

# CITY OF GROSSE POINTE WOODS, MICHIGAN

## POPULAR ANNUAL FINANCIAL REPORT



*Grosse Pointe Woods Robert E. Novitke Municipal Complex*



*9-11 Remembrance*



*Cook School House*

**FISCAL YEAR ENDED JUNE 30, 2024**



# Popular Annual Financial Report City of Grosse Pointe Woods, Michigan As of June 30, 2024

## A Message to the City of Grosse Pointe Woods

### Elected Officials

**Arthur W. Bryant, Mayor**

### City Council

**Angela Coletti Brown**

**Kenneth Gafa**

**Victoria A. Granger**

**Michael Koester**

**Todd A. McConaghy**

**Thomas Vaughn**

### Administrative Staff

#### City Administrator

**Frank Schulte**

#### City Clerk

**Paul Antolin**

#### Treasurer/Comptroller

**Steven Schmidt**

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On behalf of our City Council and Administration, I am pleased to present you with the City of Grosse Pointe Woods Popular Annual Financial Report (PAFR) for fiscal year ended June 30, 2024. The information included in this report is the General Fund and Enterprise Funds. The financial data is derived from the Fund Financial Statements found on pages 14-20 of the 2024 Annual Comprehensive Financial Report (ACFR). The complete financial data for the City was audited by Plante & Moran, PLLC, prepared in accordance with generally accepted accounting principles (GAAP) and can be viewed in its entirety in the June 30, 2024 ACFR.

The PAFR is an unaudited document that provides an analysis of our annual financial and operating information that conforms to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Grosse Pointe Woods has received a Popular Award for the last eleven (11) consecutive fiscal years ending 2013 - 2023. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the Government Finance Officers Association (GFOA).

The City also received its 51st consecutive Certificate of Achievement for Excellence in Financial Reporting, from the Government Finance Officers Association of the United States and Canada for fiscal year ended June 30, 2023. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. A Certificate of Achievement is valid for a period of one year only. We believe our current ACFR continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate. The ACFR and the PAFR are available to view on the City's website at [www.gpwmi.us](http://www.gpwmi.us).

Grosse Pointe Woods is one of the most desired areas to live in the State of Michigan. The City provides excellence in public safety, public services, recreational opportunities, and also promotes a true sense of community. We are proud of our Lake Front Park, which provides the largest outdoor swimming complex in the Midwest, and all our recreational programs and community events. We consider these "core" services essential to maintain a stable and vibrant community for current and future generations.

We are proud to serve the citizens of Grosse Pointe Woods and to provide this report to them.

