

Economic Vitality Incentive Program/County Incentive Program Certification of Unfunded Accrued Liability Plan

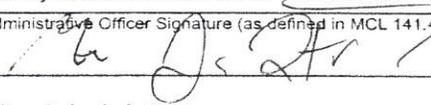
Issued under authority of 2014 Public Act 34. Filing is mandatory to qualify for payments.

Each city/village/township/county applying for Unfunded Accrued Liability Plan payments must:

1. Certify to the Michigan Department of Treasury (Treasury) that the local unit listed below has produced and made readily available to the public, an Unfunded Accrued Liability Plan. The plan shall be made available for public viewing in the clerk's office or posted on a publicly accessible Internet site as required by 2014 Public Act 34.
2. Submit to Treasury an Unfunded Accrued Liability Plan, if selecting Option 1 of Part 2 below.

City/village/township: This certification, along with the Unfunded Accrued Liability Plan, **must be received by June 1, 2014**, to receive the June and August payments or on or before July 31, 2014, to receive the August payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

County: This certification, along with the Unfunded Accrued Liability Plan, **must be received by June 1, 2014**, (or the first day of a payment month) in order to qualify for that month's payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

PART 1: LOCAL UNIT INFORMATION			
Local Unit Name City of Ecorse		Local Unit County Name Wayne	
Local Unit Code 822080		Contact E-Mail Address gstrand@ecorsemi.gov	
Contact Name George Strand	Contact Title City Administrator	Contact Telephone Number (313) 436-4005	Extension
Website Address, if plan is available online www.ecorsemi.gov			Date of Last Audited Financial Report 06/30/13
PART 2: STATEMENT OF UNFUNDED ACCRUED LIABILITIES			
Indicate the option that pertains to your local unit:			
<input checked="" type="checkbox"/> 1. Unfunded Accrued Liabilities Exist A local unit who has unfunded accrued liabilities pertaining to pensions or other post-employment benefits must attach a plan as required by 2014 Public Act 34.			
<input type="checkbox"/> 2. No Unfunded Accrued Liabilities Exist A local unit who does not have any unfunded accrued liabilities pertaining to pensions or other post-employment benefits must provide, in the box below, an explanation of why the local unit does not have any unfunded accrued liabilities.			
PART 3: CERTIFICATION			
<i>In accordance with 2014 Public Act 34, the undersigned hereby certifies to Treasury that the above mentioned local unit has produced an Unfunded Accrued Liability Plan and has made the plan available for public viewing in the city, village, township or county clerk's office, or has posted the plan on a publicly accessible Internet site. <u>The Unfunded Accrued Liability Plan</u>, if required, is attached to this signed certification.</i>			
Chief Administrative Officer Signature (as defined in MCL 141.422b)		Printed Name of Chief Administrative Officer (as defined in MCL 141.422b)	
		George Strand	
Title City Administrator		Date 05/28/14	

Completed and signed form (including required attachment, if selected option 1) should be e-mailed to: TreasRevenueSharing@michigan.gov

If you are unable to submit via e-mail, fax to (517) 335-3298, or mail the completed form and required attachment (if selected option 1) to:

Michigan Department of Treasury
Office of Revenue and Tax Analysis
PO Box 30722
Lansing MI 48909

TREASURY USE ONLY		
EVIP/CIP Eligible Y N	Certification Received	EVIP/CIP Notes
Final Certification	Plan Received	

UNFUNDED ACCRUED LIABILITY PLAN

The City of Ecorse 2013 Audit indicates that the underfunded or unfunded Post Employment Benefits with the City's Pension Program and other Post Employment is as follows:

