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Service Solvency:
An Analysis of the Ability of Michigan Cities to Provide an Adequate Level of Public Services

MSU Extension White Paper

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Executive Summary

Michigan has more cities under state supervision than any other state, as many of our cities are suffering from fiscal stress. There are three major reasons for this. First, the Great Recession of 2008-09 crushed property values in Michigan. From 2008 to 2012, the taxable property value (hereafter referred to as taxable value, or TV) of cities fell 18.1 percent. Since 2012, the TV of cities has increased only 0.3 percent despite the economic recovery. The main reason for this slow recovery is the constitutional cap on TV, which limits the increase to 5 percent or the rate of inflation, whichever is less. Second, the state government cut revenue-sharing payments to cities by 14.6 percent from 2008 to 2015. Twenty-three cities experienced cuts of 20 percent or more. Third, Michigan places more revenue-raising restrictions on cities than almost any other state. (See Sapotichne et al., *Beyond State Takeovers*, MSU Extension White Paper, East Lansing, Michigan, 2015.)

The general fund (operating) expenditures of Michigan cities were reduced 4.3 percent from 2008 to 2015. This allowed most cities to balance their budgets, but a number of cities cut expenditures to the point of service insolvency, that is, services are so low as to place the viability of the city in jeopardy. The concern is that when the next recession hits, the cities on this list could be in danger of bankruptcy, and a number of other cities could be added to the list.

Using audit reports and F-65 reports from the Michigan Department of Treasury, this report identifies Michigan cities that may be service insolvent or on the verge of service insolvency based on 2015 data. The analysis is divided into five population groups and the City of Detroit. If a city's general fund spending is 75 percent or less than the average city in its population group, has a fund balance equal to less than 2 months' expenditures (based on a Government Financial Officers Association [GFOA] recommendation), has per capita TV of less than $20,000 and levies 20 mills or more, the city may be service insolvent. These criteria were selected by the authors based on their years of experience in the state-local finance field. There is also quantifiable support for these criteria.

The spending criterion of 75 percent of the group average was used because it covers 90 cities, about one-third of all cities. Twenty mills was used as a criterion as it is the charter limit for cities. The $20,000 per TV criterion was selected because about 1/3 of all cities fall below that level, and it is also 1/3 below the state average of $30,160 (excludes Detroit). There are 93 cities with TV per capita below $20,000 (32.5 percent of all cities). Sixty of these cities (64.5%) have higher millage rates than the group average. Sixty-nine of these cities (74.2 percent) spend less than the group average. The average unassigned and unrestricted fund balance for all cities as a share of GF expenditures (2015) was 22.6 percent. As noted above, the GFOA recommends that cities have two months of expenditures in reserve (16.7 percent). There are 62 Michigan cities, 22.3 percent of all cities, which do not meet this standard.

One conclusion drawn from our analysis is that cities with TV per capita much below $20,000 will, in most cases, struggle financially and provide a less than desirable level of services. The ranking of cities by TV is shown in **Appendix C** on pages 40–43.

Cities in southeastern Michigan are generally under more fiscal stress than cities in other parts of the state, mainly because the auto industry is concentrated in this region, and this is where most of the larger, older cities are located. From 2008 to 2012, TV declined by more than 20 percent in 68 cities; all but two of these cities are located in southeastern Michigan.

Although property values can fall sharply, they can only increase slowly due to the constitutional cap on TV: 5 percent or the rate of inflation, whichever is less. If TV increased at an annual rate of 1.5 percent, it would take a city that suffered a 20 percent decline 15 years to recover the lost property values, not adjusted for inflation. In real terms, these cities will never recover their losses.

For many cities, the reality is worse. For example, from 2008 to 2012, Ferndale's TV declined 20.1 percent and declined another 1.1 percent from 2012 to 2015. If TV in Ferndale increases at a 1.5 percent annual rate going forward, which appears unlikely, it will be 2031 before its TV returns to the 2008 level. If inflation increases, TV will increase faster but so will service delivery costs. Adjusted for inflation, Ferndale will never recover its lost property tax revenue.

As shown in **Exhibit 9** on page 20, 32 cities are identified as service insolvent or on the verge of service insolvency. On average, these cities expend 87 percent of the group average (cities that spend more than 75 percent of the group average but meet the other three criteria are in most cases classified as on the verge of service insolvency), reduced their expenditures 10.7 percent from 2008 to 2015, have a TV of $13,700, levy a millage rate of 30.78 (adjusted for nine cities that levy an income tax) and have a fund balance of 14.5 percent of expenditures.

There is a high correlation between TV per capita and expenditures per capita. A number of regressions were run with per capita expenditures as the dependent variable and TV, millage rate, a dummy for the 22 cities that levy an income tax and population as the independent variables. Population was not significant and was dropped. Of the three remaining variables, TV per capita was a significant determinate with a t-value of 37.4. Both the millage rate (t-value of 9.4) and the income tax (t-value 0f 4.1) are significant. The equation explained 83.6 percent (R-square) of the variation in per capita expenditures.

Without changes to state policy, many of our cities will continue to struggle financially and could face bankruptcy in the next economic downturn. Judge Steven W. Rhodes granted the City of Detroit the ability to file for Chapter 9 bankruptcy in large part due to the court's determination that the city was service-delivery insolvent. Service-delivery insolvency might streamline the eligibility process for a municipality to qualify for Chapter 9 bankruptcy.

Several policy changes could provide long-term fiscal stability for our cities, including increased revenue, a change to the revenue-sharing formula to guarantee cities a minimum TV per capita, elimination of the Headlee millage rollback provision and state bonding to retire the unfunded pension liability of local governments.

Note: Anomalies are always an issue when basing an analysis on a snap-shot in time as this study does. The usefulness of the criteria that this analysis uses is to identify local governments that may be financially struggling to provide an adequate level of services to its residents. Once a local government is identified as service insolvent or on the verge of service insolvency, the next step necessary is to look deeper into the details of a local government's finances to get a fuller picture. For example, it has been brought to our attention that the fund balance number reported for Albion is misleading. The fund balance as a percentage of expenditures listed in the report for Albion is 16.6%. However, the general fund expenditure number used to calculate the percentage was inflated due to a one-time capital outlay expenditure of $996,000 that was financed with a federal grant. If an adjustment is made for this one-time payment, the unrestricted, unassigned fund balance would have been 21.3%.

Introduction

Service Insolvency: Michigan Cities

Solvency is generally defined as the ability of a business or a government to meet its long-term obligations. If a business becomes insolvent, it goes out of business. If a government becomes insolvent, it cannot go out of business, except in unusual circumstances. Some level of services must be provided to its citizens. To be more specific, four types of solvency are measures of a government's fiscal health: 1) *Cash solvency* measures a local unit's liquidity and effective cash management, and its ability to pay current liabilities; 2) *Budgetary solvency* refers to the ability of a government to generate sufficient revenue to fund its current or desired service levels; 3) *Long-run solvency* refers to the impact of existing long-term obligations on future resources; 4) *Service-level solvency* (or *service solvency*) is defined as the ability of government to provide the level and quality of services required for the general health and welfare of a community (Groves, Godsey, & Shulman, 1981). Much attention is paid to the first three measures but little attention is given to service solvency, which is the focus of this report.

Several options are available to a service insolvent government, assuming it has exhausted its revenue-raising ability. In Michigan, it can ask the state government for a financial review, which can lead to the appointment of an emergency manager or a declaration of bankruptcy. In either case, returning to solvency will require a reduction in expenses. At some point, revenues and expenditures will balance, and the city will be assumed to be cash and budgetary solvent. However, that the level of services provided may be so low that the city could be considered service insolvent is generally ignored. When a local government becomes service insolvent, many residents and businesses no longer choose to remain in the community thereby ensuring that the government continues to struggle financially. In such cases, another option might be desirable: dissolution of the unit of government. Another option would be consolidation with another local government, which would require approval of the voters in the affected jurisdictions.[1]

The purpose of this report is to attempt to identify Michigan cities that may be service insolvent, or on the verge of service insolvency. Ideally, this would involve a detailed examination of the needs of the community based on factors such as crime, poverty, age, lane miles of roads, number of homes and businesses, and other factors. The Advisory Commission on Intergovernmental Relations (1990, December) released a study that developed an estimate of the cost of services for each state. While this could also be done for cities, an evaluation of all these factors is beyond the scope of this report.

Methods

The ability of a local government to deliver public services depends on a number of factors including its property tax base per capita (TV per capita) and the millage rate levied. (This millage rate is limited to 20 mills for charter cities, and for many cities is less due to the constitutional provision that requires the millage rate to be reduced if property tax collections exceed the rate of inflation.) The ability to deliver public services also depends on the unrestricted general fund (GF) balance, which may be used to supplement spending during periods of weak revenue growth, as well as on diminished state revenue-sharing payments.

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1 It is possible to recommend consolidation and dissolution (subject to a vote of the people) under PA 436 MCL 141.1552 Sec. 12:

(bb) For a city, village, or township, the emergency manager may recommend to the state boundary commission that the municipal government consolidate with 1 or more other municipal governments, if the emergency manager determines that consolidation would materially alleviate the financial emergency of the municipal government and would not materially and adversely affect the financial situation of the government or governments with which the municipal government in receivership is consolidated. Consolidation under this subdivision shall proceed as provided by law.

(cc) For municipal governments, with approval of the governor, disincorporate or dissolve the municipal government and assign its assets, debts, and liabilities as provided by law. The disincorporation or dissolution of the local government is subject to a vote of the electors of that local government if required by law.

This study uses four criteria to determine if a city is likely to be service insolvent or on the verge of serve insolvency:

- A GF spending level that is 75 percent or less of the group average
- A TV per capita of less than $20,000
- A millage rate of 20 mills or more
- A GF balance of less than 2 months of GF expenditures

Revenue sharing is discussed but not used as a criterion as most cities have been affected in a similar manner.

The spending criterion of 75 percent of the group average is used because it covers 90 cities – about one-third of all cities. We believe that those cities spending 25 percent less than the group average are, in most cases, providing an inadequate level of services. However, some of these cities could spend more but chose to spend less for political or other reasons. We attempt to identify these cities.

The $20,000 per TV criterion was selected because about 1/3 of all cities fall below that level, and it is also 1/3 below the state average of $30,525 (excludes Detroit). There are 93 cities with TV per capita below $20,000 (32.5 percent of all cities). Sixty of these cities (64.5 percent) have higher millage rates than the group average. Sixty-nine of these cities (74.2 percent) spend less than the group average. This criterion has some strong statistical support, although the analysis suggests the TV should be somewhat lower.

A millage rate of 20 mills or more was used as a criterion as it is the charter limit for cities. Cities also levy mills, with a vote of the people, for other purposes such as debt repayment and police and fire services. Levies are also imposed as the result of court orders. The charter limit is subject to a reduction if the growth in assessed property value exceeds the rate of inflation, the so-called Headlee millage rollback. (This came about with the passage of Article IX, Section 31 of the Michigan Constitution, known as the Headlee Amendment.) The reduction can be overridden with voter approval (the Headlee override).

The millage rate used in this report is the total for all purposes. One could argue that only the operating millage rate should be used. However, a counter argument is that even if a city has some room under its charter limit to raise the millage rate, it will be politically difficult to convince the voters to raise the charter millage if the total millage rate is already high.

Exhibit 8 on page 19 shows the total millage rate, the charter limit, the Headlee limit rate, and levied operating millage rate for cities classified as service insolvent or on the verge of service insolvency. Twenty-six of the 32 cities are levying the maximum rate allowed by the Headlee limit. Only Ionia, Big Rapids and Mount Pleasant have room to raise the millage rate without a vote of the people. Fifteen of the cities have a charter limit of less than 20 mills and could raise the limit to as much as 20 mills with a vote of the people. However, this would likely be more difficult than asking the voters to approve a Headlee millage reduction override.

The final criterion is based on the GFOA recommendation that cities have 2 months of expenditures in reserve (16.7 percent). The average unassigned and unrestricted fund balance for all cities as a share of GF expenditures (2015) was 22.6 percent. There are 62 Michigan cities, 22.3 percent of all cities, which do not meet this standard. (See **Appendix B** on pages 33–39.)

Cities in this study are grouped by population size: 50,000–200,000, 25,000–50,000, 10,000–25,000, 5,000–10,000 and 1–5,000. Detroit is treated separately. Since it is so large and so different from other cities, it would bias the results. All Michigan cities have much in common but smaller cities have been affected less by the collapse in property values than larger cities. This is mainly because most of the larger cities are located in southeastern Michigan, which was hit harder by the Great Recession of 2008-09 due to dependence on the auto sector. From 2008 to 2012, 60 cities experienced a decline in TV of 20 percent or more, and 58 of these cities were located in southeastern Michigan.

In an earlier study done for the Michigan Municipal League (MML), *Michigan's Great Disinvestment: How State Policies Have Forced Our Communities Into Fiscal Crisis* (*http://www.savemicity.org/wp-content/uploads/2016/03/mml-glec-michigans-great-disinvestment.pdf*) (Great Lakes Economic Consulting, 2016, April), one conclusion was that any city with a TV per capita of less than $20,000 would struggle financially. The MML study's conclusion was a subjective estimate not based on a statistical analysis. This report attempts to verify that estimate using regression analysis to determine statistically the relationship between per capita spending and TV per capita. The data suggest that the relevant number is closer to $17,500. Regression analysis was also used to estimate the impact of a city income tax on the city's millage rate. The analysis found that the income tax was equivalent to 7.5 mills. For cities with an income tax, a millage equivalent rate was added to their millage rates to determine if they met our 20-mill test for fiscal insolvency.

The analysis largely covers the time from 2008 to 2015, selected because Michigan property values peaked in 2008, and 2015 is the latest year for which data is available for all cities. Statewide property values stabilized in 2012, but declines have continued for many cities despite the economic recovery. **Exhibit 5** on page 10 shows the change in TV by population group for three time periods, 2008–2015, 2008–2012, and 2012–2015 (data is available for 2016 for TV but not for expenditures and revenues for all cities). Statewide TV fell 0.1 percent in 2016.

We drew data for this analysis largely from the audit reports required to be filed annually with the Michigan Department of Treasury; the F-65 reports, which compile the financial data for all local governments; and the Ad Valorem Property Tax Levy reports prepared by the State Tax Commission. All these reports are available on the Michigan Department of Treasury website.

Services Provided by Municipalities

Cities and villages in Michigan provide a wide range of services. Basic services may include public safety, sanitation, water, streets, library, cultural services, social services and transportation. City governments often operate or contract for utilities such as electricity, gas and cable television.

Exhibit 1 provides a breakdown of GF municipal expenditures for FY 2015. Public safety accounts for almost half of all spending. The next largest category is general government, almost 21 percent of spending, followed by public works at nearly 10 percent.

Since 2008, Michigan cities, excluding Detroit, have reduced total GF expenditures by 4.4 percent and increased public safety expenditures by 1 percent (2015 data). As shown in **Exhibit 2** on page 8, expenditures declined 7.4 percent from 2008 to 2012, and increased 3.4 percent from 2012 to 2015. **Exhibit 3** on page 8 shows the average expenditure reduction grouped by population size. The largest decline was 11 percent in the 25,000 to 50,000 population group. The only increase was in the smallest group (1–5,000), 1.4 percent. This group has the fewest cities in southeastern Michigan, which was hit the hardest by the Great Recession, and has the highest TV per capita at $37,530.

Exhibit 1: General Fund Expenditures by Michigan Cities, 2015 (Excludes Detroit)

Category	Expenditures	% of total
General government	$591,958,790	20.6%
Police/sheriff	$788,771,491	27.4%
Fire	$413,494,448	14.4%
Other public safety	$226,039,186	7.8%
Parks & recreation	$133,523,843	4.6%
Public works	$273,790,601	9.5%
Health & human services	$8,448,359	0.3%
Redevelopment, planning & housing	$53,365,033	1.9%
Cultural	$23,765,228	0.8%
Capital outlay	$52,553,086	1.8%
Debt service	$15,876,272	0.6%
Fringe benefits	$87,069,329	3.0%
Transfers out	$199,037,916	6.9%
Other expenditures	$12,201,709	0.4%
Total expenditures	**$2,879,895,290**	**100.0%**

Exhibit 2: Expenditures by Michigan Cities, 2008, 2012 and 2015 (Excludes Detroit)

Category	Expenditures 2008	Expenditures 2012	Expenditures 2015	% Change 2008-2012	% Change 2012-2015
General government	$640,575,293	$584,440,311	$591,958,790	-8.8%	1.3%
Police/sheriff	$800,492,684	$791,894,054	$788,771,491	-1.1%	-0.4%
Fire	$421,472,593	$416,951,761	$413,494,448	-1.1%	-0.8%
Other public safety	$192,198,610	$194,165,124	$226,039,186	1.0%	16.4%
Parks & recreation	$157,916,325	$130,696,145	$133,523,843	-17.2%	2.2%
Public works	$277,617,063	$263,314,249	$273,790,601	-5.2%	4.0%
Health & human services	$7,702,342	$8,614,938	$8,448,359	11.8%	-1.9%
Redevelopment, planning & housing	$52,570,245	$48,526,535	$53,365,033	-7.7%	10.0%
Cultural	$32,392,495	$28,727,494	$23,765,228	-11.3%	-17.3%
Capital outlay	$33,811,359	$31,112,380	$52,553,086	-8.0%	68.9%
Debt service	$23,123,172	$21,973,319	$15,876,272	-5.0%	-27.7%
Fringe benefits	$143,273,752	$92,891,895	$87,069,329	-35.2%	-6.3%
Transfers out	$209,528,959	$166,740,281	$199,037,916	-20.4%	19.4%
Other expenditures	$15,321,600	$5,416,281	$12,201,709	-64.6%	125.3%
Total expenditures	**$3,007,996,492**	**$2,785,464,765**	**$2,879,895,290**	**-7.4%**	**3.4%**

Exhibit 3: Municipal Expenditures by Population Size

Population group	2008 Expenditures (000)	2015 Expenditures (000)	% Change	Number of cities
Detroit	$1,445,535	$1,324,205	-8.4%	1
50-200,000	$1,421,568	$1,343,867	-5.5%	22
25-50,000	$503,020	$447,923	-11.0%	20
10-25,000	$623,314	$568,709	-8.8%	48
5-10,000	$301,734	$290,867	-3.6%	53
1-5,000	$227,589	$230,680	1.4%	133
Total	**$4,522,760**	**$4,206,251**	**-7.0%**	**277**
Total excl. Detroit	**$3,077,225**	**$2,882,046**	**-6.3%**	

Cities' Dependence on the Property Tax

The major GF revenue source for cities is the property tax. Excluding Detroit, the property tax accounts for almost 50 percent of city revenue. (See **Exhibit 4** on page 10). Twenty-two cities levy an income tax, and in these cities, the property tax accounts for only 22.3 percent of GF revenue. The income tax accounts for 11.6 percent of GF revenue, but only 6.8 percent excluding Detroit. Detroit accounts for 57 percent of the total collections of income tax revenue for all 22 cities with an income tax.

