



CITIZENS' GUIDE

POPULAR ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2010





-WIXOM-
A Community with Character
SETTLED 1832 CHARTERED 1958

Wixom Community Foundation

Wixom Community Foundation

MICHIGAN

WIXOM

STAY OUT
UNSAFE TO
ENTER

Wixom Community Foundation
Wixom T.E.A.M. \$4012.00
Four Thousand and Twelve Dollars
Wixom Community Foundation

Wixom Community Foundation

Wixom Community Foundation

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A CROSSROADS COMMUNITY
WITH CHARACTER

City of Wixom

Entrepreneurial City

University of Michigan



Wixom

A community you can LIVE in!

Named an Entrepreneurial City by the University of Michigan – Dearborn School of Management in 2007, 2009, 2010, Wixom has a mix of high-quality residential living and a strong diverse industrial base. Centered around the Wire House, Gibson Farm and a 300-acre nature preserve, with walking paths and wildlife viewing, Wixom maintains the best of country living within the urban fringe, having the tenth-lowest tax rate in Oakland County, has one of the lowest combined water and sewer rates in Oakland County and boasts of one of the finest school districts in the state. Wixom is rich in history and has demonstrated commitment to the environment and preservation of our natural resources.

Our connection to the past, commitment to the environment, business sensitive management philosophy, organizational culture and entrepreneurial spirit all coupled with a multitude of civic events, culminate in a strong sense of community that is uniquely Wixom. You won't find a better "hometown" anywhere.



April 8, 2011

To the Citizens of the City of Wixom:

It is with great pleasure that we present to you the City of Wixom's first Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2010. The intent of this report is to provide you with our annual financial and operating information in a more clear and user friendly manner. We hope that this report is useful for you to better determine the City of Wixom's financial condition.

The information provided in this report is derived primarily from the 2010 Comprehensive Annual Financial Report (CAFR). The financial information provided in the CAFR was independently audited by Plante & Moran, PLLC, and was prepared in accordance with generally accepted accounting principles (GAAP). The City has once again received an unqualified ("clean") opinion from our auditors which is the highest form of financial assurance that an organization can receive from their audit firm.

Unlike the CAFR, this PAFR is unaudited and not prepared in accordance with GAAP. Only the financial data for the primary government is included in this report and all of the City's discretely presented components units are excluded. Information in this report is condensed and summarized and certain financial statements and note disclosures required by GAAP are not included. A copy of the City's 2010 CAFR prepared in accordance with GAAP is located at <http://www.cityofwixom.com/archives/77/FS-6-30-2010-GFOA.pdf>.

We are proud that we have received the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for the sixth straight year for the fiscal year ended June 30, 2009 CAFR. A certificate is valid for one year only, and we believe that the City has met the requirements to receive the award for the fiscal year ended June 30, 2010. We would like to acknowledge Professor William LaGore and his students in Accounting 546, Public and Nonprofit Sector Accounting, at Eastern Michigan University for their contribution to this PAFR whose collaboration with the City of Wixom is much appreciated.

The City of Wixom's finances are solid. A number of years ago, in a proactive approach to the economic projections, the City adopted a Five Year Fiscal Action Plan. This Plan, which includes a Budget Stabilization Fund, has provided a means to maintain consistency in taxes while avoiding service reductions during the current state of the economy. Partly attributable to the Five Year Action Plan, the State of Michigan Department of Treasury has rated Wixom's financial strength and future as superior. Only 13.4% of Michigan cities were able to attain this rating. Further, Moody's has continued to affirm an A1 bond rating for the City citing sound financial operations characterized by healthy reserves and prudent fiscal management.

We hope you find this information interesting and informative. We welcome any feedback and suggestions regarding the information provided in this report.

Respectfully,



J. Michael Dornan
City Manager



Kevin Brady
Finance Director

City of Wixom Officials

As of June 30, 2010

Mayor: Kevin W. Hinkley, (248) 624-4557

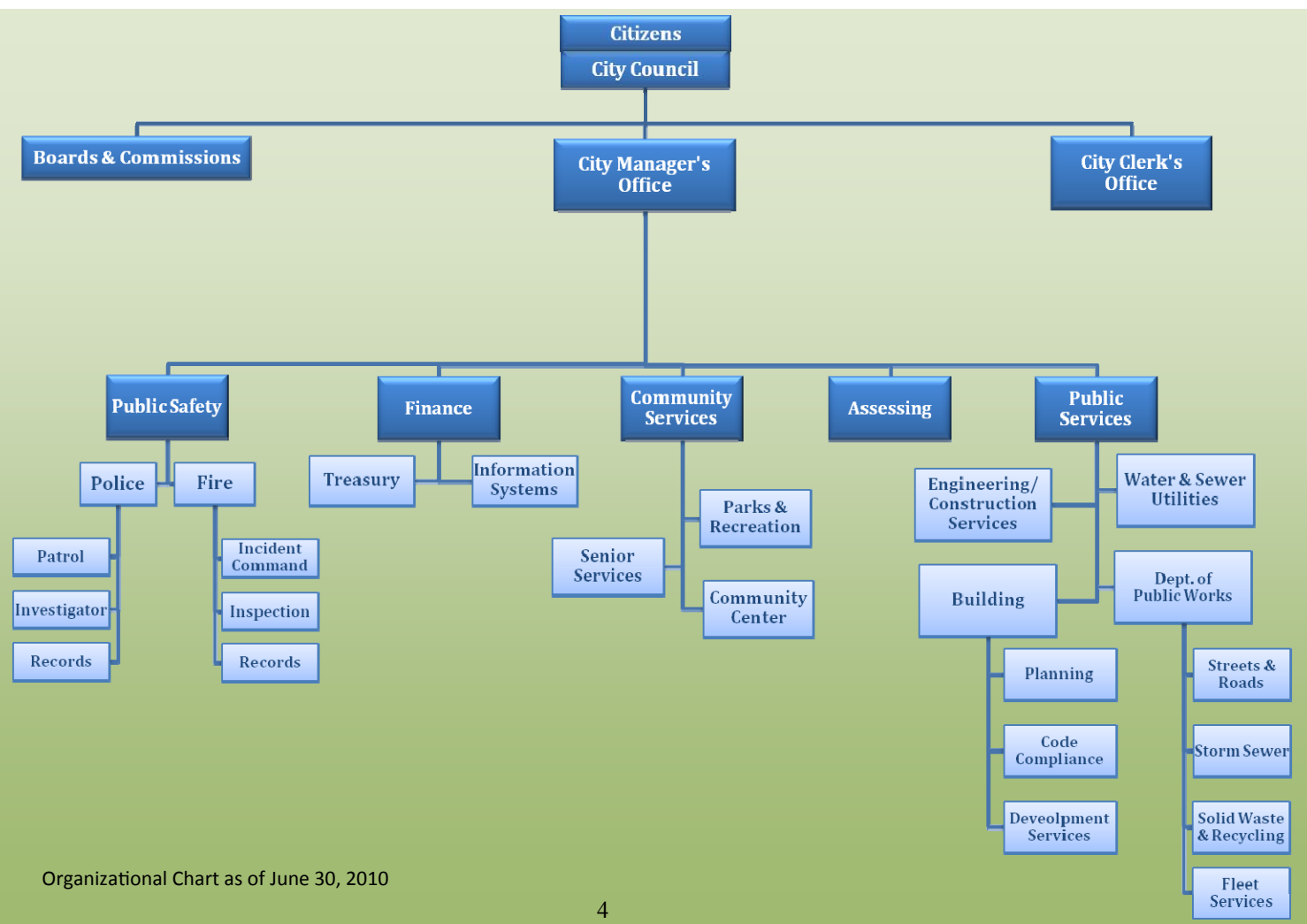
City Council: Richard Ziegler, Mayor Pro Tem
 Patrick Beagle
 James Cutright
 John Lee
 Lori Rich
 Thomas Rzeznik

Meetings: 7:30PM, 2nd and 4th Tuesday of each month
 City Hall—City Council Chamber
 49045 Pontiac Trail
 Wixom, MI 48393