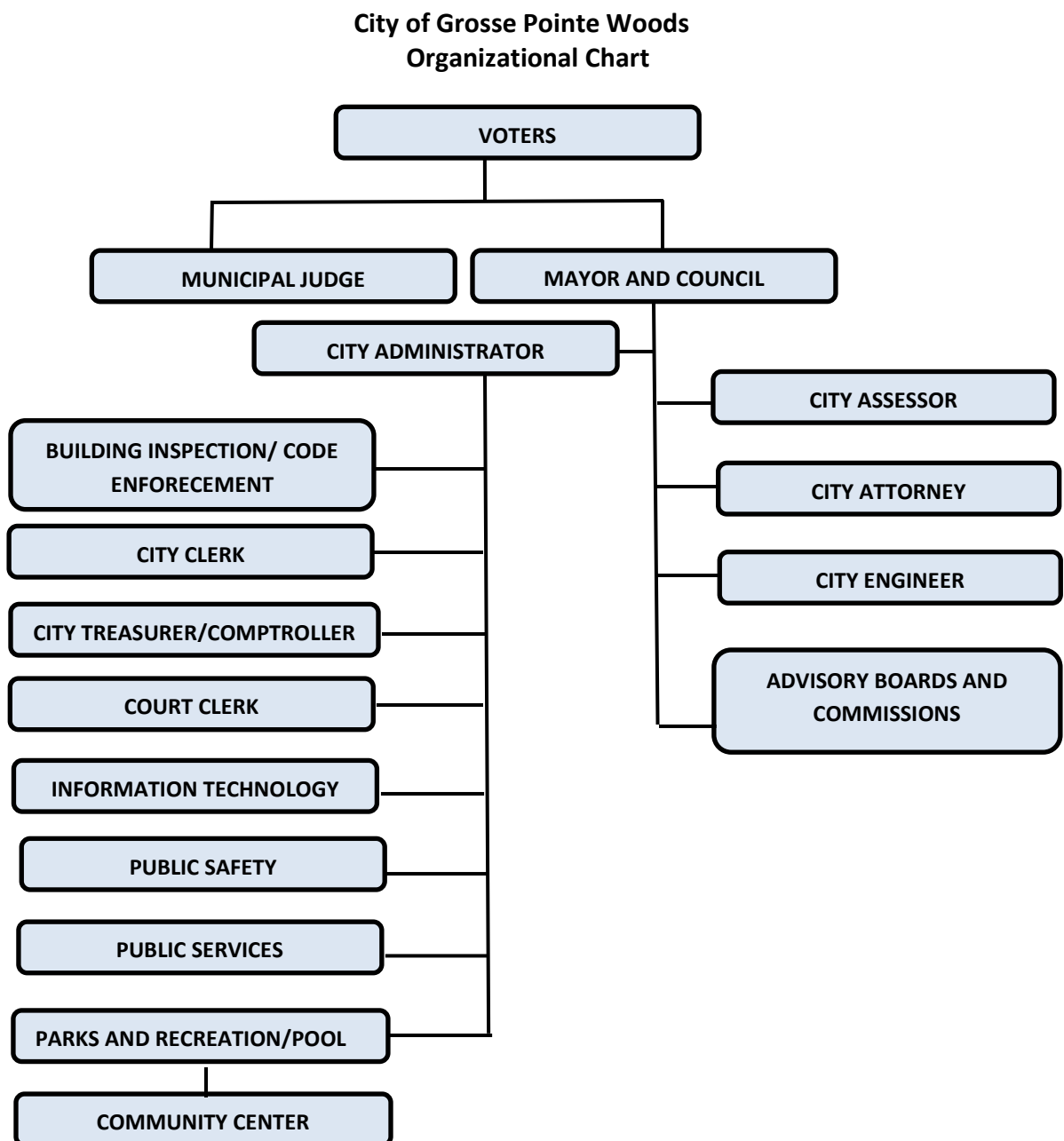
Sincerely,

Arthur W. Bryant  
Mayor

## The City of Grosse Pointe Woods

Originally incorporated in 1927, Grosse Pointe Woods was known as the Village of Lochmoor. In 1939, the Village of Lochmoor became the Village of Grosse Pointe Woods and on December 11, 1950 it was incorporated as the City of Grosse Pointe Woods, a Home Rule City. The City covers an area of 3.28 square miles, is located approximately 10 miles northeast of downtown Detroit and is over 97 percent residential.

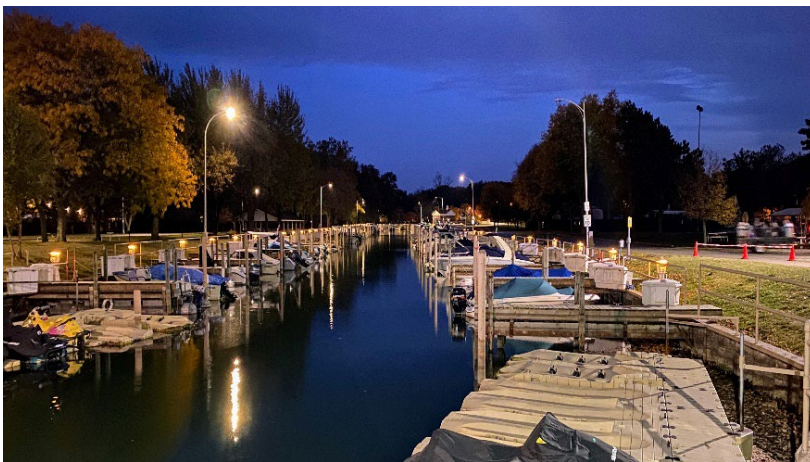
Grosse Pointe Woods operates under a Council-Administrator form of government, established by the City Charter and adopted by voters in 1950. This efficient format divides government into policy-making and administrative functions, and has an organizational structure similar to a business.



The residents of the city are the highest government authority. They delegate this authority to representatives they elect every four years. Similar to a board of directors of a corporation, the City Council, composed of the mayor and six council members, is responsible for determining policies and adopting ordinances needed to maintain the health, safety, and welfare of the citizens.

Input provided by various advisory boards and commissions is a valuable resource. Citizens show interest in the community not only by voting, but also by taking an active part in the policy-making process. More than 100 volunteers dedicate their time and talents to the City's boards, commissions, and committees that foster and support a true "sense of community."