State revenue-sharing payments account for almost 15 percent of total GF revenue. Detroit receives about one-third of all revenue-sharing payments.

Dramatic Decline and Slow Recovery of Property Values

Prior to 1994, the property tax base upon which millage is levied was based on the state equalized value (SEV). Proposal A of 1994 added a new tax base and imposed a limit on its annual growth to 5 percent or the rate of inflation, whichever is less. The new tax base the millage is levied upon is the TV. The Proposal A limitation excludes new property. When the property is sold, it is reassessed at 50 percent of market value to determine its current TV.

The consequences of this growth-limiting change have been dire for local governments, particularly mature cities with little room for new property development and growth. These consequences could not have been foreseen in 1994.

As of the writing of this report, there are six cities (Detroit, Flint, Lincoln Park, Ecorse, Hamtramck and Pontiac) and one township (Royal Oak Township) in which the state has determined there is currently a financial emergency under PA 436, the Local Financial Stability and Choice Act of 2012. Five cities and one county were recently released from state financial oversight. Very low taxable property value is the most common characteristic shared by these cities. In the six cities currently under state financial oversight, the average TV is $12,167, which is less than half the statewide average for all cities of $30,525 per capita (excluding Detroit). On the basis of a statistical analysis further covered in this document, we estimate that a city will have a difficult time providing a reasonable level of public services if its per capita TV is much less than $20,000 without having to levy tax rates that make them economically uncompetitive. The average millage rate levied by these cities is 27 mills. However, four of these cities (Detroit, Flint, Pontiac and Hamtramck) levy an income tax, raising the effective property tax rate to 39.25 mills. The average millage rate for all cities is 18.6 mills.

Since 1995, the annual growth rate of SEV has been 3.66 percent and the annual growth rate of TV has been 2.98 percent. This is not a large difference, and local governments experienced adequate growth in the property tax base until 2008. The collapse in the housing market and the onset of the Great Recession revealed the major flaw in the TV cap, which is that values can drop quickly but can recover only slowly. Until 2008, there had been only one year when property values declined, but from 2008 to 2012, TV fell each year, at an annual rate of 3.44 percent. SEV fell even more, at an annual rate of 6.03 percent.

From 2008 to 2012, TV for all cities fell 17.9 percent. The increase from 2012 to 2015 has been only 0.3 percent. Expenditure and revenue data for all cities is not available for 2016 but statewide TV fell 0.1 percent. As shown in **Exhibit 5** on page 10, the larger cities suffered larger TV declines than smaller cities. For cities with a population of 50,000–200,000, TV declined 21.3 percent from 2008 to 2012 and fell another 1.1 percent from 2012 to 2015. For cities with a population of less than 5,000, TV declined only 5 percent from 2008 to 2012, and increased 1.8 percent from 2012 to 2105. The main reason for this difference is that southeastern Michigan was hit harder by the recession than other areas of the state with the collapse of the housing market and the decline of the auto industry, which is centered in this part of the state. This is where the largest cities are located. From 2008 to 2012, TV declined by more than 20 percent in 68 cities, and all but two of these cities are located in southeastern Michigan, see **appendices A1–A6** on pages 21–32 and **Appendix C** on pages 40–43.

If TV increased at an annual rate of 2 percent (beginning in 2012), it would take a city that suffered a 20 percent decline 12 years to recover the lost property values, not adjusted for inflation. In real terms, these cities will never recover their losses. For many cities, the reality is worse. For example, Ferndale's TV declined 20.1 percent from 2008 to 2015 and declined another 1.1 percent from 2012 to 2015. If TV in Ferndale increases at a 1.5 percent annual rate going forward, which appears unlikely, it will be 2031 before its TV returns to the 2008 level. If inflation increases, TV will increase faster but so will costs. Adjusted for inflation, Ferndale will never recover its losses. For a more detailed analysis of this issue see the Citizens Research Council of Michigan (2016, December) report: *The Prolonged Recovery of Michigan's Taxable Values*.

Sharp Reduction of State Revenue Sharing

In 1998, the state passed legislation that earmarked 21.3 percent of the sales tax at a 4 percent rate for revenue-sharing payments to cities, villages and townships. However, the funds must be appropriated annually, and thus the formula has only been fully funded in one year, 2001. Since 1998, the total revenue-sharing funding loss to CVTs totals about $6 billion. The shortfall in 2016 was about $585 million. The sharp cuts in revenue sharing occurred at the same time property tax values were collapsing as described above.

From 2008 to 2015, revenue-sharing payments to cities declined $131.7 million, or 18 percent. Adjusted for inflation the decline was 24 percent. As shown in **Exhibit 6**, the decline was, in most cases, greater in large cities than small cities. Fifty-eight cities suffered a decline of 15 percent or more. The largest decline for any city was 35.3 percent in Grand Rapids.

Exhibit 4: General Fund Revenue, Cities, FY 2015 (000)

Revenue source	All cities	% of total	All cities less Detroit	% of total
Property taxes	$1,593,298	39.6%	$1,466,904	49.6%
Income taxes	$465,131	11.6%	$201,755	6.8%
Other taxes	$225,761	5.6%	$9,410	0.3%
Revenue sharing	$595,914	14.8%	$401,156	13.6%
Service charges	$256,408	6.4%	$169,625	5.7%
Penalties & fines	$103,647	2.6%	$83,039	2.8%
Sales & admissions	$112,902	2.8%	$98,265	3.3%
Other revenue	$660,560	16.4%	$539,086	18.2%
Total	**$4,019,621**		**$2,959,830**	

Exhibit 5: Taxable Value Change by Population Group

Population group	% Change taxable value 2008-2012	% Change taxable value 2012-2015	% Change taxable value 2008-2015
Detroit	-13.3%	-16.1%	-27.3%
50-200,000	-21.3%	-1.1%	-22.1%
25-50,000	-17.4%	-0.6%	-18.0%
10-25,000	-17.0%	2.5%	-14.9%
5-10,000	-10.8%	3.5%	-7.7%
1-5,000	-5.0%	1.8%	-3.3%
Total	**-17.9%**	**0.3%**	**-17.6%**

Exhibit 6: State Revenue Sharing, Change by Population Group, 2008-2015

Population group	2008	2015	% Change 2008-2015
Detroit	$249,027,299	$194,757,659	-21.8%
50-200,000	$226,680,573	$187,167,066	-17.4%
25-50,000	$87,675,147	$73,395,555	-16.3%
10-25,000	$86,356,150	$72,985,918	-15.5%
5-10,000	$41,939,784	$38,379,928	-8.5%
1-5,000	$39,298,143	$32,595,179	-17.1%
Total	**$730,977,096**	**$599,281,305**	**-18.0%**

Cities With Per Capita Taxable Value Below $20,000 Will Struggle Financially: Statistical Analysis

In the previously mentioned recent study done for the MML: *Michigan's Great Disinvestment: How State Policies have Forced Our Communities into Fiscal Crisis* (Great Lakes Economic Consulting, 2016, April), one conclusion was that any city with a TV per capita of less than $20,000 would struggle financially. This conclusion was a subjective estimate and was not based on a statistical analysis. This report attempts to verify that estimate using regression analysis to determine statistically the relationship between per capita spending and TV per capita. The data suggest that the relevant number is closer to $17,500. Given the standard error of the equation, the number could be as low as $14,275 and as high as $20,725. (See **Appendix C** for 2015 City Ranking of TV per capita on pages 40–43.)

All Cities

We ran a number of regressions with per capita expenditures as the dependent variable and TV, millage rate, a dummy for the 22 cities that levy an income tax, and population as the independent variables. (See **Exhibit 7** on page 12.) Population was not significant and was dropped. Of the three remaining variables, TV per capita was a significant determinate with a t-value [2] of 37.4. Both the millage rate (t-value of 9.4) and the income tax rate (t-value of 4.1) are significant. The equation explained 83.6 percent (R-square) of the variation in per capita expenditures.

The average error regardless of sign was 18.43 percent. The large estimating errors are usually due to a city levying a below average or above average millage, and to large one-time spending. For example, the equation underestimated Ecorse's spending by $440 per capita, largely because the city levies 39.17 mills compared with the group average of 17.24 mills. At the other extreme, Carson City's spending per capita was overestimated by $455, as the city levies only 5.28 mills.

The equation estimates that a $1000 increase in TV per capita is associated with an increase in spending of $12.13. A city with TV per capita of $40,000 could expect to spend $243 more per capita than a city with TV per capita of $20,000. The equation estimates that a city with TV per capita of $20,000 and a millage rate of 20 mills would spend $602 per capita, about 83 percent of the average for spending per capita for all cities. This supports our conclusion that a city with TV of less than $20,000 per capita will struggle to provide an adequate level of public services. For this analysis, we have used 75 percent of the group average as the dividing line to identify cities that may be service insolvent. The equation estimates that cities with TV per capita of about $17,500 would be spending 75 percent of the average.

Similar regressions were run for three population groups, 1–10,000, 10,000–25,000, and 25,000 to 200,000+ Detroit. See **Exhibit 7** on page 12 for a summary of the regression results for all population groups.

Population 25,000–200,000 Including Detroit

For this population group, all four independent variables were significant. The t-values were: TV (4.04), population (7.37), income tax (3.44), and millage (6.03). If Detroit is included, population is significant (t-value of 7.87). If Detroit is excluded, population is no longer significant and the R-squared drops from 79.4 to 49.5.

The average error regardless of sign was 12.9 percent. The largest errors were 36.8 percent for Flint and 31.8 percent for Midland. Flint spends $284 per capita less

[2] The t-value in a regression analysis can be thought of as a measure of the precision with which the regression coefficient is measured. A t-value of 2 or more indicates that an independent variable such as taxable value per capita is a significant determinate of an dependent variable such as expenditures per capita.

Exhibit 7: Regression Results (Dependent Variable is GF Expenditures per Capita)

All cities

Independent variables	Coefficients	T-Value	Standard error
Intercept	-7.33475	-0.17565	41.7003
TV per capita	0.012133	37.43521	0.000324
Millage rate	18.30437	9.404051	1.946435
Income tax	178.0284	4.091168	43.51531

R square= .836549; SE= 190.2794; N=279

25-200,000 + Detroit

Independent variables	Coefficients	T-Value	Standard error
Intercept	-126.139	-1.36603	128.9425
TV per capita	0.008662	4.0399411	4.039941
Millage rate	23.53217	6.03495	3.899315
Income tax	201.3395	3.446762	58.41409
Population	0.0011475	7.375438	0.0002

R square= .796194; SE= 116.0405; N=44

10-25,000

Independent variables	Coefficients	T-Value	Standard error
Intercept	197.082	2.219337	88.80223
TV per capita	0.010568	7.042873	0.0015
Millage rate	12.6876	4.678838	2.7117

R square=.542459; SE= 165.3298; N=48

<10,000

Independent variables	Coefficients	T-Value	Standard error
Intercept	-80.2586	-1.15159	69.6937
TV per capita	0.01225	33.22723	0.000368
Millage rate	23.20355	6.365953	3.644945

R square= .858805; SE= 208.3676; N=187

than estimated by the equation and Midland spends $224 more. The explanation may be that Flint is a city with residents having a relatively low income whereas Midland residents have a relatively high income.

Population 10,000–25,000

For this population group, population and the income tax were not significant, and the R-squared was 54.2. TV was a significant determinate with a t-value of 7.04, as was millage with a t-value of 4.68.

Removing population and the income tax from the equation reduced the R-squared from 56.9 to 54.2.

The average error regardless of sign was 18.56 percent. The largest error by far was for Big Rapids. The equation estimated per capita spending of $554 and actual spending was $895, an error of 61.2 percent. One explanation is that Big Rapids levies an income tax that raises the equivalent of about 14 mills. The error for Big Rapids in the equation that includes the income tax was 37.6%, still one of the highest errors in the group.

Population Less than 10,000

For the smallest population group, TV per capita was a significant determinate with a t-value of 33.2 and a millage t-value of 6.37. Population was not significant with a t-value of less than 2.0 (0.72), and the income tax was not significant as only four of the cities in this group of 187 cities levy the tax. The equation explained 85.9 percent (R-square) of the variation in per capita expenditures.

The equation using only TV estimates that a $1000 increase in TV per capita results in an increase in spending of $11.50. A city with TV per capita of $40,000 per capita could expect to spend $230 more per capita than a city with TV per capita of $20,000. The equation estimates that a city with TV per capita of $20,000 would spend $575 per capita, only 78 percent of the average for this population group.

The average error regardless of sign was 22 percent. The large estimating errors are usually due to a city levying a below average or above average millage, as mentioned previously. Adding the millage rate to the equation, increases the R-square to 85.9 and the t-value for TV per capita to 33.2. The t-value for the millage rate is 6.36. The average error is reduced to 19.4 percent. This equation estimates that a city with TV per capita of $18,000 would be spending about 75 percent of the group average.

There are 11 cities in this group with estimating errors of over 50 percent, due, in most cases, to large one-time spending. For example the estimating error for Evart was 84.5 percent due to large one-time spending. If 2016 expenditures per capita is used the error is only 1.1 percent. Eliminating these cities from the regression increases the R-squared to 90.9 and reduces the average error to 15.9 percent.

Policy Implications

Cities are largely limited in what they can spend by their property tax bases, or TV per capita. There are 93 cities with TV per capita of less than $20,000. Their average GF expenditures per capita are $592 per capita (unweighted), or 82 percent of the average for all cities. Excluding Detroit, per capita expenditures are $578, or 80 percent of the average for all cities (2015 data).

There are 69 cities with TV per capita of less than $18,000. Their average per capita expenditures are $548, 75.9 percent of the average for all cities. Excluding Detroit, per capita expenditures are $527, or 73 percent of the average for all cities (2015 data).

There are two components to state revenue sharing: constitutional and statutory. The amount allocated for constitutional revenue sharing is 15 percent of the 4 percent gross collections of the state sales tax. The funds are distributed on a per capita basis. The amount allocated for statutory revenue sharing is supposed to be 21.3 percent of the 4 percent gross collections of the state sales tax. This was established in a 1998 law. However, since 1998, only one year, 2001, was the formula fully funded. The funding in FY 2016 was about $600 million below full funding. The money is distributed on the basis of a complex formula that includes percent share of 1998 distributions, TV per capita, population unit type and yield equalization, which attempts to provide a minimum tax base. The authors suggest a change to the state revenue-sharing formula below that could provide additional revenue to cities with relatively low per capita TV.

The state revenue-sharing formula should include a provision for both statutory and constitutional payments to ensure that every city has an equivalent property tax base of at least $17,500, and preferably $20,000 per capita. For example, the payment could be based on a minimum of $20,000 TV per capita less the actual TV per capita x 20 mills less the amount that could be raised if they levied the maximum Headlee-adjusted tax rate.

For example, using 2015 data, Benton Harbor has TV per capita of $ 12,894 (TV $129,197,880/Pop 10,020) and levies a millage rate of 25.31 mills. Its adjusted additional revenue-sharing payment would be $142 per capita. This additional payment is calculated using the preceding formula: $7,106 (minimum TV per capita of $20,000 – current TV per capita $12,894) x 20 mills ($20/$1000).

A second example using 2015 data for Big Rapids, which has per capita TV of $14,759 (TV $156,460,159/ Pop 10,601) but levies only 15.83 mills. If we assume its tax limit under Headlee is 19 mills, its additional revenue-sharing payment would be $82.96 per capita. This additional payment is calculated using the preceding formula: $5,241 (minimum TV per capita of $20,000 – current TV per capita $14,759) x 19 mills ($19/$1000), or $99.57 per capita. However, Big Rapids is not levying its maximum allowable mills of 19; therefore, that difference will be subtracted from its additional payment, $99.57 minus $16.61 ($5,241 x 3.17 mills).

These payments would allow cities to lower property tax rates, increase the level of services, or do both, to become more competitive.

Service Solvency Analysis by Population Group

This section provides a detailed analysis of spending and taxing trends by population group and identifies those cities that meet our definition of being service insolvent or on the verge of service insolvency. Supporting data for this analysis are located in **appendices A1–A6**, **B** and **C** on pages 21–43.