Manager: J. Michael Dornan, (248) 624-0894

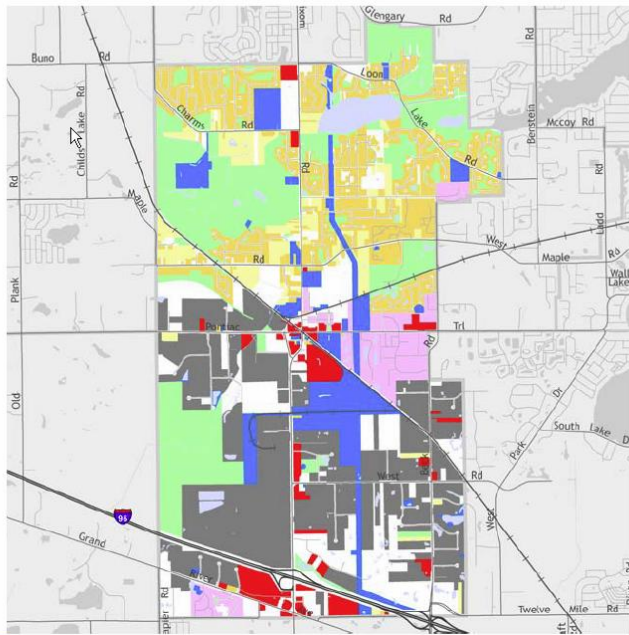
Clerk: Linda Kirby, (248) 624-4557

www.wixomgov.org



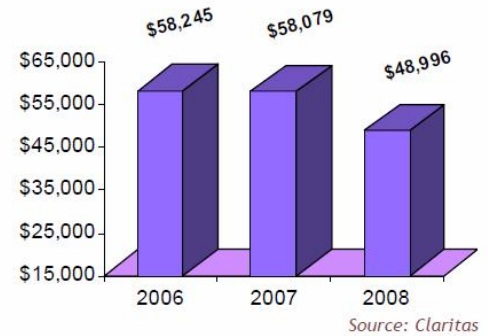
Organizational Chart as of June 30, 2010

Wixom



The information provided has been compiled from recorded deeds, plats, tax maps, surveys, and other public records. It is not a legally recorded map or survey and is not intended to be used as one. For more detailed land use information, go to <http://www.oakgov.com/luz>

Median Household Income



Public School Enrollment

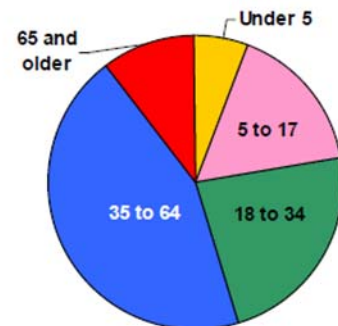
School District	Year	Enrollment
Novi	2008 - 2009	6,221
South Lyon	2008 - 2009	7,072
Walled Lake	2008 - 2009	15,779

Housing Sales

2010 # of Sales	39
2010 Median Sale	\$130,500
2010 Avg DOM	163
2009 # of Sales	318
2009 Median Sale	\$147,000
2009 Avg DOM	132
2008 # of Sales	90
2008 Median Sale	\$160,000
2008 Avg DOM	162

Realcomp (2010 through April only)

Population by Age

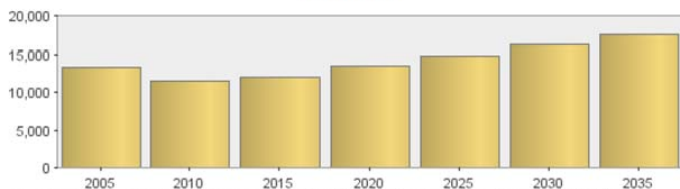


Source: U.S. Census Bureau

Top Employers

Rank	Company Name	Industry
1	Great Lakes Rubber Co.	Fabricated rubber products
2	Mac Valves Inc.	Fluid power valves and hose fittings
3	NIb Leasing LLC	Equipment rental and leasing
4	Rockwell Medical Technologies, Inc.	Surgical and medical instruments
5	Trijicon Inc.	Optical instruments and lenses
6	NGK Spark Plugs USA	Motor vehicle parts and accessories
7	H2H Solutions, Inc.	Home health care services
8	Walled Lake School District	Primary education

Job Forecast



If any five-year interval employment numbers from 2005-2035 are not shown, the numbers were blocked for confidentiality reasons.

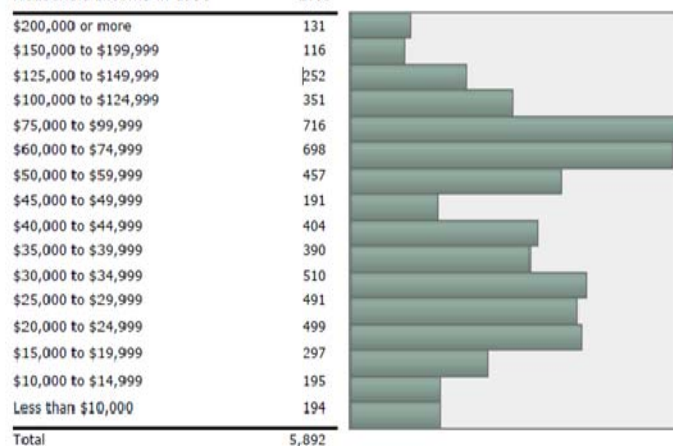
Source: SEMCOG 2035 Forecast.

Move cursor over chart to view employment numbers

Forecasted Jobs by Industry	SEMCOG 2005	SEMCOG 2035	Change 2005-2035
Natural Resources & Mining	C	C	C
Manufacturing	6,002	2,671	-3,331
Wholesale Trade	1,499	1,303	-196
Retail Trade	1,208	1,020	-188
Transportation & Warehousing	331	443	112
Utilities	C	C	C
Information	132	303	171
Financial Activities	283	707	424
Professional, Scientific, & Technical Services	878	2,341	1,463
Management of Companies & Enterprises	147	139	-8
Administrative, Support, & Waste Services	1,448	4,659	3,211
Education Services	230	297	67
Health Care & Social Assistance	228	1,836	1,608
Leisure & Hospitality	611	1,239	628
Other Services	308	543	235
Public Administration	C	C	C
Total	13,425	17,680	4,255

Note: "C" indicates data blocked due to confidentiality concerns of ES-202 files.

Household Income in 1999



The 2000 Census reported that 15.8% of Wixom residents work in Wixom; 10.5% of Wixom residents work in Novi. More than 5% of Wixom residents also commute to each of these Michigan cities: Southfield; Farmington Hills; and Detroit.

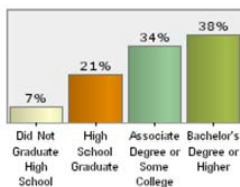
Detroit residents are the second highest employed workers in Wixom, behind Wixom residents. Wixom also draws workers from Commerce Township, Novi, and Livonia.

Demographics

Household Types	Census 2000	SEMCOG 2035	Change 2000-2035
Total Households	5,889	7,598	1,709
With seniors 65+	522 9%	3,147 41%	2,625
Without seniors	5,367 91%	4,451 59%	-916
With children	1,896 32%	1,774 23%	-122
Without children	3,993 68%	5,824 77%	1,831
Two or more Persons	1,790 30%	3,029 40%	1,239
Live Alone	2,203 37%	2,795 37%	592
Seniors 65+	241 4%	1,517 20%	1,276
Under 65	1,962 33%	1,278 17%	-684

Race and Hispanic Origin	Census 1990	Census 2000	Percentage Point Chg 1990-2000
Non-Hispanic	8,447 98.8%	12,839 96.8%	-2.0%
White	8,312 97.2%	11,792 88.9%	-8.3%
Black	27 0.3%	327 2.5%	2.1%
Asian or Pacific Islander	72 0.8%	378 2.9%	2.0%
Other	36 0.4%	342 2.6%	2.2%
Hispanic	103 1.2%	424 3.2%	2.0%
Total Population	8,550 100.0%	13,263 100.0%	0.0%

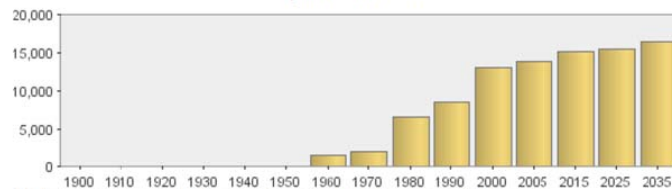
Highest Level of Education*	Census 2000	Percentage Point Chg 1990-2000
Graduate / Professional Degree	11.7%	6.3%
Bachelor's Degree	26.5%	2.9%
Associate Degree	8.1%	-2.5%
Some College, No Degree	25.6%	0.4%
High School Graduate	21.2%	-4.1%
Did Not Graduate High School	7.0%	-3.0%



* Population age 25 and over

Resident Population

Population Forecast



Note for Wixom: Incorporated as of the 1960 Census from part of Commerce and Novi Townships.

Source: U.S. Census Bureau and SEMCOG 2035 Forecast.

Population and Households	Census 2000	SEMCOG Dec 2010	Change 2000-2010	SEMCOG 2035
Total Population	13,263	13,912	649	16,456
Group Quarters Population	56	56	0	88
Household Population	13,207	13,856	649	16,368
Housing Units	6,086	6,655	569	-
Households (Occupied Housing Units)	5,889	6,131	242	7,598
Residential Vacancy Rate	3.2%	7.9%	4.6%	-
Average Household Size	2.24	2.26	0.02	2.15

Components of Population Change	Annual Average	
	Census 1990-1999	SEMCOG 2000-2009
Natural Increase (Births - Deaths)	182	187
Births	241	254
Deaths	59	67
Net Migration (Movement In - Movement Out)	290	-102
Population Change (Natural Increase + Net Migration)	471	85

Source: Michigan Department of Community Health Vital Statistics, U.S. Census Bureau, and SEMCOG.