The City is a member of the Michigan Employment Retirement Commission Retirement Program (MERS). The City was required to contribute a rate from 25.31% to 110.40% of annual covered payroll for the four various divisions. All city employees are required to contribute with contribution rates from 4% to 8%. The City for the fiscal year ended June 30, 2013 annual contribution requirement cost was \$1,189,112. This is the amount that was contributed. The funded ratio is 48.1%. It should be noted that in an effort to improve the funding ratio the calculation of the pension benefits has been more restrictively defined, wage increases have been frozen and the number of employees has been reduced. The City provides post employment health care benefits to certain retirees and their beneficiaries which are provided on a pay as you go basis. The City has 142 retirees currently receiving benefits and 59 active participants. For the year ended June 30, 2013 the City didn't make any contributions to advance fund the plan, but paid benefits totaling \$1,316,490. The unfunded actuarial accrued liability has been projected to be \$40,060,838. The funding ratio is 0%. It should be noted that all new retirees pursuant to the union contracts are subject to modifications to their health insurance if the active employee's health insurance changes. As part of the City's renewal of the health insurance program consideration is being given to a program that requires an annual physical, health assessment and action plan. The program would require that those employees (both active and retired) who didn't participate would revert to a more basis health insurance plan and be required to pay the additional premium if they wanted to keep the higher coverage. The proposed premiums for this program would be 3.9% compared to 5.7%.

Economic Vitality Incentive Program/County Incentive Program FY 2014 Unfunded Accrued Liability Plan

Local Unit Name: City of Ecorse
Local Unit Code: 822080

PREVIOUS ACTION TAKEN TO REDUCE UNFUNDED ACCRUED LIABILITIES

Previous Actions Taken To Reduce Unfunded Accrued Liabilities		
	Unfunded Accrued Liability Type	Previous Action Taken
1.	Pension	The City of Ecorse required that the employees contribute 4% to 8% of their salary towards their pension. Also, the calculation of the pension benefits has been more restrictively defined, wage increases have been frozen and the number of employees has been reduced.
2.	Health Insurance	The City of Ecorse has required that the employees contribute 20% of the health insurance premium.
3.		
4.		

How Will The Local Unit Continue To Implement And Maintain Previous Actions Taken

The City of Ecorse will continue with the strategies identified in item 1 and 2. In reference to wages as part of good faith bargaining the City will consider possible modifications dependent upon the City's ability to pay.

Additional Actions That Could Be Implemented

Note: Actuarial assumption changes and issuance of debt instruments do not qualify as a new action.

1.	The City could find the legal authority or place on the ballot a millage request to fund the Post Employment Benefits.
2.	The City could see if there is the legal authority to require a contribution or more significant contribution of the retirees or place greater limits on the coverage.
3.	The City could consider a financial inducement to have retired employees opt out of the City's health insurance program. The Affordable Care Act Program and Tax Credits offered could potentially allow the employees to continue to receive health insurance at an affordable rate.

**Economic Vitality Incentive Program/County Incentive Program
FY 2014 Unfunded Accrued Liability Plan**

	This option would require further research.
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Economic Vitality Incentive Program/County Incentive Program Certification of Consolidation of Services

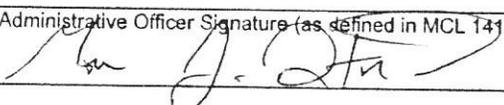
Issued under authority of 2013 Public Act 59. Filing is mandatory to qualify for payments.

Each city/village/township/county applying for Consolidation of Services payments must:

1. Certify to the Michigan Department of Treasury (Treasury) that the local unit listed below has produced and made readily available to the public, a Consolidation Plan as required by 2013 Public Act 59. The plan shall be made available for public viewing in the clerk's office or posted on a publicly accessible Internet site.
2. Submit to Treasury a Consolidation Plan.