Detroit

We've found it difficult to evaluate the finances of Detroit because of the bankruptcy process the city went through, and because the city is much larger than any other Michigan city.

Per capita expenditures in Detroit in 2015 were $1,949, about 2.7 times the average of the 50,000–200,000 population group. Per capita public safety expenditures were about 40 percent higher than the average for the 50,000–200,000 population group. The city meets only two of the criteria for service insolvency: TV per capita of less than $20,000 ($10,417) and a millage rate of 20 mills or more (32.06) (not adjusting for the income tax of 2.4 percent). Detroit's fund balance in 2015 was 33.3 percent of expenditures. However, this number is likely inflated, as its fund balance in 2014 was only 4.1 percent of expenditures. It is unclear how the bankruptcy process affected its fund balance.

On the revenue side, state revenue-sharing payments to Detroit declined 21.8 percent from 2008 to 2015 and GF property tax collections fell 15.8 percent. Consequently, Detroit reduced its GF expenditures an estimated 8.4 percent from 2008 to 2015. (See **Appendix A1** on page 21.)

With such a low tax base and high tax rate, it is hard to see how Detroit would not fall back into a fiscal crisis the next time there is an economic downturn.

Population 50,000–200,000

There are 23 cities in this group ranging in size from Grand Rapids (193,792) to Kentwood (50,764). (See **Appendix A2** on page 22).

On average, expenditures declined 4.2 percent from 2008 to 2015, ranging from a 43.4 percent decline in Pontiac (due, in part, to the outsourcing of most services) to a 7.7 percent increase in Kentwood. Expenditures declined in 12 of the cities.

Average per capita expenditures were $693 with a high of $1,070 in Dearborn and a low of $457 in Wyoming. Four cities spent 75 percent or less of the average for the group. These were Wyoming (66 percent), Pontiac (68 percent), Novi (70 percent) and Flint (70 percent). Flint and Pontiac are currently under some form of state financial supervision.

Public safety expenditures account for 58 percent of total GF expenditures, and average $402 per capita. The high is $630 in Lansing and the low is $284 in Flint. Only three cities spend less than 75 percent of the average: Rochester Hills (74.4 percent), Flint (70.7 percent) and Farmington Hills (56.1 percent).

The average TV for these cities is $30,103 (unweighted) compared with the average for all cities of $30,525 (excluding Detroit). A statistical analysis shows little correlation between TV and per capita spending. However, the cities with the lowest TV per capita, Flint ($7,575) and Pontiac ($11,370) have well below average spending.

Conclusion: Of the four cities (Flint, Wyoming, Pontiac and Novi) spending less than 75 percent of the group average, only Flint levies more than 20 mills (22.6 mills). However, Pontiac levies a 1 percent city income tax. Pontiac levies 17.83 mills. Taking into account the income tax would put their effective rate well over 20 mills. Flint ($7,575) and Pontiac ($11,370) both have TV per capita of less than $20,000. Of the four cities, only Flint has an inadequate fund balance of 7 percent of expenditures. It is no surprise that Flint is classified as service insolvent. Pontiac has a fund balance of 35.1 percent of expenditures but is classified as on the verge of service insolvency. Wyoming and Novi could spend more but choose to spend less.

Population 25,000–50,000

There are 20 cities in this population group ranging from Saginaw (49,844) to Wyandotte (25,151). (See **Appendix A3** on page 23).

On average, expenditures declined 11 percent from 2008 to 2015, ranging from a 25.4 percent decline in Madison Heights to a 4.4 percent increase in Mount Pleasant. It is noteworthy that expenditures declined in every city except Mount Pleasant.

Average per capita expenditures were $641, ranging from a high of $927 in Midland to a low of $372 in Burton. Three cities spent less than 75 percent of the average for the group: Burton (58 percent), Mount Pleasant (72 percent) and Portage (73 percent). Only one city in this population group is under some form of state supervision – Lincoln Park.

Public safety expenditures account for 54.9 percent of total GF expenditures, and averaged $352 per capita. The high is $451 in Port Huron and the low is $230 in Burton. Only two cities spent less than 75 percent of the group average, Burton (65.3 percent) and Mount Pleasant (72.7 percent).

The average TV for these cities is $22,169 compared with the average for all cities of $30,525 (excluding Detroit). There appears to be little correlation between TV and relative spending. However, the city with the highest TV per capita, Midland ($56,220) has the highest spending of $927 per capita, or 45 percent above the average for the group.

Conclusion: Of the three cities spending less than 75 percent of the group average, none levies more than 20 mills. Burton ($18,548) and Mount Pleasant ($17,076) have TV per capita of less than $20,000. Of the three cities, only Mount Pleasant has an inadequate fund balance, 9.3 percent of expenditures. None of the three cities meets all four service insolvency criteria. However, Mount Pleasant could be put in the service insolvency category, and Burton on the verge of service insolvency. Portage could spend more, but it chooses not to.

Several cities in this group do not meet the 75 percent spending test, but meet three of the other tests. They are Saginaw, Lincoln Park, East Pointe, Oak Park, Bay City and Garden City. Saginaw levies only 14.06 mills but has an income tax, which puts its effective rate above 20 mills. Lincoln Park is on the list because of a low fund balance (0.9 percent) and because it is under state supervision, and Saginaw because of a low TV per capita ($9,500) and a low fund balance (5 percent). The other four cities are in the category of on the verge of service insolvency. Only one of the four has an above average fund balance – Garden City (26.5 percent).

Population 10,000–25,000

There are 48 cities in this population group, ranging in size from Inkster (24,786) to Benton Harbor (10,018). (See **Appendix A4** on pages 24–25.)

On average, expenditures declined 8.8 percent from 2008 to 2015, ranging from a 35.1 percent decline in Benton Harbor to a 23.9 percent increase in Birmingham. (Expenditures declined 69.1 percent in Highland Park due to special circumstances. Excluding Highland Park, expenditures for the group fell 4.7 percent.) Of the 47 cities, 20 recorded an increase in expenditures.

Average per capita GF expenditures were $785, ranging from a high of $1,633 in Birmingham to $382 in Ionia. There are nine cities that spent less than 75 percent of the average for the group: Inkster, Norton Shores, Adrian, Grandville, Owosso, New Baltimore, South Lyon, Fenton and Ionia.

Public safety expenditures account for 44 percent of total GF expenditures, and averaged $346 per capita. The high is $608 in Birmingham and the low is $192 in Ionia. Twelve cities spent less than 75 percent of the group average on public safety.

The average TV for these cities is $30,544 compared with the average for all cities of $30,525 (excluding Detroit). There appears to be some correlation between TV per capita and relative spending. The cities with the highest TV per capita – Birmingham, Auburn Hills, Traverse City, Rochester, East Grand Rapids, Grand Haven and Gross Pointe Park – were all among the highest spending districts. The city with the second lowest TV per capita, Ionia ($9,349), had the lowest spending per capita. A simple regression analysis indicated that TV per capita was a significant indicator (t-value of 4.65) and explained about 32 percent of the variation in per capita spending.

Conclusion: Of the nine cities spending less than 75 percent of the group average, only Inkster (42.96 mills) levies 20 mills or more. Four of the cities have an inadequate fund balance: Ionia (0.8 percent), Inkster (11.9 percent) Norton Shores (13.5 percent) and Owosso (15.1 percent). Four of the cities have TV per capita of below $20,000: Ionia ($9,349), Inkster ($9,505), Owosso ($16,109) and Adrian ($17,413).

Two cities are classified as service insolvent: Ionia and Inkster. Ionia is one of the lowest spending cities in the state (48.7 percent of the group average), has the second lowest TV per capita in the group ($9,349), and has a fund balance of only 0.8 percent of expenditures. Inkster's expenditures are 59.6 percent of the group average. It has a TV per capita of $9,505; levies 42.96 mills, the third highest in the state; and has a fund balance of 11.9 percent of expenditures.

Owosso with spending of only 52.4 percent of the group average, a low TV per capita ($16,109), and an inadequate fund balance (15.1 percent) is on the verge of service insolvency. The other cities in the group could spend more but choose not to.

Nine cities that do not meet the 75 percent of the group average spending test are candidates for the service insolvency list: Hamtramck, Hazel Park, Harper Woods, Benton Harbor, Melvindale, Muskegon Heights, Highland Park, Big Rapids and Ypsilanti.

Of these, four cities meet the other three criteria: Hazel Park, Harper Woods, Big Rapids and Melvindale. All four have low fund balances, low TV per capita and high millage rates. (Big Rapids has a millage rate of 15.83 but levies an income tax, which puts its effective rate above 20 mills.) All of the other five cities meet two of the criteria. In this group, Hamtramck, Muskegon Heights and Highland Park levy an income tax. Highland Park, Hamtramck and Benton Harbor are under or have been under state supervision. Melvindale, Harper Woods, Hazel Park and Big Rapids are classified as service insolvent because of very low fund balances and low TV per capita combined with high millage rates. Ypsilanti, Hamtramck, Muskegon Heights, Highland Park and Benton Harbor all on the verge of fiscal insolvency, although Highland Park and Benton Harbor have very high fund balances.

Population 5,000–10,000

There are 54 cities in this population group ranging from Flat Rock (9,854) to Davison (5,000). (See **Appendix A5** on pages 26–27.)

On average, expenditures declined 3.6 percent from 2008 to 2015, ranging from an 89.3 percent increase in Mason (due to $3.5 million bond issue for capital outlay) to a 43.2 percent decline in Ecorse. Expenditures declined in 30 cities. Per capita GF expenditures averaged $745, ranging from $1,392 in Grosse Pointe Farms to $320 in St. Louis. Twenty-one cities in this group spent less than 75 percent of the average for the group. They will not all be listed here but are listed in **Appendix A5**.

Public safety expenditures account for 37.9 percent of total GF expenditures, and they averaged $286 per capita. The high is $568 in Northville and the low is $75 in Houghton. Fifteen cities spent 75 percent or less of the group average.

The average TV for these cities is $32,281 compared with the average for all cities of $30,525 (excluding Detroit). There appears to be a correlation between TV per capita and relative spending. The cities with the highest TV per capita – Petoskey, Grosse Pointe Farms, Zeeland, Gross Pointe, Northville, St. Joseph and Plymouth – were all among the highest spending districts, and the city with the lowest TV per capita, St. Louis ($6,733, lowest in the state), had the lowest spending per capita. A simple regression analysis indicated that TV per capita was a significant indicator (t-value of 7.5) and explained about 52 percent of the variation in per capita spending.

Conclusion: Of the 21 cities spending less than 75 percent of the group average, only Albion meets all four criteria, its fund balance of 16.6 percent of expenditures is just barely below the recommended level of 16.7 percent. St. Louis and Ironwood are the only cities that meet three of the criteria. St. Louis has a millage rate of only 13.72 mills, but it has the lowest TV per capita in the state and a fund balance of only 4 percent. It is classified as service insolvent. Ironwood levies 29.8 mills, has a TV per capita of $17,259 and a fund balance of only 9.5 percent. It is classified as service insolvent. Only three of the low spending cities levy more than 20 mills: Alma, Albion and Walled Lake. Nine cities, other than Albion, Ironwood and St. Louis, have a TV per capita below $20,000, but most of these have healthy fund balances.

Of the cities that spend more than 75 percent of the group average, only three have TV per capita below $20,000: Ecorse, Center Line and Dowagiac. Only Center Line has an inadequate fund balance, 12.4 percent of expenditures. The city levies 38.65 mills but it spends about 40 percent above the group average. It is classified as being on the verge of service insolvency. Ecorse is currently under state supervision but spends about 38 percent above the group average and has an adequate fund balance, 28.4 percent. However, because of its history and high millage rate of 39.17, the city is at risk. Ironwood also raises some concerns because of a low TV per capita ($17,259) and a high millage rate (29.8 mills). The city spends about 63.1 percent of the group average and has a fund balance of 22.8 percent of expenditures.

Population 1–5,000

There are 133 cities in this population group, ranging from Frankenmuth (4,951) to Lake Angelus (297). (See **Appendix A6** on pages 28–32). On average, expenditures increased 1.4 percent from 2008 to 2015, the only group to record an increase. Expenditures ranged from a 140.6 percent increase in Potterville (due to one-time spending for capital outlay) to a 43.6 percent decline for Luna Pier.

Average per capita expenditures were $724, ranging from $244 in Galesburg to $6,322 in Mackinac Island. Fifty-one cities in this group spent less than 75 percent of the average for the group. They will not all be listed here but are listed in **Appendix A6**.

Public safety expenditures account for 35.5 percent of total GF expenditures, and averaged $257 per capita. The high is $2,312 in Mackinac Island and $0 in Lake City, Au Gres and Whittemore. A large number of cities spend less than 75 percent of the group average.

The average TV for these cities is $37,530 compared with the average for all cities of $30,525 (excluding Detroit). The cities with the highest TV per capita were all among the highest spending districts, and the cities with the lowest TV per capita had among the lowest spending per capita. A simple regression analysis shows a very high correlation between per capita spending and per capita TV. The R-squared was .852, meaning TV per capita explains about 85 percent of the variation in spending per capita and the t-value was 27.5, meaning the evidence is high against the null hypothesis that there is no significant difference.

Conclusion: Of the 51 cities in this group that spend less than 75 percent of the group average, the only city that meets all four criteria is Mount Morris. The city spends 68.1 percent of the group average, has a TV per capita of $8,753, levies 21.38 mills, and has a fund balance of 14.1 percent of GF expenditures. Yale comes very close with spending of 67.7 percent of the group average, a TV per capita of $15,707, a millage rate of 19.5, and a fund balance of 9.3 percent. Gaastra spends 106.3 percent of the group average but has a TV per capita of $12,506, levies 19.95 mills and has a -9.1 percent fund balance. Durand meets three of the criteria with a TV per capita of less than $20,000, a millage rate of 25.6 mills, but a fund balance of 23.8 percent of expenditures. Gobles meets two of the criteria but levies only 17.46 mills, allowing them to spend more if voters approve.

Of the cities that spend more than 75 percent of the group average, only Watervliet meets the other three criteria: TV per capita of $16,632, a millage rate of 22.52 and a fund balance of 11.5 percent of expenditures.

A number of cities spent less than 75 percent of the group average and have TV per capita below $20,000 and a millage rate near or above 20 mills, but all have high fund balances. These cities are Buchanan, Clio, Iron River, Leslie, Laingsburg, Manton, Scottville, Petersburg, Onaway and White Cloud. They may have to draw down fund balances in the future to maintain a reasonable level of public services.

Without State Policy Changes, Fiscal Problems Will Increase

Policy Considerations

Major fiscal problems face our cities. First, cities' heavy dependence on the property tax and the limits on its growth means that even with a good economy, property tax revenues do not grow. Second, cities with low TV per capita cannot raise sufficient revenues to provide a reasonable level of services without levying uncompetitive tax rates. (See **Exhibit 8** on page 19.) Third, the cost of pensions and other postemployment benefits are about 20 percent of the average city's budget, crowding out other services (Scorsone, Padilla, Kamin, & Doidge, 2016). Controlling these costs is necessary to restoring the health of municipalities.

The following recommendations address these problems:

- Fully fund revenue sharing over the next five years. This would require an annual increase in the state budget of about $125 million. The only other option is to give local governments more revenue-raising options or adopt countywide or regional government. Otherwise, our cities will continue to struggle financially, and the next economic downturn could result in a wave of bankruptcies.
- Add a provision to the revenue-sharing act that guarantees cities an effective TV per capita of at least $17,500, and preferably $20,000. This will allow cities to cut taxes, increase services or do both, making them more economically competitive.
- Ask voters to approve a constitutional amendment to repeal the provision in the state constitution that requires the millage rate to be rolled back when assessed value increases faster than the rate of inflation. This provision is not needed as another provision in the constitution limits the growth of TV on each parcel of property to 5 percent or the rate of inflation, whichever is less.
- Have the state issue bonds to eliminate the unfunded pension liability for local governments. It would be a voluntary program. However, if local governments participated, they would have to join the Municipal Employees' Retirement System of Michigan (MERS) pension system, limit the multiplier to no more than 2 for the current pension plan or possibly require a hybrid pension plan for new employees, and pay a portion of the principal and interest on the bonds. The estimated unfunded liability is $2.5 billion for municipalities and $2.1 billion for counties (Scorsone, et al., 2016).
- In 2000, many local governments had fully funded pension systems. Currently, the unfunded liability is estimated at 74 percent for cities, villages and townships, and 84 percent for counties (Scorsone et al., 2016). However, the dispersion among Michigan local pension systems is significant with some systems funded over 100 percent and others funded as low as 20 percent. In very few cases is this the result of mismanagement. Two recessions since 2000 have resulted in very weak market returns, and sharp declines in property taxes, coupled with deep cuts in revenue sharing have limited a local government's ability to make required pension payments.
- The state issued a $3.1 billion bond in 2011 to pay back the unemployment insurance monies borrowed from the federal government, for the purpose of helping businesses avoid higher unemployment insurance taxes. If this action can be taken for businesses, it can be done for local governments as well.

Conclusion

This report analyzes financial data from 279 Michigan cities to identify those cities that, while their budget may be balanced, do not have the resources to provide an adequate level of public services. We have classified 32 cities as service insolvent or on the verge of insolvency. (See **Exhibit 9** on page 20.) What these cities have in common is low TV per capita, low fund balances (GF), high millage rates and in most cases, low per capita GF expenditures.

