



CITY OF PORTLAND

**Annual Certification of Employee Related Conditions
Financial Performance Data
Per Section 18j of Act 51, 1951, As Amended**

SECTION 18j (1)

Compliance With Publicly Funded Health Insurance Contribution Act

Health insurance benefits are provided by the City of Portland to eligible employees. For the fiscal year ended June 30, 2014, the City met the "transportation employee" definition for two of its full-time employees, meaning that more than 50% of their wages came from Act 51 funding. The City of Portland has certified compliance with Section 18j (1)(b)(i) as required. A copy of the certification documentation is attached to this report.

SECTION 18j (3)(a)

Current Fiscal Year Budget Information, July 1, 2014 to June 30, 2015

Major Street Fund – 202

Revenues

State Grants-Act 51 Funding	\$230,000
State M.E.T.R.O Funding	<u>5,000</u>
Total Revenues:	\$235,000

Expenditures

General Administration	\$ 79,736
Routine Road Maintenance	\$173,961
Drain Maintenance	\$ 3,220
Bridge Maintenance	\$ 8,400
Traffic Control	\$ 6,096
Tree Trimming	\$ 3,628
Stump Removal	\$ 498
Winter Maintenance	<u>\$ 50,972</u>
Total Expenditures:	\$326,511

Local Street Fund – 203**Revenues**

Property Tax	\$ 78,288
State Grants-Act 51 Funding	\$ 71,000
State M.E.T.R.O Funding	\$ 8,000
Small Urban Transportation Grant	\$ 375,000
Transfer from Major Street Fund	\$ 57,500
Capital Improvement Bond Proceeds	<u>\$ 577,000</u>

Total Revenues: \$1,166,788**Expenditures**

General Administration	\$ 7,722
Road Construction	\$ 952,000
Routine Road Maintenance	\$ 147,535
Dust Control	\$ 3,970
Drain Maintenance	\$ 1,816
Traffic Control	\$ 4,027
Tree Trimming	\$ 3,127
Stump Removal	\$ 839
Winter Maintenance	<u>\$ 39,873</u>

Total Expenditures: \$ 1,160,909**SECTION 18j (3)(b)****ACTIVE TRANSPORTATION EMPLOYEE INFORMATION**

Transportation employees, as defined by the Act, are employed by the City through its Department of Public Works. To meet the definition of “transportation employees”, they must receive more than 50% of their base wages from the Act 51 Funding revenue. For the fiscal year ending June 30, 2014, two employees met this criteria as follows:

Number of Employees = 2 Fulltime
 Job Classification/Title = Maintenance Worker II
 Hourly Wage Rate = \$22.29
 Total Wages Paid from Street Funds = \$94,273
 Total Fringe Benefits Paid from Street Funds = \$76,622

SECTION 18j (3)(c)**FINANCIAL PERFORMANCE DASHBOARD**

As of June 30, 2013, the audited financial position of the Major Street and Local Street Funds were as follows:

Major Street Fund – 202

	<u>Final Amended Budget</u>	<u>Actual</u>
Revenues	\$325,800	\$342,462
Expenditures	\$369,427	\$332,514
Difference	(\$43,627)	\$ 9,948
Net Transfers In/(Out)	(\$52,000)	<u>(\$52,000)</u>
Beginning Fund Balance	\$252,280	\$252,280
Ending Fund Balance	\$156,653	\$210,228

Local Street Fund – 203

	<u>Final Amended Budget</u>	<u>Actual</u>
Revenues	\$174,700	\$179,771
Expenditures	\$250,447	\$225,223
Difference	(\$75,747)	\$(45,452)
Net Transfers In/(Out)	\$52,000	<u>\$ 52,000</u>
Beginning Fund Balance	\$ 29,037	\$ 29,037
Ending Fund Balance	\$ 5,290	\$ 35,585

Unfunded Liabilities

Pension and Retiree Health Care Benefits are shared costs paid for by the General Fund, Major and Local Street funds, Enterprise Funds (Electric, Water and Wastewater), and the Internal Service Funds (Motor Pool).

As of December 31, 2013, the most recent Annual Actuarial Valuation report for the Municipal Employees' Retirement System, Division 12, (which covers Department of Public Works employees) was 51.3% funded. The accrued unfunded liability portion was \$2,156,349.

As of June 30, 2013, the unfunded portion of the Retiree Health Care Benefits pertaining to the Department of Public Works was \$1,033,412 (as determined by the audit firm of Abraham and Gaffney) of which the Major and Local Street Funds have a shared responsibility for payment.

SECTION 18j (3)(d)

CITY OF PORTLAND GOVERNING BODY

Mayor, James E. Barnes
Mayor Pro-Tem, Joel VanSlambrouck
Councilmember, Stacy Smith
Councilmember, Patrick Fitzsimmons
Councilmember, Kyle Butler

For contact information, please see the dashboard link, or contact Tutt Gorman, City Manager via email at citymanager@portland-michigan.org or via telephone at (517) 647-2931.

SECTION 18j (3)(e)

ANNUAL CERTIFICATION FORM 2068

A copy of Form 2068 is attached below.

PUBLIC ACT 51, SECTION 18j, MCL 247.668j
Annual Certification of Employee-related Conditions

CITY OR VILLAGE NAME Portland

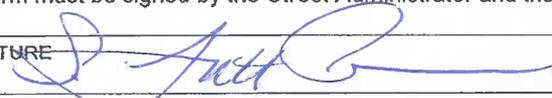
Beginning September 30, 2014, and annually each September 30 thereafter, certification must be made for compliance to Section 18j of Public Act 51 of 1951, MCL 248.668j. A local road agency must certify that it has (a) developed an employee compensation plan for its transportation employees as described OR (b) the local road agency must certify that medical benefits are offered to its transportation employees or elected public officials in compliance with the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.561 to 15.569, or, that it does not offer medical benefits to its transportation employees or elected public officials.

Compliance with (a)
I certify compliance with MCL 247.668j (a).
Our compensation plan for transportation employees meets the minimum criteria of MCL 247.668j (a)(i - iv).

Compliance with (b)
I certify compliance with MCL 247.668j (b), and as such, offer one of the following;
I certify that medical benefits are offered to the transportation employees or elected public officials.
Or, I certify that medical benefits are not offered to the transportation employees or elected public officials.

Non-compliance with (a) or (b)
I certify that we are not in compliance with MCL 247.668j.
I understand that failure to comply with certification of (a) or (b) of MCL 247.668j may result in the withholding of all or part of the distributions made to this local road agency from the Michigan Transportation Fund.

This form must be signed by the Street Administrator and the Treasurer or Financial Director.

SIGNATURE 		SIGNATURE <u>Brenda Schrauben</u>	
PRINTED NAME <u>S. Tatt Borum</u>		PRINTED NAME <u>Brenda Schrauben</u>	
TITLE <u>CITY MANAGER</u>	DATE <u>9/29/14</u>	TITLE <u>Finance Officer</u>	DATE <u>9/26/14</u>

Due Each September 30

Return the completed form to:

Michigan Department of Transportation, Financial Operations Division, P.O. Box 30050, Lansing, MI 48909