City/village/township: This certification, along with a Consolidation Plan, **must be received by February 1, 2014** to receive the February and April payments or on or before March 31, 2014 to receive the April payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

County: This certification, along with a Consolidation Plan, **must be received by February 1, 2014** (or the first day of a payment month) in order to qualify for that month's payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

PART 1: LOCAL UNIT INFORMATION			
Local Unit Name City of Ecorse		Local Unit County Name Wayne	
Local Unit Code 822080		Contact E-Mail Address gstrand@ecorsemi.gov	
Contact Name George Strand	Contact Title City Administrator	Contact Telephone Number (313) 436-4005	Extension
Website Address, if plan is available online www.ecorsemi.gov			
PART 2: CERTIFICATION			
<i>In accordance with 2013 Public Act 59, the undersigned hereby certifies to Treasury that the above mentioned local unit has produced a Consolidation Plan and has made the plan available for public viewing in the city, village, township, or county clerk's office or has posted the plan on a publicly accessible Internet site. The Consolidation Plan is attached to this signed certification.</i>			
Chief Administrative Officer Signature (as defined in MCL 141.422b) 		Printed Name of Chief Administrative Officer (as defined in MCL 141.422b) George Strand	
Title City Administrator		Date 05/28/2014	

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TREASURY USE ONLY		
EVIP/CIP Eligible Y N	Certification Received	EVIP/CIP Notes
Final Certification	Plan Received	
	1st C/P Submission Y N	

ECONOMIC VITALITY INCENTIVE PROGRAM
June 1, 2014 Report Update

Cooperation, Collaboration and Consolidation Plan as of May 25, 2014. Local Unit Name: City of Ecorse. County: Wayne County.

This information will be posted on the City's website at www.ecorsemi.gov and is available in written form at the City Administrator's Office at 3869 West Jefferson, Ecorse, MI 48229.

SUMMARY OF NEW ACTIVITIES OR PROGRESS SINCE THE FEBRUARY 10, 2014 REPORT.

The City of Ecorse hired George Strand as their new City Administrator who started on April 22, 2014. The appointment was affirmed by the State Receivership Transition Advisory Board. A description of the following projects and/or initiatives should be of assistance in evaluating the progress of the City of Ecorse since the last reporting period:

- The Parks and Recreation Plan was completed on March 18, 2014. The Parks and Recreation plan formalizes the concept of the Ecorse School System and the City developing a more comprehensive park and recreation program. Specifically, the plan anticipates \$834,000 in improvements. The State matching funds should be at least \$417,000 or 50%. The project schedule for this effort is the commencement of Fall 2014 with a projected completion of December 30, 2018. The possible barriers include developing a funding formula that the Ecorse High School, City of Ecorse and, if applicable, other participating governmental jurisdictions can agree to. Advocates of joint operations of parks and recreation (school and municipalities) and regional recreational districts believe that an improved parks and recreation program can result from these arrangements.
- The State of Michigan and the City of Ecorse have entered into a new agreement for the grant funding of the Master Plan. The Master Plan was last undated in 2004. The budget for this project is \$16,500. The planned schedule for the project is June 1, 2014 through January 30, 2015. The Envision Ecorse Strategic Plan will be incorporated into the Master Plan where appropriate. The Master Plan isn't expected to result in any savings, improved service and /or efficiency. The Master Plan is more of a visionary document about how the Mayor and Council and Planning Commission would like to see the City developed/redeveloped.
- The City of Ecorse has received a proposal from Municipal Consulting Services to conduct an independent study of the Public Safety Implementation Plan. The proposed fee is \$20,500 and a timetable of 170 hours. A representative from the State Treasurer's office had suggested this. As you are aware the creation of a Public Safety Department was a requirement from an Act 312 Arbitration Decision. As reported previously significant progress has been made towards the implementation. The Transition Advisory Board (TAB) had requested that the City prepare a five (5) year budget which was submitted to the TAB Board at their May 6, 2014 meeting. The TAB Board had requested that the General Fund revenues and expenditures be balanced without any use of fund balance. The five (5) year budget was tabled to allow more discussion and definition of the implementation of the Public Safety Program. Specifically, in the tabled budget it was indicated that in the 2014-2015 fiscal year budget the Fire Service would be primarily provided by