Michigan has more cities under state supervision than any other state, and many of our cities are suffering from fiscal stress. The Great Recession crushed property values, the state government cut revenue-sharing payments to cities and Michigan places more revenue-raising restrictions on cities than almost any other state. General fund expenditures of Michigan cities were reduced from 2008 to 2015. This allowed most cities to balance their budgets, but a number of cities cut expenditures to the point of service insolvency, placing the viability of the city in jeopardy. When the next recession hits, many Michigan cities could be in danger of Chapter 9 bankruptcy or could be added to the service insolvency list. Given the financial problems of many cities outlined in this report, we recommend that the state government consider significant increases to revenue sharing, provide other revenue options for cities, or completely change the organization of cities in Michigan to a regional or countywide model.[3]

[3] A recent CRC report outlines a potential model for regional government.

Exhibit 8: Millage Limits and Rates for Cities Classified as Service Insolvent or on the Verge of Service Insolvency, 2016

City	Total millage rate	Charter limit	Headlee limit rate	Levied operating millage rate
Flint	19.1	7.5	7.5	7.5
Pontiac	16	12	11.2737	11.2737
Mount Pleasant	16.25	20	19.7094	14.065
Burton	14.19	5	4.707	4.707
East Pointe	25.96	20	19.1754	19.1754
Lincoln Park	19.68	20	18.98	18.98
Garden City	22.52	18	13.8403	13.8403
Oak Park	30.94	20	17.5	17.5
Saginaw	14.88	7.5	7.383	7.383
Bay City	23.26	20	20	16.96
Inkster	39.96	20	17.2349	17.2349
Ionia	11.4	15	14.985	5.5
Owosso	14.87	15	13.037	13.037
Big Rapids	18.96	15	14.6134	11.234
Hazel Park	41.76	20	16.2249	16.2249
Harper Woods	28.46	20	20	20
Highland Park	64.14	20	19.3703	19.3703
Benton Harbor	25.69	20	19.306	19.306
Muskegon Heights	18.85	18	17.9568	17.9568
Melvindale	43.99	20	19.4081	19.4081
Hamtramack	29.85	20	19.5994	19.5994
Ypsilanti	34.91	20	20	19.02
Albion	18.47	12.5	11.9736	11.9736
St. Louis	13.91	15	13.4089	13.489
Ironwood	29.67	19.2	19.2	19.2
Centerline	38.65	15	14.663	14.663
Ecorse	41.59	19	18.6713	18.6713
Mount Morris	21.7	20	20	20
Yale	19.5	15	15	15
Gaastra	18.45	20	18.45	18.45
Watervliet	23.19	20	16.9389	16.9389
Durand	23.67	20	20	16.53

Exhibit 9: Michigan Cities That Are Service Insolvent or on the Verge of Service Insolvency

City	Per capita expenditures as % of group average, 2015	% Change expenditures 2008-2015	TV per capita 2015	Millage rate 2015	Adjusted millage rate (income tax)	Fund balance as % total expenditures	Population group
Flint	67.4%	-38.8%	$7,575	22.6	41.7	7.0%	50-200,000
Pontiac	65.4%	-43.4%	$11,370	17.83	37.13	35.1%	50-200,000
Mount Pleasant	71.6%	4.4%	$17,076	18		9.3%	25-50,000
Burton	58.0%	-12.1%	$18,548	15.24		27.2%	25-50,000
East Pointe	84.4%	-2.7%	$13,187	27		18.1%	25-50,000
Lincoln Park	90.7%	-12.0%	$14,077	24.04		0.9%	25-50,000
Garden City	98.6%	-10.9%	$18,499	23.52		26.5%	25-50,000
Oak Park	101.4%	-10.3%	$14,624	38.61		14.4%	25-50,000
Saginaw	96.2%	-14.2%	$9,500	14.06	39.96	5.0%	25-50,000
Bay City	83.3%	-19.3%	$15,293	21.47		16.4%	25-50,000
Inkster	59.6%	-34.8%	$9,505	42.96		11.9%	10-25,000
Ionia	48.7%	5.7%	$9,349	10.66	30.06	0.8%	10-25,000
Owosso	52.4%	-15.7%	$16,109	16.23		15.1%	10-25,000
Big Rapids	114.1%	12.4%	$14,759	15.83	29.23	8.3%	10-25,000
Hazel Park	108.6%	4.5%	$10,157	25.81		4.4%	10-25,000
Harper Woods	113.6%	3.7%	$15,472	28.29		3.3%	10-25,000
Highland Park	149.3%	-69.1%	$13,201	64.88	85.48	31.5%	10-25,000
Benton Harbor	82.1%	-35.1%	$12,894	25.31		47.4%	10-25,000
Muskegon Heights	81.0%	-5.0%	$9,579	19.55	36.35	17.3%	10-25,000
Melvindale	121.4%	-1.9%	$18,634	34.11		-11.6%	10-25,000
Hamtramack	99.7%	-5.0%	$8,561	26.1	44.1	23.1%	10-25,000
Ypsilanti	87.6%	-0.2%	$14,707	38.52		18.3%	10-25,000
Albion	74.0%	6.9%	$10,945	22.24	24.74	16.6%	5-10,000
St. Louis	43.1%	47.0%	$6,733	13.72		4.0%	5-10,000
Ironwood	63.1%	-17.3%	$17,259	29.8		22.8%	5-10,000
Centerline	138.7%	-20.0%	$18,813	38.65		12.4%	5-10,000
Ecorse	138.2%	-43.2%	$19,721	39.17		28.4%	5-10,000
Mount Morris	68.1%	-16.2%	$8,753	21.38		14.1%	1-5,000
Yale	67.7%	-8.2%	$15,707	19.5		9.3%	1-5,000
Gaastra	106.3%	23.2%	$12,506	19.95		-9.1%	1-5,000
Watervliet	80.4%	-8.7%	$16,632	22.52		11.5%	1-5,000
Durand	68.8%	-6.0%	$18,651	25.16		23.8%	1-5,000

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Appendices

Appendix A1: Detroit, Selected Financial Data

2008 Expenditures (000)	2015 Expenditures (000)	% Change	Population	Per capita GF expenditures 2015	% of group average	Per capita public safety expenditures, 2015	% of group average
$1,445,535	$1,324,205	-8.4%	680,250	$1,946	270.2%	$600	140.5%

Taxable value per capita 2015	Millage rate 2016	% change taxable value 2008-2012	% change taxable value 2012-2015	% change taxable value 2008-2015	State aid 2000 (000)	State aid 2008 (000)	State aid 2015 (000)	Property taxes 2008 (000)	Property taxes 2015 (000)
$10,417	32.06	-13.3%	-16.1%	-27.3%	$408,201	$249,047	$194,757	$225,890	$190,096

Appendix A2: Population Group 50,000-200,000, Selected Financial Data

City	2008 Expenditures (000)	2015 Expenditures (000)	% Change	Population	Per capita GF expenditures 2015	% of Group average	Per capita public safety expenditures, 2015	% of Group average	Taxable value per capita 2015	Millage rate 2016	% Change taxable value 2008-2012	% Change taxable value 2012-2015	% Change taxable value 2008-2015	Fund balance % of GF expenditures 2015
Grand Rapids	$124,148	$120,962	-2.6%	193,792	$624	90.1%	$372	92.5%	$22,992	10.46	-13.3%	-16.1%	-27.3%	12.5%
Warren	$96,916	$98,203	1.3%	135,099	$727	104.9%	$463	115.2%	$25,569	22.5	-3.3%	-0.3%	-3.6%	19.4%
Sterling Heights	$86,516	$90,289	4.4%	131,741	$685	98.9%	$386	96.0%	$31,071	15.18	-27.7%	4.0%	-24.8%	2.8%
Ann Arbor	$78,042	$81,375	4.3%	117,025	$695	100.4%	$386	96.1%	$43,678	18.79	-22.3%	3.4%	-19.7%	21.2%
Lansing	$111,856	$119,226	6.6%	114,620	$1,040	150.2%	$630	156.7%	$17,330	23.82	-18.6%	-2.1%	-20.3%	8.2%
Flint	$78,451	$48,032	-38.8%	99,002	$485	70.0%	$284	70.7%	$7,575	22.6	-40.6%	-20.4%	-52.8%	7.0%
Dearborn	$111,939	$102,194	-8.7%	95,535	$1,070	154.4%	$600	149.3%	$34,091	27.45	-26.5%	1.9%	-25.1%	29.7%
Livonia	$51,950	$52,512	1.1%	94,958	$553	79.8%	$365	90.9%	$40,768	14.14	-23.5%	0.6%	-23.0%	21.0%
Troy	$62,655	$58,551	-6.6%	83,107	$705	101.7%	$373	92.9%	$54,205	11.5	-22.5%	4.5%	-19.0%	33.7%
Westland	$58,726	$56,803	-3.3%	82,314	$690	99.6%	$378	93.9%	$19,442	19.86	-27.9%	-3.9%	-30.7%	10.6%
Farmington Hills	$52,475	$60,376	15.1%	81,435	$742	107.1%	$345	56.1%	$38,415	16.96	-30.1%	1.6%	-29.0%	27.5%
Kalamazoo	$54,290	$50,621	-6.8%	75,922	$667	96.3%	$401	99.8%	$19,841	25.5	-12.5%	0.1%	-12.4%	11.8%
Wyoming	$30,045	$34,226	13.9%	74,826	$457	66.0%	$348	86.6%	$25,735	14.66	-16.7%	1.6%	-15.4%	26.0%
Rochester Hills	$41,243	$39,737	-3.7%	73,125	$544	78.5%	$252	74.4%	$43,517	10.46	-20.5%	7.0%	-14.9%	77.8%
Southfield	$68,908	$62,500	-9.3%	73,002	$856	123.6%	$554	137.8%	$33,114	27.78	-32.8%	-4.2%	-35.6%	69.7%
Taylor	$59,175	$47,437	-19.8%	61,594	$770	111.2%	$363	90.3%	$21,027	30.23	-25.2%	-4.5%	-28.6%	9.6%
St. Clair Shores	$43,999	$43,576	-1.0%	60,036	$726	104.8%	$390	97.0%	$23,085	21.26	-29.9%	-1.6%	-31.0%	25.7%
Pontiac	$49,755	$28,184	-43.4%	59,808	$471	68.0%	$330	82.2%	$11,370	17.83	-46.3%	-14.1%	-53.8%	35.1%
Royal Oak	$34,244	$40,371	17.9%	59,069	$684	98.7%	$514	127.8%	$39,925	18.79	-10.5%	7.4%	-4.0%	43.3%
Novi	$28,012	$28,331	1.1%	58,416	$485	70.0%	$305	75.8%	$54,875	10.2	-18.5%	9.8%	-10.5%	40.0%
Dearborn Heights	$37,567	$40,256	7.2%	56,415	$714	103.0%	$342	85.0%	$20,555	24.37	-31.4%	3.1%	-29.3%	3.3%
Battle Creek	$47,932	$42,396	-11.5%	51,833	$818	118.1%	$497	123.7%	$26,562	16.24	-3.2%	-4.4%	-7.4%	15.2%
Kentwood	$25,754	$27,734	7.7%	50,764	$546	78.9%	$319	79.4%	$37,632	12.32	-11.2%	3.6%	-7.9%	17.9%
Total or Average	**$1,434,598**	**$1,373,892**	**-4.21%**	**1,983,438**	**$693**	**100.0%**	**$402**	**100.0%**	**$30,103**	**18.82**	**-21.3%**	**-1.1%**	**-22.1%**	**24.7%**

Appendix A3: Population Group 25,000-50,000, Selected Financial Data

City	2008 Expenditures (000)	2015 Expenditures (000)	% Change	Population	Per capita GF expenditures 2015	% of Group average	Per capita public safety expenditures, 2015	% of Group average	Taxable value per capita 2015	Millage rate	% Change taxable value 2008-2012	% Change taxable value 2012-2015	% Change taxable value	Fund balance % of GF expenditures2015
Saginaw	$35,850	$30,749	-14.2%	49,844	$617	96.2%	$403	114.5%	$9,500	14.06	-19.4%	-12.6%	-29.6%	5.0%
East Lansing	$34,536	$32,588	-5.6%	48,648	$670	104.5%	$383	109.1%	$19,461	25.84	-6.6%	3.9%	-3.0%	18.6%
Portage	$22,876	$22,436	-1.9%	47,837	$469	73.1%	$279	79.5%	$42,629	12.41	-4.3%	1.9%	-2.4%	40.6%
Roseville	$39,597	$32,946	-16.8%	47,598	$692	107.9%	$359	102.2%	$18,163	24.77	-32.6%	-5.5%	-36.3%	4.8%
Midland	$46,859	$38,880	-17.0%	41,957	$927	144.5%	$377	107.2%	$56,220	14.03	6.1%	7.1%	13.6%	14.3%
Muskegon	$26,101	$24,614	-5.7%	38,393	$641	100.0%	$346	98.4%	$15,192	15.96	-10.0%	-11.0%	-19.9%	23.9%
Lincoln Park	$24,614	$21,653	-12.0%	37,231	$582	90.7%	$364	103.6%	$14,077	24.04	-26.4%	-10.1%	-33.8%	0.9%
Bay City	$22,612	$18,247	-19.3%	34,149	$534	83.3%	$342	97.4%	$15,923	21.47	-13.1%	-3.6%	-16.3%	16.4%
Holland	$20,867	$20,653	-1.0%	33,644	$614	95.7%	$342	97.2%	$34,457	15.47	-9.2%	11.1%	0.8%	24.0%
Jackson	$24,056	$21,829	-9.3%	33,200	$657	102.5%	$403	114.6%	$18,187	16.93	-2.6%	-6.0%	-8.5%	25.1%
Eastpointe	$18,154	$17,669	-2.7%	32,654	$541	84.4%	$364	103.6%	$13,187	27	-40.9%	-7.2%	-45.2%	18.1%
Madison Heights	$33,222	$24,778	-25.4%	30,267	$819	127.7%	$429	122.1%	$25,778	23.96	-31.6%	-5.4%	-35.4%	32.1%
Oak Park	$21,633	$19,412	-10.3%	29,834	$650	101.4%	$283	80.4%	$14,624	38.61	-34.8%	-8.1%	-40.1%	14.4%
Southgate	$22,337	$19,840	-11.2%	29,416	$674	105.2%	$340	96.7%	$22,405	25.25	-26.7%	0.7%	-26.2%	4.7%
Port Huron	$25,092	$21,038	-16.2%	29,168	$721	112.5%	$451	128.3%	$20,213	16.93	-21.2%	-5.8%	-25.8%	21.2%
Burton	$12,267	$10,784	-12.1%	28,974	$372	58.0%	$230	65.3%	$18,548	15.24	-29.1%	-3.6%	-31.6%	27.2%
Allen Park	$22,036	$21,691	-1.6%	27,566	$787	122.7%	$344	97.9%	$27,290	25.48	-28.2%	1.0%	-27.5%	26.7%
Garden City	$19,190	$17,102	-10.9%	27,052	$632	98.6%	$348	99.1%	$18,499	23.52	-31.1%	0.0%	-31.2%	26.5%
Mount Pleasant	$11,412	$11,916	4.4%	25,971	$459	71.6%	$256	72.7%	$17,076	18	2.3%	3.2%	5.6%	9.3%
Wyandotte	$19,709	$18,818	-4.5%	25,151	$748	116.7%	$378	107.5%	$21,964	25.25	-22.7%	1.5%	-21.5%	17.2%
Total or average	**$503,020**	**$447,643**	**-11.0%**	**698,554**	**$641**	**100.0%**	**$352**	**100.0%**	**$22,169**	**21.2**	**-17.4%**	**-0.6%**	**-18.0%**	**18.5%**