Based on estimated populations given by the 2010 U.S. Census,* Oakland County experienced a .76% population increase from July 2000—July 2009. The City of Wixom experienced a 4.9% population increase from 2000—2010.

*Calculation based on estimated populations reported on www.michigan.gov

Source Data

- [SEMCOG - Detailed Data](#)
- [Michigan Department of Community Health - Vital Statistics](#)
- [U.S. Census Bureau - American FactFinder](#)
- [U.S. Census Bureau - MCD/County Worker Flow Data](#)

Governmental Activities

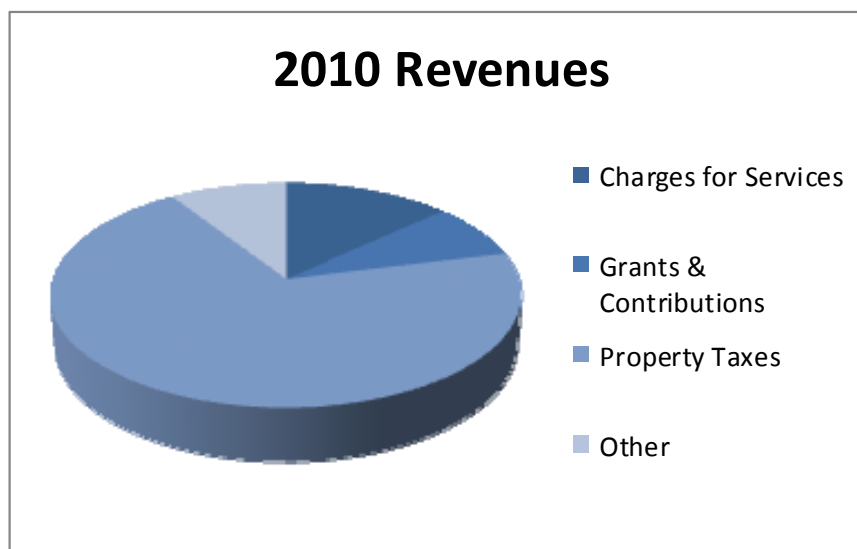
The governmental activities are the main operating activities for a city. Most city expenditures and revenues are accounted for in the general fund. In this section we will break down the revenues and expenditures of the governmental activities for the City of Wixom.

Revenues—Where City Money Comes From

Just like a for-profit business, governments need sources of income (revenue) in order to operate. However, unlike businesses, governments do not solely rely on selling a good or service in order to create revenues. Most of a government’s revenues come from assessing and collecting taxes. The following chart shows the dollar amounts Wixom collected for each of its different sources of revenues. The table also gives 2009 data and displays the change from year to year.

Revenues	2010	2009	Change
Charges for Services	\$1,644,794	\$1,972,570	\$(327,776)
Grants & Contributions	979,741	1,700,184	(720,443)
Property Taxes	8,649,835	8,591,365	58,470
Other	1,142,464	1,158,261	(15,797)
Total	\$12,416,834	\$13,422,380	\$(1,005,546)

The other revenue category consists of state-shared revenue, earnings from unrestricted investments the City holds, and miscellaneous revenues. All revenues, except for property taxes, experienced a decline from 2009 – 2010.



The following further breaks down revenues earned from charges for services for 2009, 2010, and the percentage change between the two years. These are revenues earned from charges paid by citizens for services provided by the city; they are not taxes collected by the city.

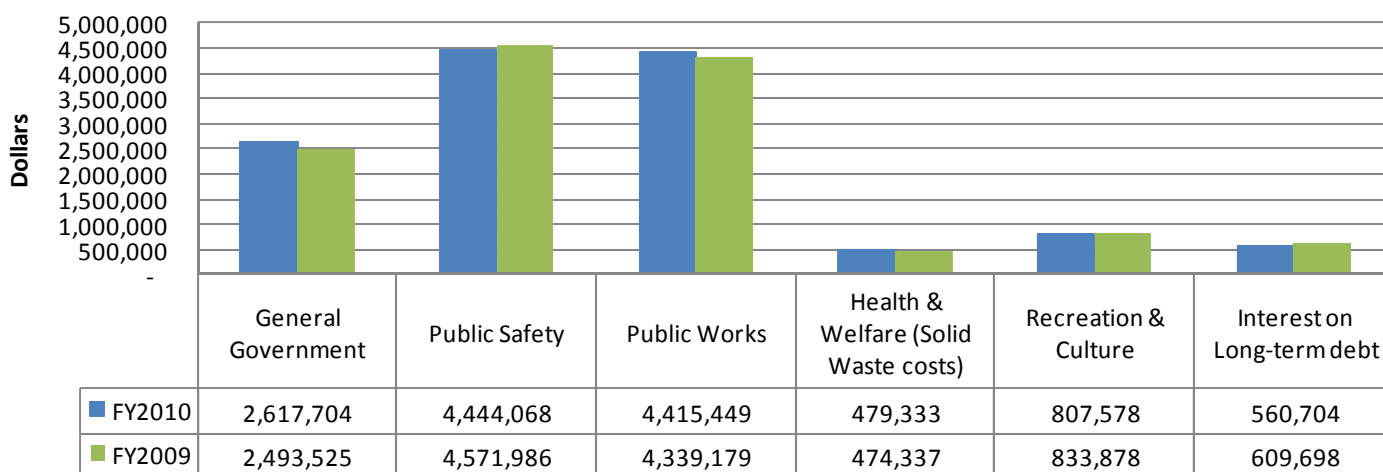
Charges for Services Revenues	2010	2009	Change	% Change
General Government	236,369	274,077	(37,708)	-14%
Public Safety	125,333	137,935	(12,602)	-9%
Public Works	562,942	840,188	(277,246)	-33%
Health & Welfare (Solid Waste Fees)	480,494	466,900	13,594	3%
Recreation & Culture	239,656	253,470	(13,814)	-5%
Total	\$1,644,794	\$1,972,570	\$(327,776)	-17%

Expenditures—Where City Money Goes

Expenditures are the costs the government incurs while performing its every day job. The revenues collected by the government are used to pay the expenditures, just like a for-profit business. The expenditure categories listed below represent the different areas the City used its money. Expenditures can be for programs and activities, paying for financing, or for City sponsored business-type activities.

Expenditures	2010	%	2009	%	Change	% Change
General Government	2,617,704	20%	2,493,525	19%	124,179	-5%
Public Safety	4,444,068	33%	4,571,986	34%	(127,918)	3%
Public Works	4,415,449	33%	4,339,179	33%	76,270	-2%
Health & Welfare (Solid Waste costs)	479,333	4%	474,337	4%	4,996	-1%
Recreation & Culture	807,578	6%	833,878	6%	(26,300)	3%
Interest on Long-term debt	560,704	4%	609,698	5%	(48,994)	8%
Total	\$13,326,846	100%	\$13,324,612	100%	\$2,233	0%

Comparison of 2009 and 2010 Governmental Activities Expenditures FY2010 (\$13,326,846) & FY2009 (\$13,324,612)



The following list provides a more detailed explanation of the Governmental Activities expenditure categories:

- **General government** expenditures include the administration of City offices and officials. This includes the following functions and Departments: City Council, City Manager’s Office, Clerk’s Office, Assessing Department, Finance Department, Information Systems Department, Legal Counsel, General Operating and Maintenance, and certain Boards & Commissions.
- **Public safety** expenditures include the Wixom Police and Fire departments.
- **Public works** includes the DPW Department, which includes maintenance of City streets, parks, and other infrastructure, Building Department, Planning Commission and the Board of Appeals.
- **Health and welfare** are expenditures for the City’s Solid Waste Collection program through Resource Recovery and Recycling Authority of Southwest Oakland County (RRRASOC) whose member communities include Farmington, Farmington Hills, Novi, Southfield, South Lyon, Walled Lake, and Wixom.
- **Recreation and culture** are expenditures for the City’s Parks & Recreation Department, Cultural Center activities, Senior’s Commission activities and Beautification Committee activities sponsored by the City.
- **Interest on long-term debt** are interest charges from long-term debt of the City which includes debt for Major Road Improvements, Fire and DPW Building construction and renovation, Special Assessments, and Downtown Development/Village Center Area improvements.

All revenue and expenditure information was taken from the Change in Net Assets statement in the Management Discussion and Analysis section of Wixom’s CAFR.

Assets and Liabilities

To better gauge the financial state of the city, we also need to look at the City’s assets and liabilities. Looking at the City’s assets and liabilities, along with the revenues and expenditures, will give us a complete financial picture of the City.

Assets are considered anything tangible or intangible of value owned by the City that will provide future benefits. Liabilities are amounts owed to others. The following table shows the difference in Wixom’s assets and liabilities as of June 30, 2010.