Public Safety Officers and the staffing of one (1) firefighter 24/7 to roll the truck out on Priority One Emergency Response Calls. The Fire Union, I.A.F.F., has expressed concern about the elimination of the jobs and has expressed their support for the possible consolidation with River Rouge and Lincoln Park. The City of Ecorse is desirous of finding funding for the independent study of the Fire Services which includes the consolidation component with River Rouge and possible other communities. A meeting is being scheduled with the City of River Rouge and Lincoln Park to discuss their participation in the study. The project timeline is Fall 2014 with an expected completion of Winter 2015. Possible barriers include preferences of retaining the Firefighter and Police Officer form as compared to Public Safety and reaching an agreement with the participating municipalities

- The City of Ecorse reviewed a contract with an Attorney who specializes in City Charters. The City of Ecorse is required to have a new City Charter in order to obtain their independence from the State and the Transition Advisory Board. The Mayor and Council decided to not to hire a specialized attorney. The National League of Cities provides a model charter and the Michigan Municipal League has on their website examples of model charters for the different types of local government is too early to determine if there will be new revenues generated from the Charter revisions. The Charter Commission is allowed ninety (90) meetings to complete the Charter. The savings are approximately \$25,000. The project is expected to start Summer 2014 and be completed by Summer 2017. Possible barriers are reaching consensus on the form of government and having the charter approved by the voters.
- The City of Ecorse has bid out their janitorial services, lawn moving, engineering services and towing services. The bidding has resulted in a change in the janitorial services vendor. In reference to the towing services the City has added an administrative fee for those services initiated by the City. It is anticipated that the administrative fee will generate approximately \$30,000 per year in new revenue. This approval is expected to start Summer 2014 and continue indefinitely. The initial contract is for three (3) years (Summer 2014-Summer 2017). Also, the City is pursuing the implementation of an Emergency Response Fire Fee which can be collected from a homeowners insurance policy, participating in the State's salvage fund program and implementing additional user fees within the Public Safety Department. It is anticipated that these efforts will commence Summer 2014 and be completed by Winter 2014. Additionally, the Department of Public Works is reviewing the lease agreements that they have with the loader and vector. In an initial review it appears that a more cost effective approach would be to own. Additional research is anticipated prior to a recommendation being made. A start date is Summer 2014 with a completion of Winter 2014. The City is also beginning to research if there is a more cost effective approach with the water service repairs then with the existing vendor. A start date is Fall 2014 with a completion date of Winter 2014. As you are aware the City of Ecorse has contracted with the Wayne County Library System to manage the Ecorse Library. It is my understanding that the Ecorse Library is having meetings to discuss the future of the library. One of the options being considered is for the library to become a district library. A start date is Spring 2014 with a completion date of Spring 2016. In reference to the City's street lighting program the five (5) year budget incorporates in the 2015-2016 fiscal year a special assessment of \$300,000 per year which will be used to offset the approximate \$435,000 per year street lighting expenditure and/or

implement improvements to the system. Possible improvements include led lighting or implementing the concept of curfew lighting (a type of timer system to turn off the lights at a designated time). The start date of the project is Fall 2014 with a completion date of Fall 2018.

- In the area of personnel the City has eliminated the human resource position. These responsibilities are being accomplished by the City Administrator and staff. The savings are approximately \$65,000 per year. The City Engineer position has been eliminated at a savings of approximately \$67,000 per year. These responsibilities are now being accomplished by the existing staff and contracted services. These vacancies occurred in the Winter 2014 and Spring 2014.

It is my hope that this summary of new activities or progress since the February 10, 2014 report is helpful in your evaluation of the efforts of the City of Ecorse.