Appendix A4: Population Group 10,000-25,000, Selected Financial Data

City	2008 Expenditures (000)	2015 Expenditures (000)	% Change	Population	Per capita GF expenditures 2015	% of Group average	Per capita public safety expenditures, 2015	% of Group average	Taxable value per capita 2015	Millage rate	% Change taxable value 2008-2012	% Change taxable value 2012-2015	Change taxable value 2008-2015	Fund balance % of GF expenditures 2015
Inkster	$17,784	$11,597	-34.8%	24786	$468	59.6%	$231	66.8%	$9,505	42.96	-15.5%	-25.0%	-36.6%	11.9%
Walker	$14,053	$15,916	13.3%	24468	$650	82.9%	$245	70.9%	$42,763	3.96	-5.0%	6.9%	1.6%	28.5%
Norton Shores	$8,787	$10,570	20.3%	24081	$439	55.9%	$283	81.7%	$35,433	11.73	-9.8%	2.5%	-7.6%	13.5%
Romulus	$21,773	$19,328	-11.2%	23496	$823	104.8%	$471	135.9%	$35,763	14.21	-28.4%	-9.2%	-35.0%	15.0%
Hamtramck	$18,199	$17,288	-5.0%	22099	$782	99.7%	$537	155.1%	$8,561	26.1	-22.8%	-3.0%	-25.1%	23.1%
Auburn Hills	$36,725	$27,300	-25.7%	21845	$1,250	159.3%	$528	152.4%	$74,487	11.52	-26.9%	-2.6%	-28.8%	70.7%
Marquette	$18,938	$19,112	0.9%	21441	$891	113.6%	$327	94.4%	$33,583	17.49	11.2%	15.3%	28.2%	44.2%
Adrian	$13,864	$9,711	-30.0%	20840	$466	59.4%	$229	66.2%	$17,413	17.17	-14.1%	-7.3%	-20.3%	19.6%
Birmingham	$27,362	$33,892	23.9%	20757	$1,633	208.1%	$608	175.5%	$96,403	15.83	-14.7%	11.7%	-4.7%	35.6%
Ferndale	$18,592	$18,807	1.2%	20256	$928	118.3%	$449	129.7%	$25,386	30.46	-20.1%	-1.1%	-21.0%	25.0%
Monroe	$19,306	$17,507	-9.3%	20198	$867	110.5%	$460	132.7%	$47,252	17.18	-9.6%	8.8%	-1.6%	20.2%
Ypsilanti	$13,829	$13,807	-0.2%	20081	$688	87.6%	$373	107.8%	$14,707	38.52	-27.8%	1.6%	-26.7%	18.3%
Trenton	$22,095	$20,257	-8.3%	18427	$1,099	140.1%	$280	80.8%	$35,493	25.75	-23.6%	3.6%	-20.8%	0.7%
Wayne	$20,406	$15,439	-24.3%	17091	$903	115.1%	$426	123.0%	$20,383	25	-38.2%	-6.6%	-42.3%	15.8%
Hazel Park	$13,544	$14,150	4.5%	16604	$852	108.6%	$376	108.6%	$10,157	25.81	-44.4%	-12.2%	-51.2%	4.4%
Mount Clemens	$9,356	$9,742	4.1%	16408	$594	75.7%	$257	74.3%	$19,950	24.88	-24.0%	-3.1%	-26.3%	16.8%
Grandville	$9,782	$8,992	-8.1%	15857	$567	72.3%	$275	79.4%	$40,620	12.96	-10.2%	2.3%	-8.2%	21.3%
Grosse Pointe Woods	$14,061	$12,162	-13.5%	15835	$768	97.9%	$221	63.7%	$40,288	23.68	-28.8%	5.6%	-24.7%	30.6%
Berkley	$9,304	$10,641	14.4%	15273	$697	88.8%	$319	92.0%	$32,346	18.09	-15.0%	8.8%	-7.6%	29.2%
Traverse City	$14,493	$15,927	9.9%	15042	$1,059	135.0%	$411	118.6%	$59,411	13.87	12.0%	10.5%	23.8%	32.5%
Owosso	$7,215	$6,080	-15.7%	14779	$411	52.4%	$222	64.2%	$16,109	16.23	-14.9%	-1.8%	-16.4%	15.1%
Fraser	$15,516	$12,431	-19.9%	14622	$850	108.4%	$416	120.2%	$30,700	23.26	-26.7%	2.1%	-25.1%	13.3%
Sault Ste. Marie	$11,851	$11,572	-2.4%	13959	$829	105.7%	$324	93.4%	$19,855	23.09	3.1%	-3.9%	-0.9%	6.3%
Harper Woods	$11,950	$12,391	3.7%	13907	$891	113.6%	$335	96.7%	$15,472	28.29	-42.1%	-12.0%	-49.0%	3.3%
Wixom	$9,579	$10,385	8.4%	13744	$756	96.3%	$284	82.1%	$48,257	15.4	-26.9%	3.5%	-24.3%	24.1%
Rochester	$10,391	$10,026	-3.5%	12995	$772	98.3%	$366	105.8%	$51,977	12.03	-18.6%	7.7%	-12.4%	85.6%
Woodhaven	$11,993	$12,217	1.9%	12594	$970	123.6%	$489	141.2%	$38,895	22.24	-19.6%	-0.5%	-20.0%	15.4%
Escanaba	$7,102	$8,570	20.7%	12413	$690	88.0%	$331	95.5%	$24,576	17.55	14.4%	1.7%	16.4%	41.8%

Appendix A4: Population Group 10,000-25,000, Selected Financial Data, continued

City	2008 Expenditures (000)	2015 Expenditures (000)	% Change	Population	Per capita GF expenditures 2015	% of Group average	Per capita public safety expenditures, 2015	% of Group average	Taxable value per capita 2015	Millage rate	% Change taxable value 2008-2012	% Change taxable value 2012-2015	Change taxable value 2008-2015	Fund balance % of GF expenditures 2015
New Baltimore	$6,597	$5,591	-15.3%	12269	$456	58.1%	$226	65.2%	$28,983	14.9	-24.2%	7.0%	-19.0%	30.9%
Riverview	$10,437	$10,405	-0.3%	12222	$851	108.5%	$418	120.7%	$24,506	19.76	-21.7%	-1.0%	-22.5%	5.3%
Clawson	$7,164	$7,406	3.4%	12049	$615	78.3%	$194	56.0%	$26,872	28.33	-24.2%	4.6%	-20.7%	20.9%
South Lyon	$5,749	$4,759	-17.2%	11713	$406	51.8%	$225	64.9%	$27,747	15.66	-23.6%	6.0%	-19.0%	46.1%
Fenton	$6,620	$5,161	-22.0%	11463	$450	57.4%	$225	65.0%	$31,785	11.78	-19.9%	-1.3%	-21.0%	40.0%
Ionia	$4,138	$4,374	5.7%	11439	$382	48.7%	$192	55.3%	$9,349	10.66	-10.9%	-4.4%	-14.9%	0.8%
Niles	$9,480	$8,467	-10.7%	11400	$743	94.7%	$414	119.5%	$17,153	16.12	-7.5%	-1.0%	-8.4%	25.3%
Grosse Pointe Park	$10,176	$9,714	-4.5%	11288	$861	109.7%	$490	141.4%	$49,703	19.02	-7.7%	-0.4%	-8.1%	0.8%
East Grand Rapids	$9,511	$10,410	9.5%	11258	$925	117.9%	$389	112.3%	$54,401	18.83	3.7%	12.3%	16.5%	25.8%
Grand Haven	$11,065	$11,124	0.5%	10965	$1,014	129.3%	$348	100.4%	$50,377	15.18	-6.9%	5.7%	-1.6%	31.9%
Sturgis	$7,323	$7,278	-0.6%	10901	$668	85.1%	$358	103.3%	$22,327	14.05	-10.6%	-0.2%	-10.7%	42.3%
Coldwater	$8,434	$9,330	10.6%	10811	$863	110.0%	$332	95.8%	$30,805	14.91	-8.7%	8.1%	-1.3%	31.0%
Muskegon Heights	$7,221	$6,862	-5.0%	10799	$635	81.0%	$288	83.1%	$9,579	19.55	-10.3%	-15.6%	-24.3%	17.3%
Farmington	$7,815	$8,434	7.9%	10554	$799	101.9%	$287	82.8%	$29,478	17.59	-27.7%	2.5%	-25.9%	25.0%
Big Rapids	$8,320	$9,351	12.4%	10443	$895	114.1%	$343	99.0%	$14,759	15.83	-5.0%	-5.4%	-10.2%	8.3%
Melvindale	$10,137	$9,945	-1.9%	10441	$952	121.4%	$315	90.9%	$18,634	34.11	-19.7%	2.7%	-17.6%	-11.6%
Highland Park	$39,326	$12,149	-69.1%	10375	$1,171	149.3%	$298	86.1%	$13,201	64.88	-15.7%	-7.4%	-21.9%	31.5%
Cadillac	$7,159	$6,664	-6.9%	10335	$645	82.2%	$309	89.2%	$23,569	16.66	-3.1%	-1.6%	-4.6%	3.3%
Alpena	$8,843	$9,013	1.9%	10247	$880	112.1%	$330	95.4%	$24,250	16.49	-10.0%	5.0%	-5.6%	30.1%
Benton Harbor	$9,948	$6,456	-35.1%	10018	$644	82.1%	$225	64.8%	$12,894	25.31	8.5%	10.3%	19.6%	47.4%
Total or average	**$623,314**	**$568,709**	**-8.8%**	**724888**	**$785**	**100.0%**	**$346**	**100.0%**	**$30,544**	**20.52**	**-17.0%**	**2.5%**	**-14.9%**	**23.6%**

Appendix A5: Population Group 5,000-10,000, Selected Financial Data

City	2008 Expenditures (000)	2015 Expenditures (000)	% Change	Population	Per capita GF expenditures 2015	% of Group average	Per capita public safety expenditures, 2015	% of Group average	Taxable value per capita 2015	Millage rate	% Change taxable value 2008-2012	% Change taxable value 2012-2015	% Change taxable value 2008-2015	Fund balance % of GF expenditures 2015
Flat Rock	$10,550	$7,902	-25.1%	9854	$802	108.1%	$248	86.5%	$30,621	19.5	-11.9%	-10.7%	-21.3%	13.2%
Marysville	$8,868	$7,682	-13.4%	9793	$784	105.7%	$293	102.3%	$38,338	16.11	-17.5%	4.7%	-13.6%	53.1%
Howell	$8,964	$6,461	-27.9%	9598	$673	90.8%	$232	81.1%	$31,930	19.73	-20.2%	-1.8%	-21.6%	30.1%
Ecorse	$16,874	$9,583	-43.2%	9311	$1,029	138.7%	$364	126.9%	$19,721	39.17	-19.9%	-17.5%	-33.9%	28.4%
Grosse Pointe Farms	$13,344	$12,927	-3.1%	9285	$1,392	187.7%	$493	172.0%	$77,866	17.07	-16.4%	5.0%	-12.2%	29.9%
Alma	$4,895	$4,583	-6.4%	9232	$496	66.9%	$197	68.6%	$17,225	20.1	1.4%	0.2%	1.6%	70.9%
Saline	$8,173	$7,603	-7.0%	9158	$830	111.9%	$256	89.3%	$44,272	17.46	-12.9%	3.0%	-10.3%	22.4%
Charlotte	$4,245	$5,017	18.2%	9056	$554	74.7%	$294	102.7%	$23,122	16.25	-2.9%	-5.3%	-8.0%	39.7%
Plymouth	$7,006	$7,590	8.3%	8933	$850	114.5%	$501	174.7%	$53,775	17.74	-6.4%	6.2%	-0.6%	21.8%
Lapeer	$8,224	$9,126	11.0%	8762	$1,042	140.4%	$409	142.7%	$26,699	10.95	-11.9%	1.9%	-10.3%	29.6%
Menominee	$5,412	$5,844	8.0%	8458	$691	93.1%	$336	117.4%	$23,416	24.52	7.3%	3.0%	10.5%	39.0%
Greenville	$4,161	$4,192	0.7%	8431	$497	67.0%	$177	61.6%	$27,035	13.79	4.0%	-8.6%	-4.9%	5.0%
Tecumseh	$5,568	$5,343	-4.0%	8400	$636	85.8%	$239	83.3%	$29,026	17.72	-17.9%	3.6%	-14.9%	26.9%
St. Joseph	$6,986	$8,104	16.0%	8325	$973	131.2%	$401	140.1%	$53,759	16.56	13.6%	1.6%	15.5%	23.3%
Mason	$4,721	$8,935	89.3%	8319	$1,074	144.8%	$172	60.2%	$26,132	14.81	-4.3%	2.1%	-2.3%	24.8%
Center Line	$8,637	$8,657	0.2%	8316	$1,041	140.3%	$431	150.5%	$18,813	38.65	-31.2%	-9.2%	-37.5%	12.4%
Albion	$4,246	$4,540	6.9%	8267	$549	74.0%	$241	84.1%	$10,945	22.24	-10.7%	-16.3%	-25.3%	16.6%
Hillsdale	$4,644	$4,031	-13.2%	8149	$495	66.7%	$209	72.8%	$16,433	15.92	-11.9%	-6.5%	-17.6%	20.8%
Flushing	$3,844	$3,852	0.2%	8135	$473	63.8%	$186	64.8%	$21,308	14	-28.6%	-0.1%	-28.6%	25.1%
Ludington	$5,364	$5,512	2.8%	8078	$682	92.0%	$215	75.0%	$33,822	16.95	-0.7%	4.2%	3.5%	22.3%
Grand Blanc	$4,056	$3,543	-12.6%	8033	$441	59.5%	$238	82.9%	$26,126	13.35	-25.1%	0.4%	-24.8%	82.6%
St. Johns	$4,107	$3,832	-6.7%	7971	$481	64.8%	$180	62.8%	$24,233	15.38	-7.1%	-2.2%	-9.1%	29.0%
Houghton	$3,334	$3,323	-0.3%	7932	$419	56.5%	$75	26.2%	$16,472	16.97	8.9%	6.3%	15.8%	36.6%
Grand Ledge	$2,630	$3,209	22.0%	7792	$412	55.5%	$160	55.8%	$26,268	15.4	-8.3%	1.0%	-7.4%	25.1%
Three Rivers	$3,728	$4,746	27.3%	7745	$613	82.6%	$267	93.2%	$27,725	19.67	-1.5%	8.5%	6.8%	51.0%
Brighton	$8,913	$8,084	-9.3%	7636	$1,059	142.7%	$342	119.5%	$54,044	17.79	-10.6%	4.0%	-7.0%	13.1%
River Rouge	$13,404	$10,591	-21.0%	7618	$1,390	187.4%	$428	149.3%	$38,182	24.91	-8.3%	-8.4%	-16.1%	16.8%
Iron Mountain	$5,074	$6,077	19.8%	7554	$805	108.5%	$363	126.7%	$30,321	20.92	2.0%	5.7%	7.8%	31.5%

Appendix A5: Population Group 5,000-10,000, Selected Financial Data, continued

City	2008 Expenditures (000)	2015 Expenditures (000)	% Change	Population	Per capita GF expenditures 2015	% of Group average	Per capita public safety expenditures, 2015	% of Group average	Taxable value per capita 2015	Millage rate	% Change taxable value 2008-2012	% Change taxable value 2012-2015	% Change taxable value 2008-2015	Fund balance % of GF expenditures 2015
Hudsonville	$2,371	$3,025	27.6%	7323	$413	55.7%	$110	38.4%	$29,276	11.23	-13.7%	4.9%	-9.4%	27.3%
Hastings	$4,377	$4,346	-0.7%	7302	$595	80.2%	$330	115.3%	$25,552	16.77	-5.6%	2.1%	-3.6%	37.1%
St. Louis	$1,577	$2,319	47.0%	7249	$320	43.1%	$142	49.5%	$6,733	13.72	-4.5%	0.7%	-3.8%	4.0%
Walled Lake	$5,798	$3,553	-38.7%	7129	$498	67.2%	$226	78.9%	$25,366	22.5	-31.3%	3.0%	-29.3%	68.5%
Marshall	$5,365	$6,628	23.5%	7035	$942	127.0%	$391	136.5%	$29,132	16.11	-8.5%	-2.7%	-10.9%	33.7%
Ishpeming	$3,187	$2,850	-10.6%	6532	$436	58.8%	$112	39.0%	$17,789	19.85	8.6%	16.8%	26.9%	21.8%
Huntington Woods	$6,287	$7,592	20.8%	6357	$1,194	160.9%	$520	181.7%	$50,569	25.57	-9.4%	9.6%	-0.7%	12.5%
Manistee	$5,323	$6,317	18.7%	6098	$1,036	139.6%	$330	115.1%	$31,748	18.51	-3.6%	-2.4%	-6.0%	11.5%
Rockford	$3,041	$2,904	-4.5%	6058	$479	64.6%	$227	79.4%	$36,909	12.12	-2.9%	7.4%	4.3%	61.0%
Northville	$6,605	$7,539	14.1%	6014	$1,254	169.0%	$568	198.2%	$58,920	16.65	-14.4%	8.1%	-7.5%	29.1%
Milan	$4,712	$3,725	-20.9%	5950	$626	84.4%	$278	97.2%	$25,640	17.55	39.0%	-7.8%	28.1%	40.5%
Richmond	$4,198	$3,635	-13.4%	5833	$623	84.0%	$298	104.2%	$27,375	16.65	-21.7%	0.3%	-21.4%	30.7%
Belding	$2,596	$2,146	-17.3%	5784	$371	50.0%	$212	74.0%	$15,125	17.81	-13.6%	4.0%	-10.2%	63.9%
Dowagiac	$3,676	$4,718	28.3%	5748	$821	110.7%	$313	109.2%	$15,102	18.01	-15.3%	-1.4%	-16.5%	19.8%
Petoskey	$8,668	$7,174	-17.2%	5738	$1,250	168.5%	$470	164.1%	$81,511	14.26	-16.1%	5.7%	-11.3%	41.2%
Zeeland	$5,871	$7,852	33.7%	5626	$1,396	188.1%	$318	111.0%	$98,762	11.24	-7.0%	102.6%	88.5%	37.1%
Swartz Creek	$2,136	$2,504	17.2%	5589	$448	60.4%	$159	55.5%	$26,298	8.45	-31.6%	-0.5%	-32.0%	57.9%
St. Clair	$4,031	$3,549	-12.0%	5415	$655	88.3%	$247	86.2%	$33,808	16.55	NA	NA	NA	17.3%
Grosse Pointe	$9,308	$5,744	-38.3%	5262	$1,061	143.0%	$508	177.5%	$62,474	19.88	-21.0%	4.0%	-17.8%	21.8%
Eaton Rapids	$2,552	$2,312	-9.4%	5220	$439	59.2%	$513	178.9%	$24,074	13.73	-5.7%	0.5%	-5.2%	25.8%
Chelsea	$3,961	$4,245	7.2%	5211	$813	109.6%	$280	97.7%	$46,063	17.85	-13.4%	6.4%	-7.9%	21.0%
Springfield	$2,689	$2,439	-9.3%	5211	$468	63.1%	$252	88.0%	$15,040	17	-8.8%	-5.1%	-13.4%	29.7%
Ironwood	$3,060	$2,439	-20.3%	5113	$468	63.1%	$271	94.5%	$17,259	29.8	9.5%	4.6%	14.5%	22.8%
Kingsford	$3,511	$3,422	-2.5%	5101	$669	90.2%	$180	62.9%	$24,536	21.82	4.0%	0.8%	4.9%	54.0%
Allegan	$4,136	$3,489	-15.6%	5070	$684	92.2%	$320	111.6%	$30,003	17.34	-6.3%	-4.8%	-10.9%	33.2%
Davison	$2,723	$2,008	-26.3%	5000	$396	53.4%	$279	97.4%	$20,488	15.08	-20.5%	2.1%	-18.8%	66.6%
Total or average	**$301,734**	**$290,867**	**-3.6%**	**392109**	**$742**	**100.0%**	**$286**	**100.0%**	**$32,281**	**18.14**	**-10.8%**	**3.5%**	**-7.7%**	**32.0%**