Condensed Statement of Net Assets			
June 30, 2010			
	Governmental	Business-type	
	Activities	Activities	Total
Assets			
Cash and investments	13,105,060	10,571,156	23,676,216
Receivables, net	3,550,078	907,840	4,457,918
Internal Balances	(1,527,155)	1,527,155	-
Capital Assets	43,074,759	54,042,509	97,117,268
Other Assets	797,538	506,922	1,304,460
Total Assets	59,000,280	67,555,582	126,555,862
Liabilities			
Payables and accrued liabilities	1,397,541	749,068	2,146,609
Compensated absences:			
Due in one year	414,573	-	414,573
Due in more than one year	215,065	-	
Long-term debt:			
Due in one year	1,350,000	937,953	2,287,953
Due in more than one year	10,325,000	9,492,725	19,817,725
Other liabilities	410,365	534,109	944,474
Total Liabilities	14,112,544	11,713,855	25,826,399
Net Assets	44,887,736	55,841,727	100,729,463

Below are explanations of a few of the asset and liability accounts.

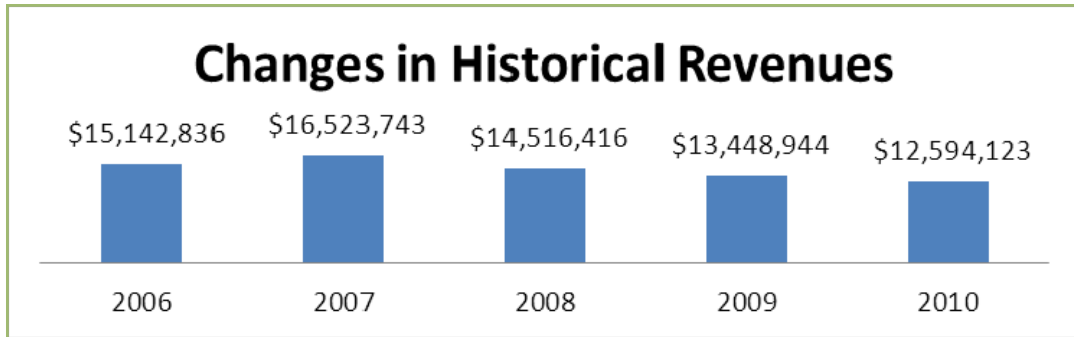
- **Receivables** are amounts owed to the City.
- **Capital assets** represent office furnishings, equipment, vehicles, land, buildings and the City’s infrastructure including major and local roads, sidewalks, bike paths and utility and storm water systems.
- **Payables and accrued liabilities** represent amounts owed by the City to companies or individuals who supply goods or services to the City including accrued payroll and taxes.
- **Long-term debt** are amounts owed by the City for the issuance of debt.



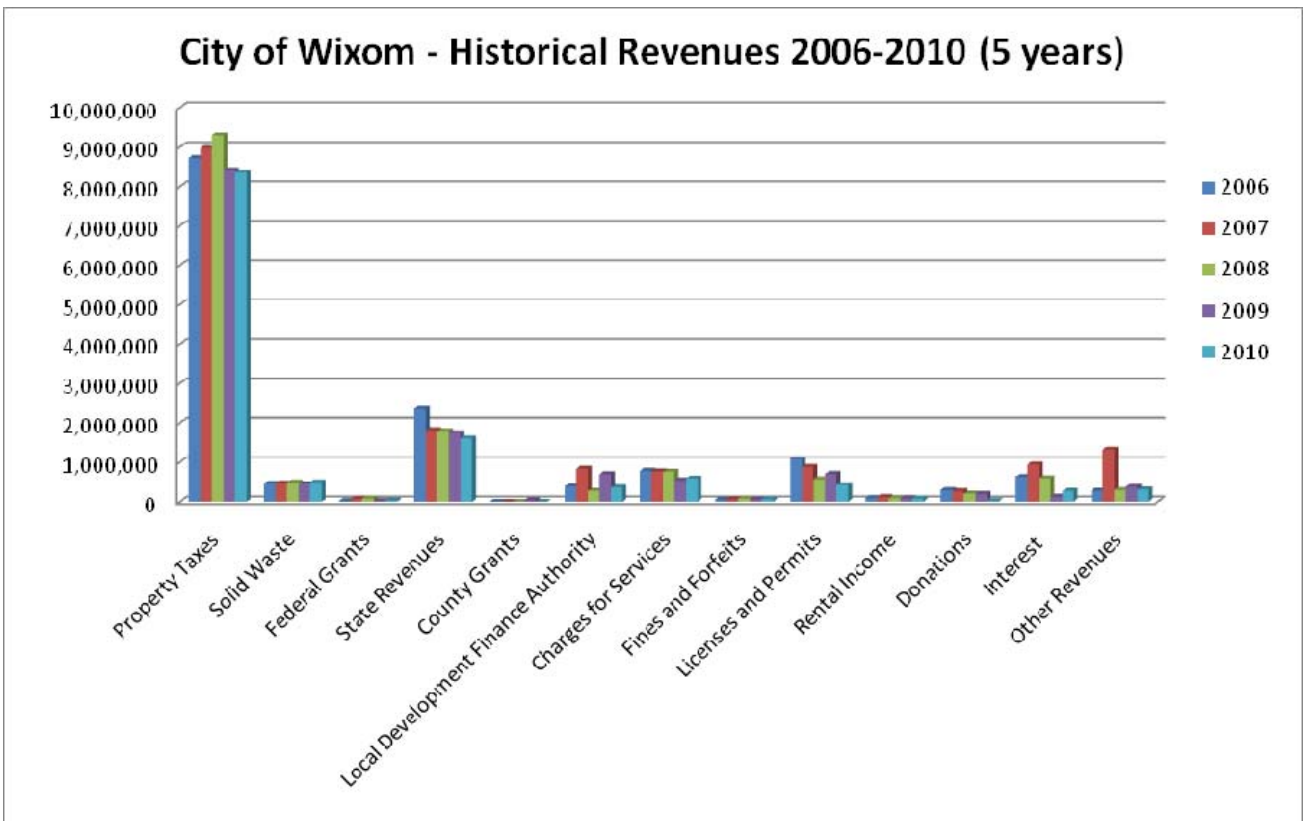
Historical Revenues

Taking into account how the City has performed in the past is essential to understand how it is doing now. We will dive deeper in the historical revenues and look at total historical revenues for the entire Governmental Funds. The Governmental Funds are a broader classification for current funds, which includes governmental activities discussed earlier. These Historical Revenues are reported on a Modified Accrual Basis (MAB), and are only showing Governmental Funds Activities.

The chart below represents the total historical revenues for the last five years. The numbers below were taken from the Governmental Funds Statement of Revenue, Expenditures, and changes in Fund Balances for the year ended June 30, 2010.

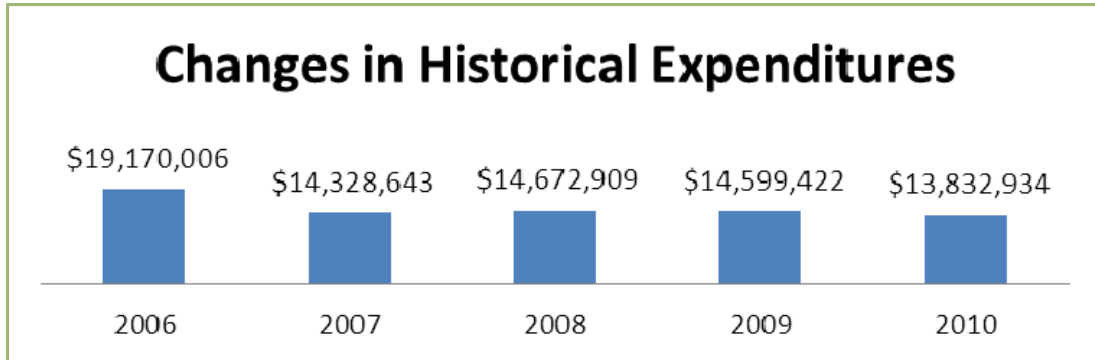


Governmental fund revenues come from various sources. The following chart indicates where the different sources of revenues have come from over the past five years. From 2009 to 2010, revenue for the Governmental Funds decreased by 6.36 percent. Some of the contributing factors over the year are decreases in property taxes, State Shared revenue, LDFA contribution for road projects (Component Unit), licenses, permits, and development fees and deposits, and elimination of Library contribution for use of facilities.