George Strand
City Administrator
ICMA-CM

UPDATES TO FISCAL YEAR 2012 AND FISCAL YEAR 2013
May 26, 2014 Update

In addition to the Summary of New Activities or Progress Since the February 10, 2014 Report, please find the following detail:

1. Agreement to explore areas for mutual cooperation: **1) Parks and Recreation Plan** was required to be approved in order to allow the City of Ecorse to apply for funding with the State for park improvements. The total estimated costs of the identified improvements is \$834,000. The State matching funds should be at least \$417,000 or 50%. The City will explore funding possibilities for the match money to fund the identified park improvement projects. Also, the new City Administrator will explore in detail possible collaboration or definition of existing collaboration with the Ecorse School system. This project should result in greater efficiency and more service to the public. The Park improvement project (s) will enhance the quality of life. The project schedule for this effort is commencement of Fall 2014 with a projected completion of December 30, 2018. The possible barriers include developing a funding formula that the Ecorse High School, City of Ecorse and, if applicable, other participating governmental jurisdictions can agree to. Advocates of joint operations of parks and recreation (school and municipalities) and regional recreational districts believe that an improved parks and recreation program can result from these arrangements. **2) Master Plan:** Please see summary of new activities or progress since the February 10, 2014 report. The Master Plan is expected to start June 2014 and be completed by January 2015. The Master Plan isn't expected to result in any savings, improved service and /or efficiency. The Master Plan is more of a visionary document about how the Mayor and Council and Planning Commission would like to see the City developed/redeveloped. **3) Possible Cooperation, Collaboration and Consolidation with River Rouge for Fire Service.** This contract with Municipal Consulting Services is dependent upon funding and approval of the City of Ecorse Mayor and Council. If approved the Independent Study would begin in Fall 2014 and be completed in Fall 2018. The potential savings of this effort have yet to be identified partly because it is unknown how many of the area municipalities might want to participate. The savings should be significant. Possible barriers include preferences of retaining the Firefighter and Police Officer form as compared to Public Safety and reaching an agreement with the participating municipalities **4) City of Ecorse Library:** The Library is in need of additional funding. Different financial options are being considered. A possible solution is for the Library to become a District Library supported by their own millage. The Library Board has begun discussions about the future of the library. The anticipated schedule is Spring 2014 through Spring 2016. This project would be revenue neutral for the City, but could lead to a higher level of service. Possible barriers include obtaining voter approval.

2. EVIP Grant Application (Consolidation of Police and Fire Services) for River Rouge and Ecorse and facilitate merger of District Court-time line and barriers. Please refer to item 1 regarding the consolidation of police and fire services. The possible savings is yet to be determined and can't until the number of participating municipalities are identified. The City of Ecorse has considered possible consolidation of the jail and dispatching services. Possible options include a central dispatch system

and/or consolidation with the City of Ecorse. The savings are expected to be substantial. The barriers include local control, developing a consolidation plan that the municipalities can support and obtaining voter approval (Central Dispatch). In reference to the District Court merger the project has been completed. The savings have been substantial for the City. In the 2013-2014 fiscal year revenues are estimated to be approximately \$250,000 over expenditures.

3. Use of Recycling Center with Lincoln Park: It is my understanding that the implementation of the recycling center has been delayed due to funding. As an additional option the City of Ecorse could add curbside recycling to the services provided by the waste hauler. The bidding of the curbside recycling project is anticipated in Fall 2014. The curb side recycling program would be revenue neutral. The barriers to this are finding a competitive bid.

4. Street Lighting Reassessment: The City of Ecorse in the five (5) year budget has proposed that in the 2015-2016 fiscal year an assessment of \$300,000 begin for the purpose of offsetting the approximate \$435,000 annual street lighting costs. This money can also be used to implement a more cost effective led lighting system and/or curfew lighting. The start date of the project is Fall 2014 with a completion date of Fall 2018. The possible barriers are the public's concern about the additional special assessment, Detroit Edison legal authority and the State Public Service Commission.

5. CDBG Grant Demolition of Vacant Buildings through Wayne County: The City received funding from Wayne County through the NSP3 program. Wayne County demolished approximately 35 homes at no cost to the City. Also, the City received recaptured funding from the Community Development Block Grant in the amount of \$178,000. The City demolished approximately 36 homes. The project was partnered with SER Metro as a third party beneficiary who administered the demolition program. The project is completed.