Appendix A6: Population Group 1-5,000, Selected Financial Data

City	2008 Expenditures (000)	2015 Expenditures (000)	% Change	Population	Per capita GF expenditures 2015	% of Group average	Per capita public safety expenditures, 2015	% of Group average	Taxable value per capita 2015	Millage rate	% Change taxable value 2008-2012	% Change taxable value 2012-2015	% Change taxable value 2008-2015	Fund balance % of GF expenditures 2015
Frankenmuth	$5,372	$4,285	-20.2%	4951	$865	119.5%	$285	110.6%	$56,948	9.96	-4.7%	8.2%	3.1%	27.3%
Gladstone	$2,478	$3,177	28.2%	4868	$653	90.1%	$318	123.6%	$21,691	16.1	4.6%	6.9%	11.8%	15.3%
Utica	$5,860	$5,274	-10.0%	4783	$1,103	152.2%	$566	219.9%	$36,557	22.5	-20.2%	-3.9%	-23.3%	20.7%
Cheboygan	$2,151	$2,360	9.7%	4779	$494	68.2%	$173	67.3%	$21,379	20.82	-9.0%	-5.6%	-14.1%	40.1%
Dewitt	$3,017	$2,803	-7.1%	4688	$598	82.5%	$202	78.5%	$31,020	15.63	-8.2%	6.0%	-2.7%	26.9%
Negaunee	$3,951	$3,530	-10.7%	4616	$765	105.6%	$179	69.7%	$20,878	20.72	14.0%	12.5%	28.3%	38.5%
Hancock	$2,641	$2,524	-4.4%	4581	$551	76.1%	$182	70.7%	$22,951	14.2	12.2%	23.1%	38.2%	4.6%
Gibraltar	$4,297	$2,854	-33.6%	4547	$628	86.6%	$359	139.3%	$29,803	19.1	-16.7%	1.7%	-15.3%	29.2%
Buchanan	$2,130	$2,094	-1.7%	4390	$477	65.8%	$247	96.2%	$19,434	19.8	-4.8%	3.0%	-1.9%	49.4%
South Haven	$5,329	$7,197	35.1%	4363	$1,650	227.7%	$670	260.3%	$89,635	14.88	2.7%	4.8%	7.6%	3.0%
Coopersville	$2,080	$2,502	20.3%	4344	$576	79.5%	$193	75.0%	$24,122	14.04	-18.8%	9.6%	-11.0%	52.4%
Marine City	$3,518	$2,675	-24.0%	4165	$642	88.6%	$235	91.3%	$21,954	16.87	-23.7%	-10.8%	-31.9%	29.7%
Dexter	NA	$2,929	NA	4160	$704	97.2%	$256	99.4%	$57,520	15.63	NA	NA	NA	NA
Lathrup Village	$4,009	$3,213	-19.9%	4147	$775	106.9%	$482	187.2%	$29,072	23.75	-36.1%	-0.3%	-36.3%	21.5%
Wayland	$1,929	$2,246	16.5%	4139	$543	74.9%	$276	107.1%	$55,609	17.74	-6.5%	9.5%	2.4%	36.5%
Caro City	$1,664	$1,625	-2.4%	4116	$395	54.5%	$140	54.3%	$22,258	17.3	NA	-11.3%	NA	98.7%
Algonac	$2,691	$2,213	-17.8%	4056	$546	75.3%	$232	90.2%	$22,855	13.58	-24.2%	-4.4%	-27.6%	63.5%
Fremont	$3,448	$3,185	-7.6%	4034	$790	109.0%	$291	113.2%	$47,005	9.95	4.2%	25.0%	30.3%	12.0%
Bloomfield Hills	$8,995	$7,755	-13.8%	3990	$1,944	268.3%	$961	373.5%	$192,074	10.99	-20.5%	7.4%	-14.6%	30.1%
Otsego	$2,256	$1,957	-13.3%	3985	$491	67.8%	$250	97.2%	$22,908	15.71	-21.0%	4.5%	-17.5%	29.6%
Portland	$2,084	$2,047	-1.8%	3921	$522	72.0%	$197	76.5%	$23,702	14.44	-5.1%	2.1%	-3.1%	36.6%
Lowell	$2,708	$2,713	0.2%	3890	$697	96.3%	$250	97.0%	$29,527	16.95	-8.0%	9.5%	0.8%	25.0%
Belleville	$2,340	$2,064	-11.8%	3872	$533	73.6%	$323	125.7%	$21,415	18.83	-20.3%	1.5%	-19.1%	48.0%
Linden	$2,269	$2,161	-4.8%	3860	$560	77.3%	$173	67.0%	$24,968	12.69	-20.9%	5.2%	-16.8%	28.3%
Williamston	$2,587	$2,669	3.2%	3853	$693	95.6%	$166	64.5%	$27,059	18.49	-14.8%	1.6%	-13.4%	-7.1%
Plainwell	$1,818	$2,073	14.0%	3824	$542	74.8%	$268	104.1%	$21,444	17.47	-9.0%	-0.6%	-9.5%	16.2%
Roosevelt Park	$2,245	$2,207	-1.7%	3818	$578	79.8%	$262	102.0%	$27,355	17.31	-14.6%	-3.9%	-17.9%	32.7%
North Muskegon	$2,168	$2,268	4.6%	3776	$601	82.9%	$253	98.2%	$37,792	12.93	-5.1%	3.0%	-2.3%	41.0%

Appendix A6: Population Group 1-5,000, Selected Financial Data, continued

City	2008 Expenditures (000)	2015 Expenditures (000)	% Change	Population	Per capita GF expenditures 2015	% of Group average	Per capita public safety expenditures, 2015	% of Group average	Taxable value per capita 2015	Millage rate	% Change taxable value 2008-2012	% Change taxable value 2012-2015	% Change taxable value 2008-2015	Fund balance % of GF expenditures 2015
Boyne City	$3,787	$3,263	-13.8%	3760	$868	119.8%	$157	61.1%	$48,370	16.48	-4.6%	0.6%	-4.0%	81.9%
Gaylord	$3,553	$2,557	-28.0%	3648	$701	96.8%	$311	120.8%	$46,083	20.66	-12.8%	-4.1%	-16.4%	34.5%
Cedar Springs	$1,845	$1,580	-14.4%	3601	$439	60.6%	$228	88.8%	$19,767	16.36	-0.1%	-1.1%	-1.2%	47.4%
Imlay City	$2,379	$2,514	5.7%	3573	$704	97.1%	$309	120.1%	$29,764	20.72	-11.0%	1.0%	-10.2%	19.9%
Corunna	$2,362	$1,631	-30.9%	3418	$477	65.9%	$126	49.1%	$17,064	14.04	-8.8%	3.7%	-5.5%	31.4%
Essexville	$1,363	$1,611	18.2%	3415	$472	65.1%	$176	68.3%	$21,405	21.54	-11.4%	-3.9%	-14.9%	66.7%
Durand	$1,778	$1,672	-6.0%	3355	$498	68.8%	$202	78.6%	$18,651	25.16	-13.5%	-5.4%	-18.2%	23.8%
Rockwood	$2,576	$2,354	-8.6%	3216	$732	101.0%	$259	100.6%	$22,131	24.42	-26.6%	1.0%	-25.9%	17.5%
Clare	$2,927	$3,660	25.0%	3089	$1,185	163.5%	$340	132.3%	$27,488	19.24	1.6%	-1.4%	0.1%	5.0%
Bad Axe	$1,827	$1,827	0.0%	3029	$603	83.2%	$270	104.9%	$25,010	19.56	-16.1%	1.0%	-15.2%	98.2%
Keego Harbor	$2,174	$1,944	-10.6%	3027	$642	88.7%	$340	132.2%	$27,273	13.33	-30.9%	3.1%	-28.8%	35.4%
Mount Morris	$1,758	$1,473	-16.2%	2985	$494	68.1%	$239	92.8%	$8,753	21.38	-32.1%	-15.2%	-42.5%	14.1%
Ferrysburg	$1,557	$1,490	-4.3%	2984	$499	68.9%	$203	79.0%	$54,566	10.95	-0.8%	4.8%	4.0%	44.3%
Manistique	$2,170	$3,548	63.5%	2983	$1,189	164.2%	$298	115.7%	$20,446	21.66	6.7%	-10.6%	-4.6%	14.6%
Grosse Pointe Shores City	$5,506	$5,188	-5.8%	2946	$1,761	243.1%	$735	285.7%	$89,114	20.83	NA	5.3%	NA	20.5%
Iron River	$2,144	$1,501	-30.0%	2915	$515	71.1%	$148	57.4%	$18,016	21.52	10.7%	-5.8%	4.2%	62.0%
Gladwin	$1,832	$1,795	-2.1%	2908	$617	85.2%	$179	69.4%	$20,685	16.5	-4.3%	-8.9%	-12.9%	47.0%
Ithaca	$1,599	$1,286	-19.6%	2849	$451	62.3%	$135	52.4%	$22,018	19.97	28.5%	-13.6%	11.1%	54.9%
Norway	$2,204	$2,551	15.7%	2817	$906	125.0%	$224	87.2%	$20,080	18.76	4.8%	-0.6%	4.3%	17.2%
East Tawas	$1,492	$1,923	28.8%	2758	$697	96.2%	$116	45.3%	$27,746	18.02	-7.9%	-1.9%	-9.6%	51.9%
Rogers City	$1,994	$1,755	-12.0%	2747	$639	88.2%	$205	79.8%	$27,181	18.69	8.5%	1.1%	9.7%	34.0%
Whitehall	$1,725	$2,113	22.5%	2697	$783	108.1%	$324	126.0%	$49,573	20.48	6.9%	3.5%	10.7%	41.3%
Hartford	$978	$1,060	8.4%	2630	$403	55.6%	$146	56.9%	$12,091	16.14	15.0%	-5.6%	8.5%	76.5%
Vassar	NA	$1,546	NA	2628	$588	81.2%	$174	67.6%	$15,315	17.25	-17.6%	-7.8%	-24.0%	32.9%
Potterville	$706	$1,699	140.6%	2615	$650	89.7%	$102	39.8%	$20,746	13.18	7.6%	7.3%	15.5%	19.3%
Sandusky	$2,363	$1,562	-33.9%	2604	$600	82.8%	$203	78.9%	$22,788	13.62	-19.0%	-2.5%	-21.0%	105.7%
Pleasant Ridge	$2,685	$2,487	-7.4%	2564	$970	133.9%	$409	158.8%	$53,536	20.07	-6.1%	9.6%	3.0%	18.8%

Appendix A6: Population Group 1-5,000, Selected Financial Data, continued

City	2008 Expenditures (000)	2015 Expenditures (000)	% Change	Population	Per capita GF expenditures 2015	% of Group average	Per capita public safety expenditures, 2015	% of Group average	Taxable value per capita 2015	Millage rate	% Change taxable value 2008-2012	% Change taxable value 2012-2015	% Change taxable value 2008-2015	Fund balance % of GF expenditures 2015
Clio	$1,284	$1,056	-17.8%	2554	$413	57.1%	$199	77.4%	$15,955	19.53	-16.3%	-2.4%	-18.3%	31.8%
Charlevoix	$3,222	$3,353	4.1%	2529	$1,326	183.0%	$445	172.9%	$96,235	14.43	-0.3%	2.2%	1.8%	35.0%
St. Ignace	$2,353	$1,652	-29.8%	2424	$682	94.1%	$206	80.1%	$33,990	19.61	-1.3%	-4.2%	-5.5%	55.0%
Orchard Lake Village	$2,358	$3,175	34.7%	2412	$1,317	181.7%	$529	205.7%	$142,588	15.71	-16.2%	4.1%	-12.8%	16.1%
Reed City	$1,503	$1,137	-24.3%	2402	$474	65.4%	$198	77.0%	$18,412	15.76	-16.6%	-7.2%	-22.5%	44.3%
East Jordan	$1,725	$1,560	-9.6%	2361	$661	91.2%	$282	109.6%	$25,694	19.16	-10.9%	-3.3%	-13.8%	8.6%
Montague	$1,930	$1,781	-7.7%	2357	$756	104.3%	$285	110.7%	$37,384	20.4	-1.0%	7.0%	6.0%	28.8%
Croswell	$1,480	$1,544	4.3%	2350	$657	90.7%	$286	111.2%	$17,067	19.23	-6.1%	-8.1%	-13.7%	31.5%
Bronson	$1,022	$970	-5.1%	2325	$417	57.6%	$205	79.7%	$15,052	17.94	-9.9%	-5.3%	-14.7%	36.2%
Munising	$2,338	$1,978	-15.4%	2309	$857	118.2%	$180	69.8%	$28,384	20	2.8%	-0.4%	2.4%	6.4%
Bridgman	$1,528	$2,224	45.5%	2261	$983	135.7%	$265	102.8%	$45,530	16.35	-7.0%	3.8%	-3.5%	50.7%
Hudson	$1,615	$1,453	-10.0%	2259	$643	88.8%	$138	53.5%	$21,590	12.39	-10.4%	2.8%	-7.9%	25.1%
Jonesville	NA	$1,104	NA	2231	$495	68.3%	$173	67.1%	$22,547	17.36	NA	NA	NA	115.0%
Morenci	$973	$910	-6.4%	2200	$414	57.1%	$172	66.7%	$16,345	14.1	17.2%	-24.8%	-11.8%	31.2%
Harrison	$1,023	$1,893	85.2%	2148	$881	121.7%	$134	51.9%	$24,066	15.21	1.8%	-2.9%	-1.1%	89.6%
Auburn	$782	$1,012	29.4%	2121	$477	65.9%	$100	39.0%	$24,104	12	-6.8%	3.6%	-3.5%	90.9%
Perry	$1,170	$1,205	3.0%	2109	$571	78.9%	$184	71.5%	$18,711	15.79	-15.4%	-6.5%	-20.8%	19.2%
Hart	$1,335	$1,468	10.0%	2107	$697	96.2%	$185	72.0%	$25,164	16.28	31.1%	-7.3%	21.6%	34.9%
West Branch	$1,437	$1,291	-10.1%	2077	$622	85.8%	$178	69.1%	$31,331	16.51	-1.2%	0.1%	-1.2%	29.4%
Galesburg	$565	$498	-11.8%	2039	$244	33.7%	$126	48.8%	$13,405	10.81	-5.6%	0.3%	-5.3%	46.7%
Newaygo	$977	$971	-0.6%	1958	$496	68.4%	$194	75.2%	$31,145	18.85	-5.5%	10.5%	4.4%	70.0%
Yale	$1,024	$940	-8.2%	1917	$490	67.7%	$213	83.0%	$15,707	19.5	-21.5%	-4.6%	-25.1%	9.3%
New Buffalo	$2,740	$3,167	15.6%	1878	$1,686	232.8%	$456	177.4%	$114,197	11.57	-1.0%	7.1%	6.0%	19.0%
Evart	$1,451	$1,906	31.4%	1871	$1,019	140.6%	$161	62.6%	$19,984	17.32	-26.9%	-4.7%	-30.3%	33.5%
Bangor	$871	$828	-5.0%	1858	$446	61.5%	$142	55.3%	$16,311	16.05	9.6%	-1.6%	7.8%	41.2%
Leslie	$944	$933	-1.2%	1857	$502	69.3%	$179	69.6%	$19,394	19.26	-10.6%	-4.8%	-14.9%	61.9%
Parchment	$1,384	$1,362	-1.6%	1845	$738	101.9%	$225	87.3%	$23,797	18.71	-7.8%	-3.5%	-11.0%	21.8%
Grayling	$2,693	$2,620	-2.7%	1838	$1,426	196.8%	$615	239.0%	$26,369	17.8	-15.4%	-4.0%	-18.7%	26.0%