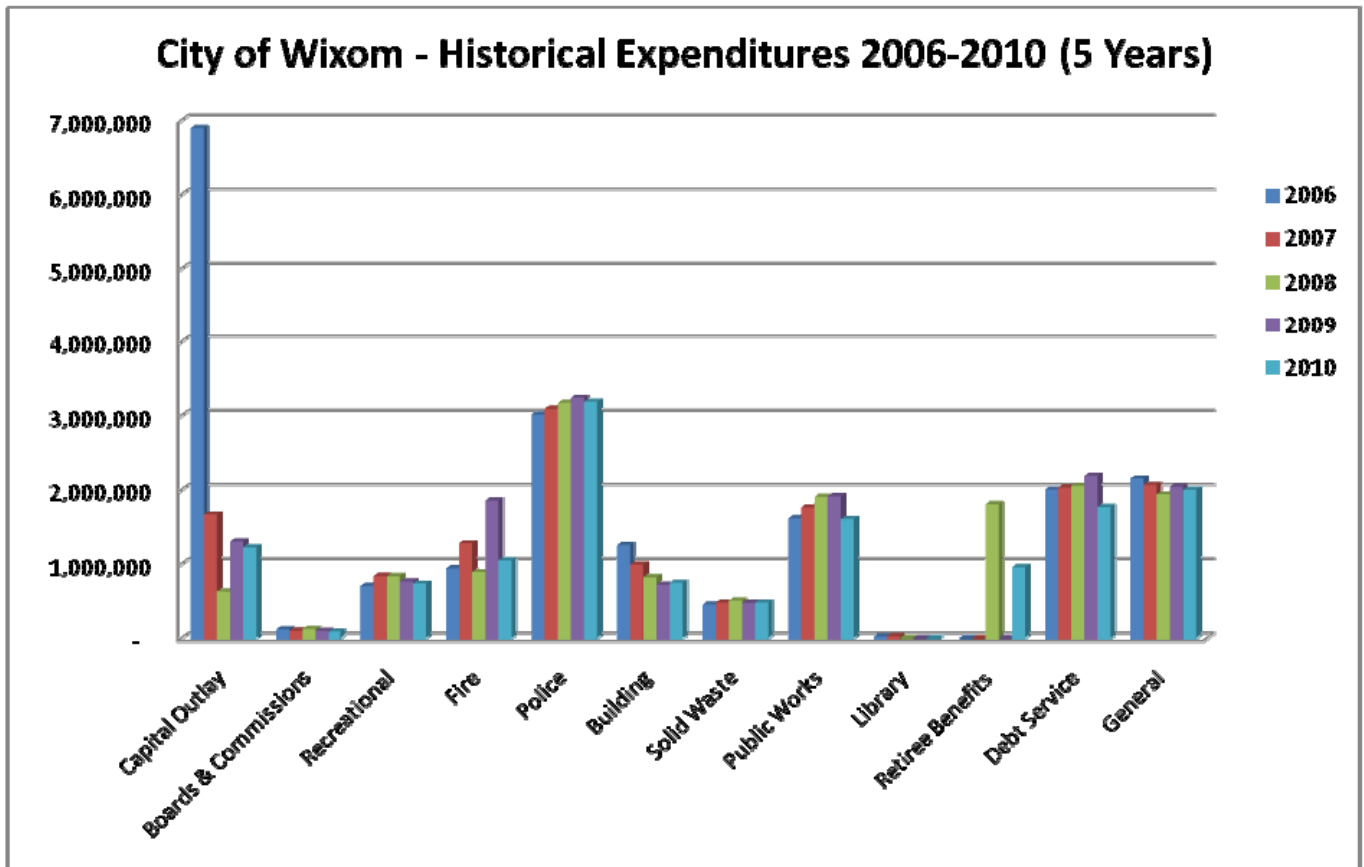


Historical Expenditures

Now that we have looked at historical revenues, we will turn our attention to historical expenditures for the Governmental Funds. The chart below represents the total historical expenditures for the last five years. The numbers below were taken from the Governmental Funds Statement of Revenue, Expenditures, and changes in Fund Balances for the year ended June 30, 2010.



From 2009 to 2010, expenditures for Governmental Funds decreased by 5.25 percent. Some of the factors that caused expenditures to decrease over the year were general operating expenses, police and fire department expenditures, and public safety. Below is a further breakdown of historical expenditures by activity.



Other Important Financial Information and Recap

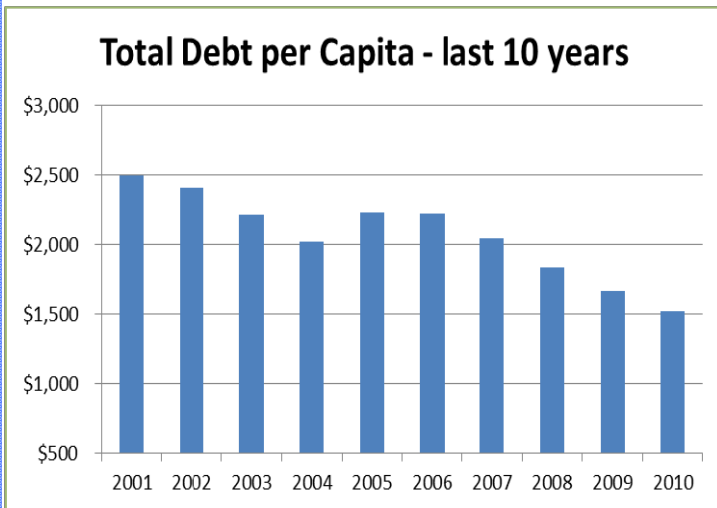
The following represents the most significant financial highlights for the fiscal year ended June 30, 2010:

- The current assets of the City’s governmental activities exceed its current liabilities at the close of June 30, 2010 by \$12,205,275.
- The current assets of the City’s business-type activities exceed its current liabilities at the close of June 30, 2010 by \$11,423,658.
- The City’s total debt during the fiscal year decreased from \$24,203,812 to \$22,105,678, a decrease of \$2,098,134, which represents payments of outstanding debt.
- At the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$11,362,176, a decrease of \$1,238,811. The decrease in fund balance is primarily due to total expenditures exceeding total revenues for all governmental funds by \$1,238,811, which provided resources for assistance in Local Roads Capital Program to be used for road projects \$(918,962), land acquisition purchases for \$(223,404), payment of prior year other post-employee benefits (OPEB) contribution for \$493,918, assistance in funding of capital improvement projects through the City’s five year capital improvement plan, payments from Special Agency Fund, and the payment of debt service.
- The total debt per capita shows us the amount of debt the city has per each resident. The Ratio of debt to taxable value for 2010 was 2.57%. For the City population of 14,500, the total debt per capita for 2010 was \$1,525. There has been a steady decline of total debt per capita the last 10 years.

- Total net assets related to the City’s governmental activities decreased by \$908,002. The chart below provides the sources for the change in governmental activities total net assets.

Category	Net Change
Decrease in net investment in capital assets	(2,339,967)
Increase in reserves for street and highway programs	262,950
Decrease capital projects expenditure reserves	(18,149)
Transfer of reserves for retiree benefits	(493,917)
Decrease in special agency reserves	(119,252)
Other Purpose - Land Acquisition Fund	(222,019)
Other Purpose - Forfeiture Fund	9,528
Other Purpose - Other Funds	149,883
Change in debt service funds and deferred revenue	1,863,924
Change in unrestricted net assets	(983)
Net Change to Net Assets-Statement of Activities	(908,002)

- The net assets related to the City’s business-type activities decreased by \$512,178. This was primarily due to operating expenditures exceeding operating revenues by \$1,483,725, contributions of water and sewer lines by developers of \$93,708, and non-operating revenues in the amount of \$877,839.



- The City’s debt limit is \$77,153,071 for 2010. Direct debt of \$19,775,678 is subtracted from that amount to arrive at the Legal Debt Margin, or amount still legally available for the city to borrow. Only 25.63% of the Legal Debt Limit has been used, so 74.37% is available to the City.

State Shared Revenue

Fiscal Year (State)	Statutory	Constitutional	Total	% Change	Dollar Amount
10/31/2001	511,469	860,664	1,372,133	-2%	(24,882)
10/31/2002	460,228	869,432	1,329,660	-3%	(42,473)
10/31/2003	384,318	884,153	1,268,471	-5%	(61,189)
10/31/2004	265,494	874,548	1,140,042	-10%	(128,429)
10/31/2005	232,197	895,419	1,127,616	-1%	(12,426)
10/31/2006	204,406	910,663	1,115,069	-1%	(12,547)
10/31/2007	190,121	891,741	1,081,862	-3%	(33,207)
10/31/2008	160,349	921,513	1,081,862	0%	-
10/31/2009	160,349	869,098	1,029,447	-5%	(52,415)
10/31/2010	78,092	837,498	915,590	-11%	(113,857)
Total				-30%	(481,425)