6. Land and Water Grant Improvements to Ciungan Park: The City received \$75,000. The grant was completed in 2012. This grant required a match from the City. Also, please see item 1 Parks and Recreation Plan.

7. State Trust Fund Grant Improvements to Ciungan Park: The Trust Fund Grant was in the amount of \$415,000 and was completed in 2012. This grant required a match from the City. Also, please see item 1 Parks and Recreation Plan.

8. Evaluate the Conditions of the Sanitary Sewer System: The City Engineers have completed the engineering plans for the 15th Street Sanitary Relief Sewer and the Quality Drive Storm Sewer. The plans have been submitted to Wayne County for review. The Michigan Department of Environmental Quality (MDEQ) has indicated that the engineering plans and the revolving loan application have to be completed by Friday, June 13, 2014 in order to proceed with the project this quarter. The engineering plans were approved in May 2014. The project is required to comply with the various environmental laws. The savings is the avoidance of penalties or fines from the Environmental Regulatory Agencies. Additional projects will be considered as priorities and funding are identified. Possible barriers include obtaining approval from the State to sell the bonds through the State Revolving Loan Program and obtaining a bid within the budget provided for the project.

9. Combine Recreation Program with the Ecorse School District: In reading the Parks and Recreation Plan there appears to be more opportunity for recreational programming. An additional funding commitment from the City of Ecorse and the Ecorse School District would be required. As an alternative consideration could be given to a regional recreational district. A project schedule for this effort is March 2015 through December 2018. The possible barriers include developing a funding formula that the Ecorse High School, City of Ecorse and, if applicable, other participating governmental jurisdictions can agree to. Advocates of joint operations of parks and recreation (school and municipalities) and regional recreational districts believe that an improved parks and recreation program can result from these arrangements. Please see item 1 Parks and Recreation Plan.

10. Major Overhaul of the Public Works Department and Building Department: The City has reviewed the McKenna Report regarding the Building Department. The City has eliminated the in-house engineer at an approximate savings of \$67,000 based upon last year's expenditures. These responsibilities are now being accomplished by the existing staff and contracted services. The City is also considering the purchasing of equipment rather than leasing. A return of investment report is expected to be started by Summer 2014 and completed by Winter 2014. In reference to the organizational and services review of the Department of Public Works this effort is expected to commence Summer of 2014 and be completed Summer of 2015. The possible barriers include funding and the limited amount of personnel within the department.

11. Boat Launch Site being put out to a competitive bid: The Boat Launch Site is being managed by a vendor. The City is researching a new fee structure. The fee structure being considered is a new annual permit. Also, as the contract is currently written if new revenues were realized from the new fee structure the City's contract wouldn't be affected. A review and possible bid of the project is a consideration. The existing contract expires November 2014. The development of the bid documents is expected to begin October 2014 and be completed by November 2014. The only barriers that might occur is due to the number of personnel of the City the bidding documents might take longer to develop and receiving competitive bids.

12. Demolition Grant through MSHDA with River Rouge and Wayne Metro Community Development Organization: In March 2014 the Michigan State Housing Development Authority (MSHDA) awarded the City of Ecorse \$300,000 and River Rouge \$100,000. Wayne Metro is administering the program. The project is estimated to remove approximately 30 homes. The project started in Spring 2014 and is expected to be completed by September 2014. A possible barrier is receiving competitive bids.

13. Possible Animal Control Consolidation with River Rouge: The consolidation of animal control services with River Rouge and other municipalities is a good idea. This project hasn't yet commenced. A start date of Winter 2014 through Winter 2015 is the timeline that we have assigned to this project. It is my understanding that the State of Michigan has closed the animal control facility in River Rouge. Therefore the project is on hold or the City will need to find another governmental jurisdiction to collaborate with. Research for this effort will begin in Winter 2014 and be completed by Summer 2015. Until the research is completed it is unknown what the savings will be. The barriers are finding a