Appendix A6: Population Group 1-5,000, Selected Financial Data, continued

City	2008 Expenditures (000)	2015 Expenditures (000)	% Change	Population	Per capita GF expenditures 2015	% of Group average	Per capita public safety expenditures, 2015	% of Group average	Taxable value per capita 2015	Millage rate	% Change taxable value 2008-2012	% Change taxable value 2012-2015	% Change taxable value 2008-2015	Fund balance % of GF expenditures 2015
Bessemer	$1,610	$1,590	-1.2%	1810	$879	121.3%	$98	38.2%	$15,675	17.25	4.8%	3.1%	8.0%	5.0%
Marlette	$963	$987	2.5%	1807	$546	75.4%	$185	71.9%	$19,600	16.44	-3.4%	-7.1%	-10.3%	53.2%
Sylvan Lake	$1,406	$1,544	9.8%	1799	$858	118.5%	$441	171.5%	$46,162	23.14	-25.6%	5.8%	-21.3%	64.7%
Tawas City	$1,947	$1,588	-18.4%	1793	$886	122.3%	$179	69.5%	$31,138	18.22	-7.7%	-3.7%	-11.2%	144.8%
Wakefield	$1,161	$990	-14.8%	1762	$562	77.5%	$72	27.9%	$13,682	20.34	11.3%	2.6%	14.2%	28.9%
Watervliet	$1,086	$992	-8.7%	1703	$583	80.4%	$206	79.9%	$16,632	22.52	-1.0%	-4.3%	-5.3%	11.5%
Harbor Beach	$1,451	$2,486	71.3%	1644	$1,512	208.7%	$237	92.1%	$38,603	22.1	23.1%	-10.6%	10.0%	57.5%
Olivet	$533	$568	6.6%	1611	$353	48.7%	$119	46.1%	$9,782	15	3.4%	-1.5%	1.9%	31.2%
Montrose	$733	$778	6.3%	1599	$487	67.2%	$244	94.8%	$15,114	18.18	-10.2%	-1.7%	-11.8%	43.4%
Zilwaukee	$743	$816	9.7%	1597	$511	70.5%	$92	35.9%	$26,590	16.59	0.1%	-5.1%	-5.0%	84.2%
Coloma	$818	$791	-3.3%	1463	$541	74.6%	$226	88.0%	$23,164	18.92	2.2%	-4.2%	-2.1%	64.2%
Standish	$1,087	$1,041	-4.3%	1461	$712	98.3%	$119	46.1%	$26,813	13.62	-3.8%	0.6%	-3.3%	24.0%
Crystal Falls	$1,506	$1,063	-29.5%	1420	$748	103.3%	$229	88.9%	$16,190	21.59	10.7%	-1.4%	9.2%	41.2%
Stanton	$444	$621	39.9%	1412	$440	60.7%	$112	43.4%	$16,535	13.62	5.9%	-2.4%	3.4%	121.8%
Fennville	$474	$468	-1.2%	1398	$335	46.2%	$102	39.8%	$16,359	16.1	-9.5%	1.1%	-8.4%	79.9%
Luna Pier	$1,314	$741	-43.6%	1395	$531	73.3%	$162	63.1%	$35,012	10.33	-14.5%	-44.4%	-52.5%	49.0%
White Cloud	$578	$498	-13.7%	1384	$360	49.7%	$127	49.2%	$12,215	18.76	-13.9%	-7.4%	-20.3%	60.6%
Litchfield	$786	$1,131	43.9%	1345	$841	116.1%	$296	114.9%	$38,365	14	-13.0%	15.2%	0.2%	24.6%
Manton	$638	$575	-10.0%	1340	$429	59.2%	$40	15.5%	$11,157	18.5	-16.2%	-5.3%	-20.7%	36.0%
Frankfort	$1,348	$1,359	0.8%	1287	$1,056	145.7%	$189	73.6%	$64,802	16.71	5.9%	9.1%	15.5%	26.1%
Brown City	$698	$739	5.8%	1279	$578	79.7%	$161	62.7%	$14,596	18.32	-25.0%	-0.6%	-25.4%	78.4%
Pinconning	$673	$643	-4.5%	1278	$503	69.5%	$107	41.6%	$21,180	14.67	-6.0%	-0.6%	-6.6%	127.9%
Laingsburg	$705	$616	-12.6%	1276	$482	66.6%	$124	48.3%	$19,443	21.12	-13.5%	2.5%	-11.3%	77.8%
Douglas	$2,146	$2,611	21.6%	1266	$2,062	284.7%	$747	290.2%	$108,671	14.1	-5.8%	8.6%	2.3%	101.9%
Scottville	$724	$627	-13.4%	1218	$515	71.1%	$150	58.2%	$16,662	21.52	-13.6%	-4.6%	-17.6%	57.3%
Coleman	$504	$819	62.5%	1211	$677	93.4%	$164	63.6%	$14,186	19.45	-4.4%	-1.4%	-5.7%	56.0%
Harbor Springs	$1,849	$2,412	30.5%	1205	$2,002	276.3%	$648	251.9%	$197,549	6.3	1.6%	4.4%	6.1%	84.1%
Memphis	$924	$1,031	11.6%	1184	$871	120.2%	$422	164.0%	$19,371	16.3	-14.4%	-5.9%	-19.5%	61.9%

Appendix A6: Population Group 1-5,000, Selected Financial Data, continued

City	2008 Expenditures (000)	2015 Expenditures (000)	% Change	Population	Per capita GF expenditures 2015	% of Group average	Per capita public safety expenditures, 2015	% of Group average	Taxable value per capita 2015	Millage rate	% Change taxable value 2008-2012	% Change taxable value 2012-2015	% Change taxable value 2008-2015	Fund balance % of GF expenditures 2015
Petersburg	$545	$423	-22.3%	1129	$375	51.8%	$36	14.0%	$17,354	21.3	-26.7%	10.8%	-18.8%	138.8%
Carson City	$810	$763	-5.8%	1090	$700	96.6%	$82	32.0%	$70,294	5.28	9.6%	-1.2%	8.3%	24.1%
Beaverton	$564	$654	16.1%	1071	$611	84.3%	$168	65.3%	$18,671	19.2	8.0%	-7.6%	-0.2%	23.0%
Reading	$447	$311	-30.5%	1060	$293	40.4%	$74	28.7%	$13,344	13.53	-8.8%	9.3%	-0.3%	203.1%
Saugatuck	$1,844	$2,106	14.2%	1056	$1,994	275.3%	$392	152.2%	$125,001	16.69	NA	NA	NA	90.2%
Clarkston	$914	$779	-14.7%	898	$867	119.7%	$302	117.5%	$43,349	19.78	-23.4%	5.4%	-19.3%	19.4%
Grant	$457	$548	20.0%	881	$622	85.9%	$114	44.4%	$17,678	18.95	-10.9%	0.5%	-10.5%	39.1%
Caspian	$657	$542	-17.5%	871	$622	85.9%	$58	22.4%	$15,420	22.04	7.9%	0.2%	8.1%	108.1%
Au Gres	$437	$407	-6.7%	863	$472	65.1%	$0	0.0%	$35,501	17.76	-4.4%	-11.7%	-15.5%	137.2%
Onaway	$482	$445	-7.8%	852	$522	72.0%	$50	19.6%	$14,401	19.56	-11.5%	-9.7%	-20.1%	78.0%
Lake City	$394	$403	2.5%	850	$475	65.5%	$0	0.0%	$32,716	13.06	2.3%	-0.9%	1.4%	107.8%
Stephenson	$292	$235	-19.5%	848	$277	38.2%	$45	17.3%	$18,140	9.82	9.6%	3.0%	12.9%	81.9%
Gobles	$360	$303	-15.7%	811	$374	51.6%	$95	37.1%	$15,176	17.46	-2.9%	-4.5%	-7.2%	5.5%
Caseville City	$1,225	$1,130	-7.8%	749	$1,508	208.2%	$308	119.7%	$49,371	16.08	NA	14.5%	NA	0.1%
Mcbain	$349	$322	-7.7%	666	$484	66.8%	$70	27.3%	$31,285	12.68	-5.6%	-0.9%	-6.5%	111.6%
Rose City	$493	$452	-8.4%	636	$710	98.1%	$126	49.0%	$19,869	19.13	-4.8%	-4.7%	-9.3%	28.2%
Mackinac Island	$2,130	$3,091	45.1%	489	$6,322	872.6%	$2,312	898.5%	$453,811	8.74	5.1%	9.7%	15.3%	8.3%
Harrisville	$176	$168	-4.4%	474	$354	48.9%	$84	32.7%	$33,781	10.1	0.9%	-5.1%	-4.2%	188.3%
Whittemore	$111	$131	17.4%	376	$348	48.0%	$0	0.0%	$12,968	8.93	6.5%	-8.3%	-2.3%	58.6%
Gaastra	$208	$256	23.2%	333	$770	106.3%	$97	37.6%	$12,506	19.95	8.8%	3.6%	12.8%	-9.1%
Omer	$122	$152	24.5%	300	$505	69.8%	$59	22.9%	$16,384	14.38	0.4%	-3.7%	-3.3%	218.0%
Lake Angelus	$680	$756	11.2%	297	$2,544	351.1%	$1,778	691.0%	$234,201	10.45	-6.5%	6.8%	-0.2%	145.3%
Total or average	**$227,589**	**$230,680**	**1.4%**	**318421**	**$724**	**100.0%**	**$257**	**100.0%**	**$37,530**	**16.78**	**-5.0%**	**1.8%**	**-3.3%**	**49.5%**

Appendix B: Fund Balances, Michigan Cities, 2015

City	Expenditures, 2015 (000)	Unassigned unrestricted fund balance, 2015	Fund balance as % of GF expenditures	Cities not meeting GOA recommend of 16.7%
Adrian	$9,711	$1,905,746	19.6%	–
Albion	$4,540	$754,614	16.6%	1
Algonac	$2,213	$1,404,542	63.5%	–
Allegan	$3,489	$1,159,669	33.2%	–
Allen Park	$21,691	$5,788,635	26.7%	–
Alma	$4,583	$3,247,473	70.9%	–
Alpena	$9,013	$2,715,810	30.1%	–
Ann Arbor	$81,375	$17,235,156	21.2%	–
Au Gres	$407	$558,752	137.2%	–
Auburn	$1,012	$920,598	90.9%	–
Auburn Hills	$27,300	$19,311,612	70.7%	–
Bad Axe	$1,827	$1,793,072	98.2%	–
Bangor	$828	$340,985	41.2%	–
Battle Creek	$42,396	$6,429,826	15.2%	2
Bay City	$18,247	$2,995,171	16.4%	3
Beaverton	$654	$150,559	23.0%	–
Belding	$2,146	$1,370,723	63.9%	–
Belleville	$2,064	$990,405	48.0%	–
Benton Harbor	$6,456	$3,058,308	47.4%	–
Berkley	$10,641	$3,103,391	29.2%	–
Bessemer	$1,590	$79,007	5.0%	4
Big Rapids	$9,351	$774,549	8.3%	5
Birmingham	$33,892	$12,057,185	35.6%	–
Bloomfield Hills	$7,755	$2,334,536	30.1%	–
Boyne City	$3,263	$2,673,178	81.9%	–
Bridgman	$2,224	$1,127,393	50.7%	–
Brighton	$8,084	$1,061,125	13.1%	6
Bronson	$970	$351,522	36.2%	–
Brown City	$739	$579,059	78.4%	–
Buchanan	$2,094	$1,034,658	49.4%	–
Burton	$10,784	$2,933,397	27.2%	–
Cadillac	$6,664	$221,245	3.3%	7
Caro City	$1,625	$1,604,243	98.7%	–
Carson City	$763	$183,487	24.1%	–
Caseville City	$1,130	$710	0.1%	8
Caspian	$542	$585,921	108.1%	–
Cedar Springs	$1,580	$748,178	47.4%	–
Center Line	$8,657	$1,072,025	12.4%	9
Charlevoix	$3,353	$1,173,671	35.0%	–
Charlotte	$5,017	$1,992,621	39.7%	–

Appendix B: Fund Balances, Michigan Cities, 2015, continued

City	Expenditures, 2015 (000)	Unassigned unrestricted fund balance, 2015	Fund balance as % of GF expenditures	Cities not meeting GOA recommend of 16.7%
Cheboygan	$2,360	$946,103	40.1%	–
Chelsea	$4,245	$891,279	21.0%	–
Clare	$3,660	$182,972	5.0%	10
Clarkston	$779	$151,384	19.4%	–
Clawson	$7,406	$1,548,529	20.9%	–
Clio	$1,056	$335,542	31.8%	–
Coldwater	$9,330	$2,894,410	31.0%	–
Coleman	$819	$458,696	56.0%	–
Coloma	$791	$508,199	64.2%	–
Coopersville	$2,502	$1,310,815	52.4%	–
Corunna	$1,631	$511,601	31.4%	–
Croswell	$1,544	$485,784	31.5%	–
Crystal Falls	$1,063	$438,121	41.2%	–
Davison	$2,008	$1,337,796	66.6%	–
Dearborn	$102,194	$30,392,398	29.7%	–
Dearborn Heights	$40,256	$1,341,491	3.3%	11
DeWitt	$2,803	$1,008,862	36.0%	–
Dexter	$2,929	$786,642	26.9%	–
Douglas	$2,611	$2,659,273	101.9%	–
Dowagiac	$4,718	$932,774	19.8%	–
Durand	$1,672	$397,355	23.8%	–
East Grand Rapids	$10,410	$2,688,359	25.8%	–
East Jordan	$1,560	$134,671	8.6%	12
East Lansing	$32,588	$6,057,581	18.6%	–
East Tawas	$1,923	$998,151	51.9%	–
Eastpointe	$17,669	$3,199,678	18.1%	–
Eaton Rapids	$2,312	$597,004	25.8%	–
Ecorse	$9,583	$2,719,462	28.4%	–
Escanaba	$8,570	$3,579,831	41.8%	–
Essexville	$1,611	$1,073,795	66.7%	–
Evart	$1,906	$638,956	33.5%	–
Farmington	$8,434	$2,105,855	25.0%	–
Farmington Hills	$50,771	$13,987,360	27.5%	–
Fennville	$468	$374,030	79.9%	–
Fenton	$5,161	$2,063,205	40.0%	–
Ferndale	$18,807	$4,696,189	25.0%	–
Ferrysburg	$1,490	$660,317	44.3%	–
Flat Rock	$7,902	$1,040,015	13.2%	13
Flint	$48,032	$3,346,327	7.0%	14
Flushing	$3,852	$965,945	25.1%	–

Appendix B: Fund Balances, Michigan Cities, 2015, continued

City	Expenditures, 2015 (000)	Unassigned unrestricted fund balance, 2015	Fund balance as % of GF expenditures	Cities not meeting GOA recommend of 16.7%
Frankenmuth	$4,285	$1,171,321	27.3%	–
Frankfort	$1,359	$354,488	26.1%	–
Fraser	$12,431	$1,656,334	13.3%	15
Fremont	$3,185	$382,327	12.0%	16
Gaastra	$256	-$23,397	-9.1%	17
Galesburg	$498	$232,555	46.7%	–
Garden City	$17,102	$4,539,891	26.5%	–
Gaylord	$2,557	$883,140	34.5%	–
Gibraltar	$2,854	$833,308	29.2%	–
Gladstone	$3,177	$484,762	15.3%	18
Gladwin	$1,795	$843,683	47.0%	–
Gobles	$303	$16,546	5.5%	19
Grand Blanc	$3,543	$2,925,822	82.6%	–
Grand Haven	$11,124	$3,545,535	31.9%	–
Grand Ledge	$3,209	$804,421	25.1%	–
Grand Rapids	$120,962	$15,101,671	12.5%	20
Grandville	$8,992	$1,911,307	21.3%	–
Grant	$548	$214,612	39.1%	–
Grayling	$2,620	$682,470	26.0%	–
Greenville	$4,192	$210,118	5.0%	21
Grosse Pointe	$5,744	$1,252,658	21.8%	–
Grosse Pointe Farms	$12,927	$3,869,208	29.9%	–
Grosse Pointe Park	$9,714	$76,441	0.8%	22
Grosse Pointe Shores City	$5,188	$1,064,636	20.5%	–
Grosse Pointe Woods	$12,162	$3,716,961	30.6%	–
Hamtramck	$17,288	$3,999,297	23.1%	–
Hancock	$2,524	$116,512	4.6%	23
Harbor Beach	$2,486	$1,428,999	57.5%	–
Harbor Springs	$2,412	$2,028,054	84.1%	–
Harper Woods	$12,391	$414,522	3.3%	24
Harrison	$1,893	$1,696,382	89.6%	–
Harrisville	$168	$315,850	188.3%	–
Hart	$1,468	$513,106	34.9%	–
Hartford	$1,060	$810,608	76.5%	–
Hastings	$4,346	$1,613,218	37.1%	–
Hazel Park	$14,150	$627,577	4.4%	25
Highland Park	$12,149	$3,831,804	31.5%	–
Hillsdale	$4,031	$837,023	20.8%	–
Holland	$20,653	$4,948,792	24.0%	–
Houghton	$3,323	$1,216,966	36.6%	–

Appendix B: Fund Balances, Michigan Cities, 2015, continued

City	Expenditures, 2015 (000)	Unassigned unrestricted fund balance, 2015	Fund balance as % of GF expenditures	Cities not meeting GOA recommend of 16.7%
Howell	$6,461	$1,942,280	30.1%	–
Hudson	$1,453	$365,372	25.1%	–
Hudsonville	$3,025	$824,721	27.3%	–
Huntington Woods	$9,094	$1,139,107	12.5%	26
Imlay City	$2,514	$500,000	19.9%	–
Inkster	$11,597	$1,382,310	11.9%	27
Ionia	$4,374	$33,209	0.8%	28
Iron Mountain	$6,077	$1,915,842	31.5%	–
Iron River	$1,501	$931,476	62.0%	–
Ironwood	$2,439	$555,771	22.8%	–
Ishpeming	$2,850	$622,593	21.8%	–
Ithaca	$1,286	$705,698	54.9%	–
Jackson	$21,829	$5,475,601	25.1%	–
Jonesville	$1,104	$1,268,974	115.0%	–
Kalamazoo	$50,621	$5,975,442	11.8%	29
Keego Harbor	$1,944	$687,534	35.4%	–
Kentwood	$27,734	$4,965,835	17.9%	–
Kingsford	$3,422	$1,846,500	54.0%	–
Laingsburg	$616	$479,056	77.8%	–
Lake Angelus	$756	$1,097,852	145.3%	–
Lake City	$403	$434,855	107.8%	–
Lansing	$119,226	$9,783,911	8.2%	30
Lapeer	$9,126	$2,697,910	29.6%	–
Lathrup Village	$3,213	$690,276	21.5%	–
Leslie	$933	$577,155	61.9%	–
Lincoln Park	$21,653	$186,901	0.9%	31
Linden	$2,161	$610,574	28.3%	–
Litchfield	$1,131	$278,451	24.6%	–
Livonia	$52,512	$11,017,524	21.0%	–
Lowell	$2,713	$677,727	25.0%	–
Ludington	$5,512	$1,227,340	22.3%	–
Luna Pier	$741	$362,803	49.0%	–
Mackinac Island	$3,091	$255,776	8.3%	32
Madison Heights	$24,778	$7,954,000	32.1%	–
Manistee	$6,317	$725,945	11.5%	33
Manistique	$3,548	$518,796	14.6%	34
Manton	$575	$206,732	36.0%	–
Marine City	$2,675	$794,242	29.7%	–
Marlette	$987	$525,323	53.2%	–
Marquette	$19,112	$8,455,195	44.2%	–