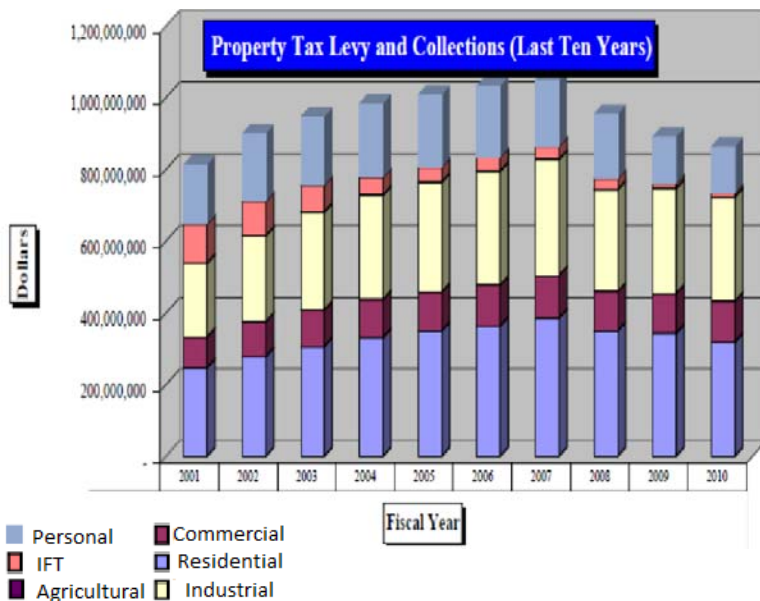
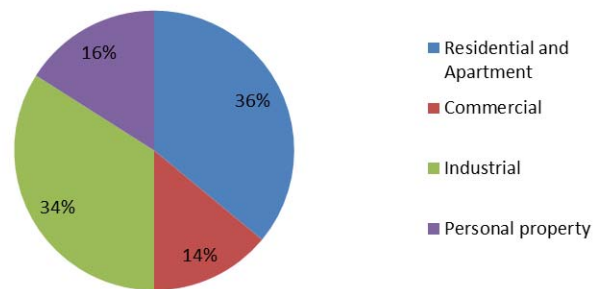
Though the State increased their income tax rate from 3.9% to 4.35% and raised their sales tax to 6% on certain services, the State still has severe budget problems. On March 21, 2011, Governor Snyder announced in his letter to the Michigan Legislature that he has proposed the statutory revenue sharing program be discontinued and replaced with the new Economic Vitality Incentive Program. Funding for the first year is expected to limit allocation to communities that are expected to receive over \$6,000 of the new reduced funding under the existing formula. Communities must qualify for this funding by meeting certain requirements based on best practices and implementing reforms. Local governments must also produce a citizen's guide to their finances, as well as a "dashboard" by October 1, 2011. Citizens of the City of Wixom can look forward to greater transparency and understanding through these documents. The City of Wixom may also try to adopt a multi-year budget for fiscal years 2012 and 2013.

Source: http://www.michigan.gov/documents/snyder/2011Special_Message-1_348148_7.pdf

Tax Mix

The diverse tax mix of residential, manufacturing, office, service, technology, and retail recreational centers reduces Wixom's impact of adverse economic cycles and provides a stable environment for new investment. The City also continues to have a strong, diversified tax base. A total of 36% of the tax roll is residential and apartments. The remaining 64% is nonresidential, composed of 14% commercial, 34% industrial and 16% personal property. The City is approximately 80 percent developed.

City of Wixom Tax Mix



Property Taxes

Property taxes were collected from the following (ordered from most to least) during the past 10 years:

1. Residential
2. Industrial
3. Personal
4. Commercial
5. IFT
6. Agricultural (None collected since 2007)

2010 Budget Highlights

The differences between the final amended budget and the actual amounts were significant in the revenue and expenditure areas. Revenues received were lower than budgeted by \$512,626 or 4.5%, while expenditures were 6.8 % less than budgeted (\$698,861).

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
General Fund				
Fund Balance - Beginning of year	1,529,852	1,529,852	1,514,630	(15,222)
Resources (inflows):				
Property taxes	6,178,317	6,178,317	5,992,614	(185,703)
State sources	1,089,739	1,089,739	937,390	(152,349)
Fees and Permits	353,870	353,870	178,728	(175,142)
Miscellaneous revenues	684,600	684,600	715,289	30,689
Transfer from other funds	1,634,476	1,661,194	1,646,295	(14,899)
Amounts available for appropriation	11,470,854	11,497,572	10,984,946	(512,626)

The differences between the original budget and the final amended budget for revenues was 2/10ths of 1% and for overall expenditures remain the same for FY2010. The original General Fund budget planned to appropriate \$307,935 from Fund Balance, while the actual appropriation was for \$106,478.

The City of Wixom amended the budget to take into account unanticipated events during the year. The most significant event was the merging of the Capital Planning Fund with the Capital Improvement Fund. The Capital Planning Fund was a mechanism to fund and support the Capital Improvement Fund's 5 year capital plan. During the budget process each Department provided a five year projection of capital improvement expenditures. The Capital Planning Fund was used to even out the funding needs for these expenditures over a five year period as planned. This merger was done to comply with future GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. The difference between the original budget and the final budget was 2/10ths of 1% and overall expenditures remain the same for fiscal year 2010.

Budgeting for 2011

Description	Amended Budget 2009-2010	Original Budget 2010-2011	Difference	Percent Change
Legislative	19,626	17,626	(2,000)	-10.19%
City Manager	477,867	476,832	(1,035)	-0.22%
Assessor	202,312	162,537	(39,775)	-19.66%
Building	468,324	427,064	(41,260)	-8.81%
Legal Counsel and Assistance	80,500	77,100	(3,400)	-4.22%
Clerks	192,122	183,426	(8,696)	-4.53%
Information Systems	141,366	134,759	(6,607)	-4.67%
Financial Administration	437,548	412,782	(24,766)	-5.66%
General Operating	506,604	569,629	63,025	12.44%
Building Maintenance	65,820	61,970	(3,850)	-5.85%
Cultural Center	328,922	326,169	(2,753)	-0.84%
Fire	946,534	916,051	(30,483)	-3.22%
Police	3,269,199	3,212,187	(57,012)	-1.74%
DPW	1,566,453	1,564,491	(1,962)	-0.13%
Board of Appeals	6,557	3,900	(2,657)	-40.52%
Board of Review	1,200	1,200	-	0.00%
Planning Committee	41,000	34,800	(6,200)	-15.12%
Senior Citizen Committee	60,392	60,392	-	0.00%
Community Service - P&R	474,828	447,538	(27,290)	-5.75%
Beautification Committee	4,675	-	(4,675)	-100.00%
Interfund Transfers	983,806	573,500	(410,306)	-41.71%
EXPENDITURE TOTAL	10,275,655	9,663,953	(611,702)	-5.95%

The FY2011 General Fund budget calls for overall expenditures to decrease to \$9,663,953, compared to the amended budget for fiscal year 2010 with overall expenditures of \$10,275,655. This is an approximate 6.0 percent decrease, or a reduction of \$611,702 in total General Fund budgeted expenditures over the previous year.

Index of Supplemental Information

In July 2011 the Local Audit and Finance Division, Bureau of Local Government Services of the State of Michigan provided guidance on preparing a Citizens’ Guide and Performance Dashboard to meet part of the provisions of the Economic Vitality Incentive Program. The City may use the “Popular Annual Financial Report” (refer to the Government Finance Officers Association (GFOA) award program) as the Citizens’ Guide, if it includes additional information about unfunded liabilities. You will find additional information related to unfunded liabilities and the Water and Wastewater Utility Funds. Beginning October 1, 2011, the City will need to meet certain requirements to be eligible for a portion of statutory revenue sharing under PA 140. Under the Economic Vitality Incentive Program (EVIP) the City will need to meet three requirements.

As indicated on the State of Michigan’s website “Public Act 63 of 2011, introduced the Economic Vitality Incentive Program. Each city, village, or township that received a FY 2010 statutory payment greater than \$4,500 and fulfills the specific requirements for all of the three categories will be eligible to receive a maximum of 67.837363% of its FY 2010 total statutory payment (rounded to the nearest dollar). An eligible city, village, or township will receive 1/3 of the maximum amount for each of the three categories they fulfill the specific requirements for. The three categories are **Accountability and Transparency, Consolidation of Services, and Employee Compensation**. Each eligible city, village, or township must submit the certification form and required attachments for each category to qualify for payment. Any local unit that falsifies certification documents shall forfeit any future economic vitality incentive program payments and shall repay the state all economic vitality incentive program payments it has received. Detailed information regarding each category can be found in Public Act 63 of 2011.”

Estimated City of Wixom Projected EVIP Payments

Economic Vitality Incentive Program (EVIP) City of Wixom Projected Payments for Fiscal Year 2012				
Description	Category 1 Accounting & Transparency	Category 2 Consolidation	Category 3 Employee Compensation	Total
Payment Amounts	\$16,533	\$16,533	\$16,534	\$49,600

Requirement 1: Accountability and Transparency

Citizens’ Guide

The purpose of the Citizens’ Guide and Popular Annual Financial Report is to provide citizens with a document that will help them better understand their City’s finances. We hope this presentation which shows important financial measures will be easily understood by the City’s citizen.

Performance Dashboard

The City is preparing the Performance Dashboards to be included on our website. These Dashboards will include interactive financial and operating measures that are most important to the government and its citizens. As indicated by the State “Meeting this criterion will require the local unit to report on measures such as fiscal stability, economic strength, public safety, quality of life and other measures the local unit select that are relevant to the local unit’s strategic goals and objectives.”

Requirement 2: Consolidation of Services

By January 1, 2012 the City must prepare a consolidation plan with proposals on how to increase existing levels of cooperation, collaboration and consolidation. The report must include past efforts in collaboration along with estimated cost savings and potential future savings.

