHEREAS, The City of Oak Park will adopt the policies created in the Business Assistance Package:

NOW, THEREFORE, BE IT RESOLVED that the City Council for the City of Oak Park, Michigan, hereby supports the COVID-19 Business Assistance Package Phase II.

Roll Call Vote:      Yes:  
                             No:  
                             Absent:

I, T. Edwin Norris, duly authorized City Clerk of the City of Oak Park, Michigan, do hereby certify that the above resolution is a true and correct copy of a resolution adopted by the Oak Park City Council at the Special Council Meeting held on January 19, 2021.

---

T. Edwin Norris, City Clerk



# CITY OF OAK PARK

## COMMUNICATIONS AND PUBLIC INFORMATION

**Joscelyn A. Davis, Director**

**Mayor**  
Marian McClellan  
**Mayor Pro Tem**  
Carolyn Burns  
**Council Members**  
Solomon Radner  
Julie Edgar  
Shaun Whitehead  
**City Manager**  
Erik Tungate

### Meeting of the Oak Park City Council City Manager's Report January 19, 2021

#### COMMUNITY ANNOUNCEMENTS

1. **Oakland County Michigan Works! Virtual Multi-Industry Career Fair | Jan. 26<sup>th</sup>, 1–4 p.m.**
  - Partnership: Oakland County, Oak Park, and Southfield
  - Participants are required to register online for this event in advance at <https://app.brazenconnect.com/a/Michigan/e/I5Pmw>
2. **Oakland Co. Vaccine Appointments**
  - Register for phone/email alerts re: available vaccination appointments at <https://oaklandcountyvaccine.com/>; “saves your spot”
  - Receive pandemic updates by texting Oakgov to 28748 or visiting oakgov.com/covid
  - Oakland County Nurse on Call is taking questions regarding virus and vaccine at (248) 848-5533
3. **Henry Ford Health System Free COVID-19 Testing**
  - Free, walk-in COVID-19 testing at Oak Park High School on Wednesdays, 10 a.m.–6 p.m. through March 31<sup>st</sup>
  - For more info, visit [www.henryford.com/freecovidtest](http://www.henryford.com/freecovidtest) or call (313) 876-1363
4. **Gun Safety Training:** Public Safety will begin planning a program for residents once the pandemic shutdown lifts
5. **Board and Commission Opportunities** | application deadline Jan. 29<sup>th</sup> | see “Boards and Commissions” under the City Clerk’s webpage on City website | Current vacancies include the Library Board, Arts and Cultural Diversity Commission, Corridor Improvement Authority, Traffic Safety Board, and Zoning Board of Appeals
6. **Ask the Attorney** | Feb. 3<sup>rd</sup>, 6–8 p.m.
  - Oak Park Library will host special guest Councilmember Shaun Whitehead
  - Registration required. Limited. Call (248) 691-7480. See Library webpage.
7. **Recreation events for January–February 2021** (Note: Programs subject to rescheduling or cancellation) Learn more/ register by calling the Rec Dept. at (248) 691-7555
  - **Virtual Trivia Night** | Cost: \$5/team per night | Prizes: gift cards and T-shirts
    - i. The Office – January 21 @ 7 p.m.
    - ii. Disney Movies (Family Night) – January 28 @ 6:30 p.m.



- iii. Games of Thrones – Feb. 4<sup>th</sup> @ 7 p.m.
  - iv. Hunger Games – Feb. 11<sup>th</sup> @ 7 p.m.
  - **Virtual Arts and Crafts: Introduction to Drawing** | Ages 6–12 | Tuesday, January 26<sup>th</sup>, 5 p.m. | Cost: \$10 | Supplies included with registration and need pick-up from the Community Center.
  - **Teen Council** | Monthly (virtual) meetings beginning January 25<sup>th</sup>, 4 p.m.
  - **Online CPR Class** | February 1 | \$50
  - **Virtual Sports Camps for ages 6-17** | Free | Basketball, Baseball
  - **E-Sports** | Rocket League (Cross-Platform) | Ages 10-17 | \$10/person | 8 weeks | Feb-April
  - **ESPN Fantasy Basketball League (virtual)** | Enrollment deadline Feb. 4<sup>th</sup> | \$5 entry fee | Registration deadline: Jan. 18<sup>th</sup>. Draft date: Jan. 21<sup>st</sup>
  - **Find the Magic Scavenger Hunt** | Jan. 22 –24 (Free) | sponsored by Joyful Tots Childcare and Learning Center (registration closed)
  - **(For our seniors) Monday Mornings with Maralee** | January 25<sup>th</sup> (10-10:30 a.m.) | Free virtual program. Call for free Zoom or phone access code
  - **(For our seniors) Train Your Brain: Brain Booster Activity Packets** | Jan. 20–Mar. 10 | sponsored in part by Humana, Inc.
  - **(For our seniors) Senior (Car) Bingo** | Mon., January 25<sup>th</sup> 11:30 a.m.-12:30 p.m. | Community Center parking lot
  - **(For our seniors) Winter Bliss: Senior Comfort Package** | January 28<sup>th</sup> | FREE | comfort packages include activities to promote a feeling of well-being | Sponsored in part by SMART
8. **Reminder: Oak Park Municipal Complex closed to the public** until February 2, 2021
- **Residents can still conduct business with the City in real time**, e.g., pay utility and tax bills by mail, using the dropbox outside City Hall, or through the City website.
  - **Residents can stay connected with the City for timely updates** by signing up for Community eBlasts and Emergency Robo-Calls (by completing the pop-up survey on the City’s main webpage); liking the City’s Facebook pages; checking the City’s website; and tuning in to Comcast OPTV 15 and OPTV 16.
9. **Other Opportunities for Ongoing Engagement:**
- **“Senior Scoop” Newsletter** | Monthly on the 21<sup>st</sup> | Free pickup from Rec mailbox  
Focuses on news and activities for senior residents
  - **“The Rec” Newsletter** | Monthly on the 21<sup>st</sup> | Free pickup from Rec mailbox  
Highlights youth, teen, and family programs