Appendix B: Fund Balances, Michigan Cities, 2015, continued

City	Expenditures, 2015 (000)	Unassigned unrestricted fund balance, 2015	Fund balance as % of GF expenditures	Cities not meeting GOA recommend of 16.7%
Marshall	$7,830	$2,640,174	33.7%	–
Marysville	$7,682	$4,082,470	53.1%	–
Mason	$8,935	$2,218,447	24.8%	–
McBain	$322	$360,002	111.6%	–
Melvindale	$9,945	-$1,155,975	-11.6%	35
Memphis	$1,031	$638,586	61.9%	–
Menominee	$5,844	$2,279,730	39.0%	–
Midland	$38,880	$5,569,212	14.3%	36
Milan	$3,725	$1,507,028	40.5%	–
Monroe	$17,507	$3,536,678	20.2%	–
Montague	$1,781	$512,234	28.8%	–
Montrose	$778	$337,985	43.4%	–
Morenci	$910	$283,683	31.2%	–
Mount Morris	$1,473	$207,399	14.1%	37
Mount Pleasant	$11,916	$1,104,122	9.3%	38
Mount Clemens	$9,742	$1,636,521	16.8%	–
Munising	$1,978	$126,855	6.4%	39
Muskegon	$24,614	$5,883,318	23.9%	–
Muskegon Heights	$6,862	$1,185,074	17.3%	–
Negaunee	$3,530	$1,357,653	38.5%	–
New Baltimore	$5,591	$1,725,587	30.9%	–
New Buffalo	$3,167	$601,025	19.0%	–
Newaygo	$971	$679,520	70.0%	–
Niles	$8,467	$2,143,936	25.3%	–
North Muskegon	$2,268	$929,631	41.0%	–
Northville	$7,539	$2,197,237	29.1%	–
Norton Shores	$10,570	$1,428,384	13.5%	40
Norway	$2,551	$438,322	17.2%	–
Novi	$28,331	$11,329,627	40.0%	–
Oak Park	$19,693	$2,833,231	14.4%	41
Olivet	$568	$177,127	31.2%	–
Omer	$152	$330,581	218.0%	–
Onaway	$445	$346,882	78.0%	–
Orchard Lake Village	$3,175	$509,854	16.1%	42
Otsego	$1,957	$579,250	29.6%	–
Owosso	$6,080	$920,030	15.1%	43
Parchment	$1,362	$296,339	21.8%	–
Perry	$1,205	$230,888	19.2%	–
Petersburg	$423	$587,750	138.8%	–
Petoskey	$7,174	$2,955,270	41.2%	–

Appendix B: Fund Balances, Michigan Cities, 2015, continued

City	Expenditures, 2015 (000)	Unassigned unrestricted fund balance, 2015	Fund balance as % of GF expenditures	Cities not meeting GOA recommend of 16.7%
Pinconning	$643	$822,488	127.9%	–
Plainwell	$2,073	$336,666	16.2%	44
Pleasant Ridge	$2,487	$467,724	18.8%	–
Plymouth	$7,590	$1,651,348	21.8%	–
Pontiac	$28,184	$9,881,533	35.1%	–
Port Huron	$21,038	$4,462,630	21.2%	–
Portage	$22,436	$9,105,928	40.6%	–
Portland	$2,047	$749,841	36.6%	–
Potterville	$1,699	$327,577	19.3%	–
Reading	$311	$630,813	203.1%	–
Reed City	$1,137	$503,818	44.3%	–
Richmond	$3,635	$1,117,070	30.7%	–
River Rouge	$10,591	$1,774,528	16.8%	–
Riverview	$10,405	$548,142	5.3%	45
Rochester	$10,026	$8,585,258	85.6%	–
Rochester Hills	$33,357	$25,944,104	77.8%	–
Rockford	$2,904	$1,770,870	61.0%	–
Rockwood	$2,354	$411,910	17.5%	–
Rogers City	$1,755	$596,688	34.0%	–
Romulus	$19,328	$2,893,867	15.0%	46
Roosevelt Park	$2,207	$722,852	32.7%	–
Rose City	$452	$127,554	28.2%	–
Roseville	$32,946	$1,579,563	4.8%	47
Royal Oak	$30,512	$13,219,832	43.3%	–
Saginaw	$30,749	$1,532,968	5.0%	48
Saline	$7,603	$1,702,290	22.4%	–
Sandusky	$1,562	$1,651,442	105.7%	–
Saugatuck	$2,106	$1,900,208	90.2%	–
Sault Ste. Marie	$11,572	$724,355	6.3%	49
Scottville	$627	$359,036	57.3%	–
Southfield	$62,500	$1,901,203	3.0%	50
South Haven	$7,197	$3,318,526	46.1%	–
South Lyon	$4,759	$3,318,522	69.7%	–
Southgate	$19,840	$927,182	4.7%	51
Springfield	$2,439	$724,710	29.7%	–
St. Clair	$3,549	$614,521	17.3%	–
St. Clair Shores	$43,576	$11,181,100	25.7%	–
St. Ignace	$1,652	$908,200	55.0%	–
St. Johns	$3,832	$1,110,725	29.0%	–
St. Joseph	$8,104	$1,884,510	23.3%	–

Appendix B: Fund Balances, Michigan Cities, 2015, continued

City	Expenditures, 2015 (000)	Unassigned unrestricted fund balance, 2015	Fund balance as % of GF expenditures	Cities not meeting GOA recommend of 16.7%
St. Louis	$2,319	$93,430	4.0%	52
Standish	$1,041	$249,809	24.0%	–
Stanton	$621	$756,665	121.8%	–
Stephenson	$235	$192,223	81.9%	–
Sterling Heights	$90,289	$2,501,722	2.8%	53
Sturgis	$7,278	$3,080,074	42.3%	–
Swartz Creek	$2,504	$1,450,880	57.9%	–
Sylvan Lake	$1,544	$998,320	64.7%	–
Tawas City	$1,588	$2,299,222	144.8%	–
Taylor	$43,256	$4,146,932	9.6%	54
Tecumseh	$5,343	$1,436,002	26.9%	–
Three Rivers	$4,746	$2,420,657	51.0%	–
Traverse City	$15,927	$5,174,397	32.5%	–
Trenton	$20,257	$136,450	0.7%	55
Troy	$58,551	$19,716,862	33.7%	–
Utica	$5,274	$1,093,790	20.7%	–
Vassar	$1,546	$508,333	32.9%	–
Wakefield	$990	$286,179	28.9%	–
Walker	$15,916	$4,542,284	28.5%	–
Walled Lake	$3,553	$2,432,359	68.5%	–
Warren	$98,203	$19,010,250	19.4%	–
Watervliet	$992	$113,811	11.5%	56
Wayland	$2,246	$820,677	36.5%	–
Wayne	$15,439	$2,441,001	15.8%	57
West Branch	$1,291	$379,611	29.4%	–
Westland	$56,803	$6,030,202	10.6%	58
White Cloud	$498	$302,109	60.6%	–
Whitehall	$2,113	$873,174	41.3%	–
Whittemore	$131	$76,700	58.6%	–
Williamston	$2,669	-$190,761	-7.1%	59
Wixom	$10,385	$2,500,554	24.1%	–
Woodhaven	$12,217	$1,884,419	15.4%	60
Wyandotte	$18,818	$3,241,916	17.2%	–
Wyoming	$25,847	$6,727,474	26.0%	–
Yale	$940	$87,487	9.3%	61
Ypsilanti	$13,807	$2,530,473	18.3%	–
Zeeland	$7,852	$2,909,387	37.1%	–
Zilwaukee	$816	$686,943	84.2%	–
Total	**$2,874,870**	**$656,043,169**	**22.8%**	

Appendix C: Taxable Value (TV) Per Capita Ranked, 2015

City	TV	Rank
Mackinac Island	$453,811	1
Lake Angelus	$234,201	2
Harbor Springs	$197,549	3
Bloomfield Hills	$192,074	4
Orchard Lake Village	$142,588	5
New Buffalo	$114,197	6
Douglas	$108,671	7
Zeeland	$98,762	8
Birmingham	$96,403	9
Charlevoix	$96,235	10
South Haven	$89,635	11
Grosse Pointe Shores City	$89,114	12
Petoskey	$81,511	13
Grosse Pointe Farms	$77,866	14
Auburn Hills	$74,487	15
Carson City	$70,294	16
Frankfort	$64,802	17
Grosse Pointe	$62,474	18
Traverse City	$59,411	19
Northville	$58,920	20
Frankenmuth	$56,948	21
Midland	$56,220	22
Wayland	$55,609	23
Novi	$54,875	24
Ferrysburg	$54,566	25
East Grand Rapids	$54,401	26
Troy	$54,205	27
Brighton	$54,044	28
Plymouth	$53,775	29
St. Joseph	$53,759	30
Pleasant Ridge	$53,536	31
Rochester	$51,977	32
Huntington Woods	$50,569	33
Grand Haven	$50,377	34
Grosse Pointe Park	$49,703	35
Whitehall	$49,573	36
Caseville City	$49,371	37
Boyne City	$48,370	38
Wixom	$48,257	39
Monroe	$47,252	40
Fremont	$47,005	41

City	TV	Rank
Sylvan Lake	$46,162	42
Gaylord	$46,083	43
Bridgman	$45,530	44
Saline	$44,272	45
Ann Arbor	$43,678	46
Rochester Hills	$43,517	47
Clarkston	$43,349	48
Chelsea	$43,000	49
Walker	$42,763	50
Portage	$42,629	51
Livonia	$40,768	52
Grandville	$40,620	53
Grosse Pointe Woods	$40,288	54
Royal Oak	$39,925	55
Woodhaven	$38,895	56
Harbor Beach	$38,603	57
Farmington Hills	$38,415	58
Litchfield	$38,365	59
Marysville	$38,338	60
River Rouge	$38,182	61
North Muskegon	$37,792	62
Kentwood	$37,632	63
Montague	$37,384	64
Rockford	$36,909	65
Utica	$36,557	66
Romulus	$35,763	67
Au Gres	$35,501	68
Trenton	$35,493	69
Norton Shores	$35,433	70
Luna Pier	$35,012	71
Holland	$34,457	72
Dearborn	$34,091	73
St. Ignace	$33,990	74
Ludington	$33,822	75
Harrisville	$33,781	76
Marquette	$33,583	77
Southfield	$33,114	78
Lake City	$32,716	79
Berkley	$32,346	80
Howell	$31,930	81
Fenton	$31,785	82

Appendix C: Taxable Value (TV) Per Capita Ranked, 2015, continued

City	TV	Rank
Manistee	$31,748	83
West Branch	$31,331	84
Mcbain	$31,285	85
Newaygo	$31,145	86
Tawas City	$31,138	87
Sterling Heights	$31,071	88
Dewitt	$31,020	89
Coldwater	$30,805	90
Fraser	$30,700	91
Flat Rock	$30,621	92
Iron Mountain	$30,321	93
Allegan	$30,003	94
Gibraltar	$29,803	95
Imlay City	$29,764	96
Lowell	$29,527	97
Farmington	$29,478	98
Hudsonville	$29,276	99
Marshall	$29,132	100
Lathrup Village	$29,072	101
Tecumseh	$29,026	102
New Baltimore	$28,983	103
Munising	$28,384	104
South Lyon	$27,747	105
East Tawas	$27,746	106
Three Rivers	$27,725	107
Clare	$27,488	108
Richmond	$27,375	109
Roosevelt Park	$27,355	110
Allen Park	$27,290	111
Keego Harbor	$27,273	112
Rogers City	$27,181	113
Williamston	$27,059	114
Greenville	$27,035	115
Clawson	$26,872	116
Standish	$26,813	117
Lapeer	$26,699	118
Zilwaukee	$26,590	119
Battle Creek	$26,562	120
Grayling	$26,369	121
Swartz Creek	$26,298	122
Grand Ledge	$26,268	123

City	TV	Rank
Mason	$26,132	124
Grand Blanc	$26,126	125
Madison Heights	$25,778	126
Wyoming	$25,735	127
East Jordan	$25,694	128
Milan	$25,640	129
Warren	$25,569	130
Hastings	$25,552	131
Ferndale	$25,386	132
Walled Lake	$25,366	133
Hart	$25,164	134
Bad Axe	$25,010	135
Linden	$24,968	136
Escanaba	$24,576	137
Kingsford	$24,536	138
Riverview	$24,506	139
Alpena	$24,250	140
St. Johns	$24,233	141
Coopersville	$24,122	142
Auburn	$24,104	143
Eaton Rapids	$24,074	144
Harrison	$24,066	145
Parchment	$23,797	146
Portland	$23,702	147
Cadillac	$23,569	148
Menominee	$23,416	149
Coloma	$23,164	150
Charlotte	$23,122	151
St. Clair Shores	$23,085	152
Grand Rapids	$22,992	153
Hancock	$22,951	154
Otsego	$22,908	155
Algonac	$22,855	156
Sandusky	$22,788	157
Southgate	$22,405	158
Sturgis	$22,327	159
Caro City	$22,258	160
Rockwood	$22,131	161
Ithaca	$22,018	162
Wyandotte	$21,964	163
Gladstone	$21,691	164

Appendix C: Taxable Value (TV) Per Capita Ranked, 2015, continued

City	TV	Rank
Marine City	$21,594	165
Hudson	$21,590	166
Plainwell	$21,444	167
Belleville	$21,415	168
Essexville	$21,405	169
Cheboygan	$21,379	170
Flushing	$21,308	171
Pinconning	$21,180	172
Taylor	$21,027	173
Negaunee	$20,878	174
Potterville	$20,746	175
Gladwin	$20,685	176
Dearborn Heights	$20,555	177
Davison	$20,488	178
Manistique	$20,446	179
Wayne	$20,383	180
Port Huron	$20,213	181
Norway	$20,080	182
Evart	$19,984	183
Mount Clemens	$19,950	184
Rose City	$19,869	185
Sault Ste. Marie	$19,855	186
Kalamazoo	$19,841	187
Cedar Springs	$19,767	188
Ecorse	$19,721	189
Marlette	$19,600	190
East Lansing	$19,461	191
Laingsburg	$19,443	192
Westland	$19,442	193
Buchanan	$19,434	194
Leslie	$19,394	195
Memphis	$19,371	196
Center Line	$18,813	197
Perry	$18,711	198
Beaverton	$18,671	199
Durand	$18,651	200
Melvindale	$18,634	201
Burton	$18,548	202
Garden City	$18,499	203
Reed City	$18,412	204
Jackson	$18,187	205

City	TV	Rank
Roseville	$18,163	206
Stephenson	$18,140	207
Iron River	$18,016	208
Ishpeming	$17,789	209
Grant	$17,678	210
Adrian	$17,413	211
Petersburg	$17,354	212
Lansing	$17,330	213
Ironwood	$17,259	214
Alma	$17,225	215
Niles	$17,153	216
Mount Pleasant	$17,076	217
Croswell	$17,067	218
Corunna	$17,064	219
Scottville	$16,662	220
Watervliet	$16,632	221
Stanton	$16,535	222
Houghton	$16,472	223
Hillsdale	$16,433	224
Omer	$16,384	225
Fennville	$16,359	226
Morenci	$16,345	227
Bangor	$16,311	228
Crystal Falls	$16,190	229
Owosso	$16,109	230
Clio	$15,955	231
Bay City	$15,923	232
Yale	$15,707	233
Bessemer	$15,675	234
Harper Woods	$15,472	235
Caspian	$15,420	236
Vassar	$15,315	237
Muskegon	$15,192	238
Gobles	$15,176	239
Belding	$15,125	240
Montrose	$15,114	241
Dowagiac	$15,102	242
Bronson	$15,052	243
Springfield	$15,040	244
Big Rapids	$14,759	245
Ypsilanti	$14,707	246

Appendix C: Taxable Value (TV) Per Capita Ranked, 2015, continued

City	TV	Rank
Oak Park	$14,624	247
Brown City	$14,596	248
Onaway	$14,401	249
Coleman	$14,186	250
Lincoln Park	$14,077	251
Wakefield	$13,682	252
Galesburg	$13,405	253
Reading	$13,344	254
Highland Park	$13,201	255
Eastpointe	$13,187	256
Whittemore	$12,968	257
Benton Harbor	$12,894	258
Gaastra	$12,506	259
White Cloud	$12,215	260
Hartford	$12,091	261
Pontiac	$11,370	262
Manton	$11,157	263
Albion	$10,945	264
Detroit	$10,417	265
Hazel Park	$10,157	266
Olivet	$9,782	267
Muskegon Heights	$9,579	268
Inkster	$9,505	269
Saginaw	$9,500	270
Ionia	$9,349	271
Mount Morris	$8,753	272
Hamtramck	$8,561	273
Flint	$7,575	274
St. Louis	$6,733	275
Average	**$33,108**	