Requirement 3: Employee Compensation

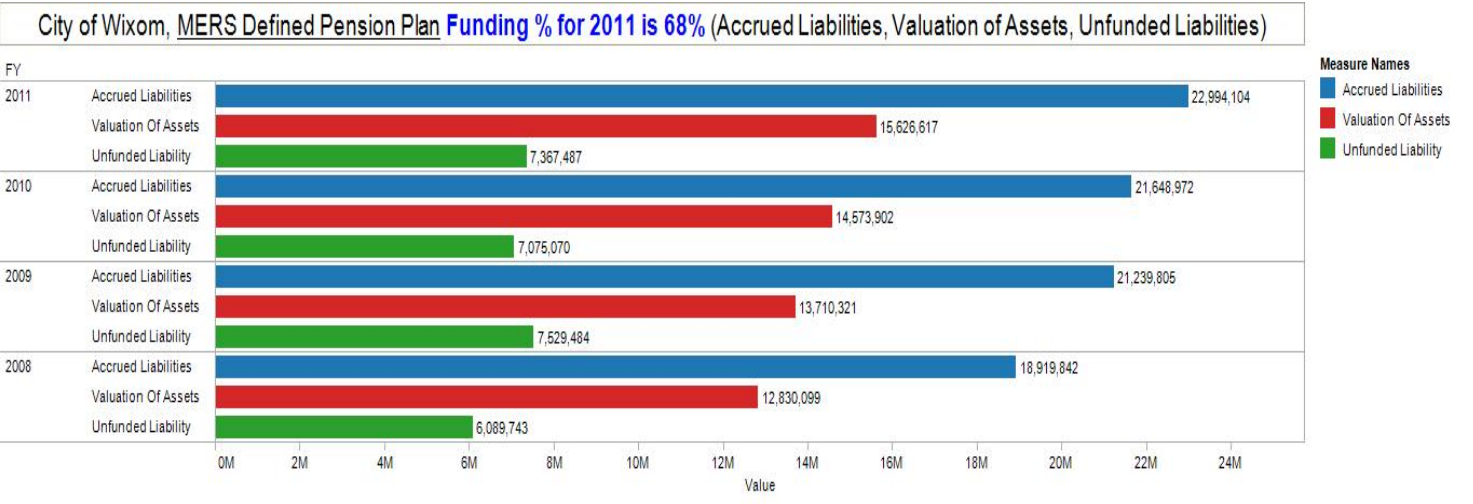
By May 1, 2012 the City must certify that they intend to implement certain changes to the employee compensation packages. These changes will include any employment contracts for any new, modified or extended contract.

Pension Plan— Highlights

The City participates in the Municipal Employees’ Retirement System of Michigan (MERS), an agent multiple-employer defined benefit pension plan that covers substantially all full-time employees of the City. MERS provides retirement, disability, and death benefits to plan members and their beneficiaries. The MERS issues a publicly available financial report that includes financial statements and required supplementary information for the MERS.

Minimum Funding Requirements

Funding levels were required at 50% funding prior to January 1, 2008, 60% funding commencing January 1, 2008, 80% funding commencing July 1, 2009, 100% funding commencing July 1, 2012. This means no improvements to MERS benefits can occur unless the City has reached the funding percentage. This policy is designed to help municipalities provide sustainable, affordable retirement benefits to their employees. Beginning in fiscal year 2006 new non-union employees will only be able to use the MERS Defined Contribution Plan. In addition, beginning with the December 31, 2006 annual actuarial valuations, the 30-year maximum amortization period for unfunded accrued liability shall be reduced to a 20-year maximum amortization period over the next 10 years. Annual pension cost was \$757,748 for FY2010.

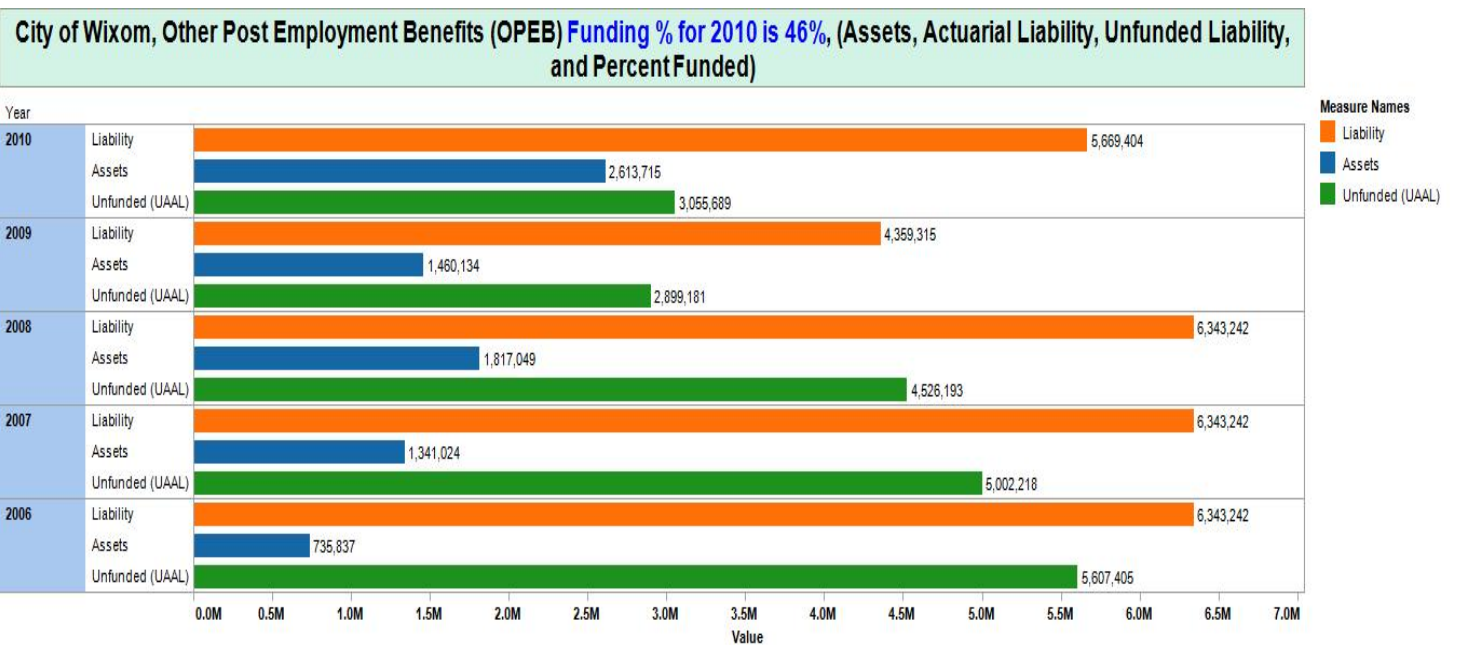


OPEB Highlights

Other Post Employment Benefits (OPEB): The City provides retiree health care benefits to eligible employees and their spouses. Currently, the plan has 59 members (including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits). This is a single employer defined benefit plan administered by the Municipal Employees Retirement System (MERS). The benefits are provided under collective bargaining agreements or Executive Directives approved by City Council.

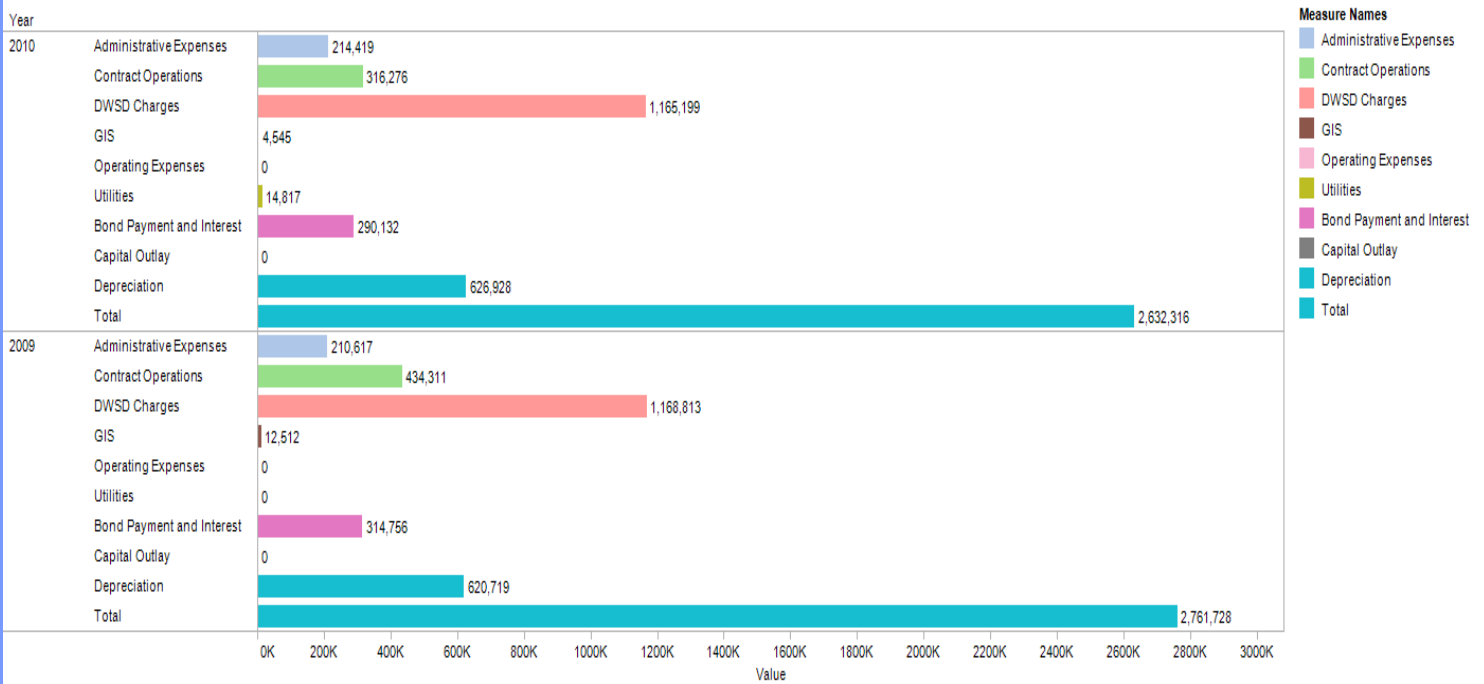
Minimum Funding Requirements

No funding levels are currently required. The City began to fund for this benefit in FY1993. Annual OPEB cost was \$486,684 for FY2010.



Water Enterprise Fund – Highlights

City of Wixom, Water Enterprise Fund (Operating Expenditures)



Water Enterprise Fund - The Water Enterprise Fund accounts for the operation and maintenance of the water supply system, capital additions, and retirement of revenue bonds. Financing is provided by user charges and contributions by other funds. This fund serves as the repositories for monies received by the City from the operation of the water system, bond sales, grants, payments, and capitol improvement expenditures from proceeds realized from the water utility system. The City uses these monies for the maintenance and improvement of our water distribution system, elevated storage tank and booster station facility and payment for water provided by Detroit Water and Sewer Department (DWSD). The funds supplied from utility revenue and connection fees are used to cover the cost of providing the current level of maintenance and planned capital improvement for the distribution system in the City.

The City provides its residents water, which it purchases from the City of Detroit Water System. Approximately 50% of the City’s water operating expense is related to the City of Detroit’s wholesale charge for water service. The capital contribution for lines from developers decreased from \$319,147 to \$93,708. The Water Fund’s operating expenses decreased from fiscal year 2009 with reduction due to decline in United Water’s contract operations. The City has a 10 year contract with United Water for the operation and maintenance of the City’s metering, booster station, elevated storage tank, water wells, and the distribution system.

The proposed water utility rate for Fiscal Year 2009-2010 decreased from \$27.57/mcf to \$25.45/mcf. The wholesale price for Detroit water is awaiting the approval by Detroit City Council to increase our wholesale rate from \$13.85/mcf to \$15.15/mcf or approximately 9%.

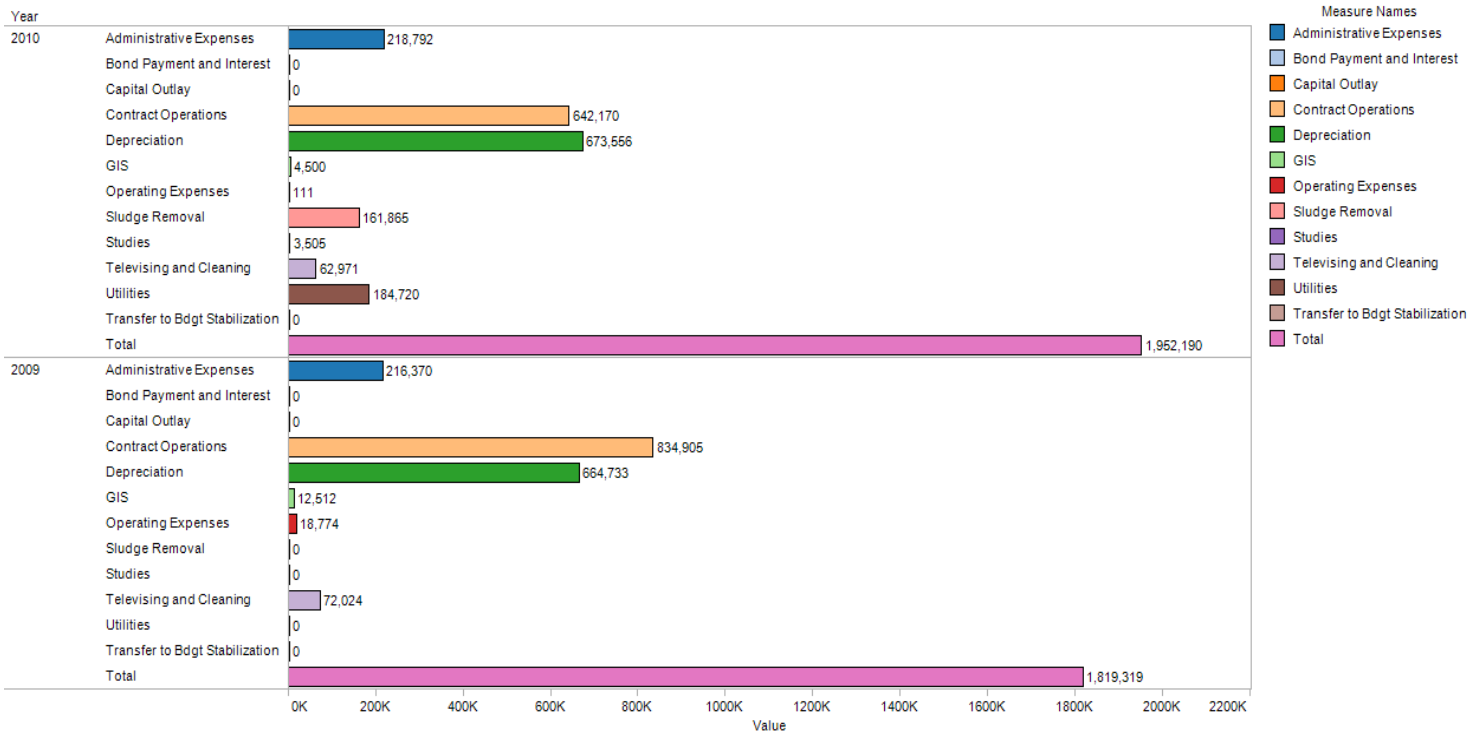
Achievement Goals for FY2009-2010

- Continuation of capital improvement program for replacement and repair of various hydrants and gate wells within the distribution system including Storz hydrant retrofit.
- Continuation of capital improvement program for replacement of older water meters in the system.
- Continue with the implementation of a Municipal Water System Cross-Connection Control Program in accordance with State of Michigan’s Part 14 of Act 399 and the Rules promulgated pursuant to the Act to eliminate any potential of contamination into the water system.
- Utilize the leak detection survey to prioritize repairs.

Capital Improvements of \$ 204,600 are proposed for system improvements and upgrades for telemetry equipment and other contract repairs and replacements. The combined total water and wastewater rates for FY2009-2010 will remain at \$36.57/mcf.

Wastewater Enterprise Fund – Highlights

City of Wixom, Wastewater Enterprise Fund (Operating Expenditures)



Sewer Enterprise Fund - The Sewer Enterprise Fund accounts for the operation and maintenance of the sewage disposal system, capital additions and improvements, and retirement of revenue bonds. Financing is provided by user charges and contributions by other funds and municipalities. This fund provides for the collection, treatment and discharge of municipal wastewater including residential, commercial and industrial waste. Revenue generated for the fund includes various sources, such as, grants, bond sales and wastewater service billings.

The Sewer Fund’s operating expenses increased by \$132,871 from fiscal year 2009 which was due to a increase in all utilities by \$184,720 while other operating expenses decreased. It should be noted that United Water’s new contract stipulated that the City will be responsible for sludge removal and utility costs. The City has a 10 year contract with United Water for the operation and maintenance of the City sewage disposal system and the wastewater treatment plant. The increase is due to a projected adjustment to the United Water contract. Funding for this expenditure is paid through utility revenues.

The wastewater utility rate for Fiscal Year 2009-2010 will increase from \$9.00/mcf to \$11.12/mcf, which reflects an increased rate to cover system operating costs while also using surplus funds from retained earnings. Currently, the City of Wixom’s Sewer Rate is the lowest rate in Oakland County and one of the lowest in Michigan for these services. Therefore the combined total water and wastewater rates for FY2009-2010 will remain at \$36.57/mcf.

Achievement Goals for FY2009-2010

- Continue to plan capital upgrades to correspond to the expansion from the sewer expansion from the Milford connection.
- Monitor energy savings after capital improvements are implemented.
- Construction of new ultra-violet system.
- Construction of new grit handling system.

Capital Improvements \$1,070,000 are proposed for system improvements for upgrading the ultra-violet and grit handling system improvements.



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