### **City of Grosse Pointe Woods-Attractions and Community Events**



**Lake Front Park Marina**

**Lake Front Park Pool**





**Egg Stroll**



**Public Safety Open House**





**Fishing Derby at Lake  
Front Park**

**2024 Labor Day  
Community Bridge Walk**





**Winterfest**

**Snow Creation Contest**



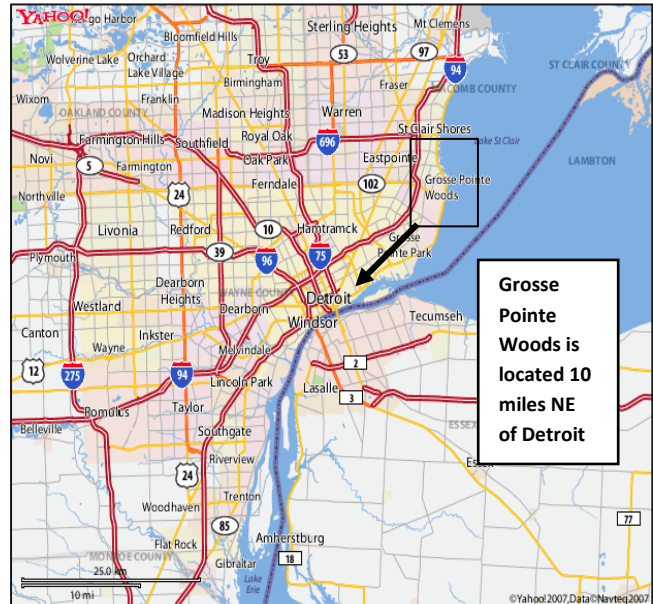
## Demographics

### City of Grosse Pointe Woods

Numbers at a Glance

Area: 3.28 Square Miles  
 Population: 16,487  
 Median Household Income: \$125,712  
 Median Age: 45  
 Median Home Value: \$309,700  
 2023 Taxable Value: \$861 Million  
 Total Housing Units: 6,874  
 Total Full-Time Employees: 80

Sources: 2020 US Census Bureau, 2024 ACFR



### City of Grosse Pointe Woods Major Taxpayers

Taxpayer	Type	Taxable Value
DRSN Real Estate GP LLC	Apartment Complex	16,037,007
Michigan Cons. Gas Co.	Utility	10,191,200
Health Care Reit Inc	Assisted Living	7,176,416
Detroit Edison	Utility	6,882,700
Pointe Plaza	Office Building	5,922,438
VDG Mack Ave LLC	Office Building	2,989,958
Legacy Oaks	Multi-Residential Housing	2,199,408
Lochmoor Club	Private Club	1,768,927
Comerica	Bank	1,575,284
Kroger Co. of Michigan	Grocery	1,476,376
SCI Michigan Funeral Service	Mortuary	1,463,800
ANK Enterprises Incorporated	Hospital	1,339,476
		<u>59,022,990</u>

### City of Grosse Pointe Woods Principal Employers

Taxpayer	Type	Employees
GP Public School	School	384
Van Elslander Center	Medical	250
Kroger	Grocery	159
University of Liggett	School	128
Sunrise Assisted Living	Medical	130
Great Lakes Cancer Mgt Special	Medical	103
Lochmoor Club	Country Club	100
St. John I.T. & Desktop Support	Medical Business	100
City of Grosse Pointe Woods	Municipal	79
Gateway Pediatric Therapy	Medical	50
<b>Total People Employed in City</b>		<b>3,472</b>



## **Fiscal Policies and Major Initiatives**

The City's long-term financial stability is the result of a strong and continuous commitment to fundamental principles of fiscal integrity. As a result, the City's overall bond rating is "AA+" from Standard & Poor's. This outstanding bond rating allows the City to borrow at the lowest possible interest rate, saving taxpayers thousands of dollars in future costs. The City's current Administration, Mayor and City Council continue to look for cost containment initiatives, expanding community partnerships and alternative funding sources to maintain the high level of public services provided by our community.

- Road repair and reconstruction continue to be priorities for the City. A major street project included in fiscal year 2023-2024 was the resurfacing of Roslyn Road. Project costs totaling \$575,000 were funded through transportation revenue from the State of Michigan (ACT 51) and prior year reserves. In addition, maintenance of City roads included: asphalt patching, concrete maintenance and sidewalk repair. Project costs totaling \$212,000 were funded through transportation revenue from the State of Michigan (ACT 51), and transfer from the General Fund balance and prior year reserves.
- Maintaining and improving water and sewer infrastructure is also a priority for the City. Projects included in fiscal year 2023-2024 are the Roslyn Road sewer maintenance project, and sewer open cut repair and cured in place pipe lining repair and maintenance. Project costs totaling \$3.7 million were funded from capital improvement revenue and water and sewer reserves.
- The City has made several exciting park improvements recently. Notably, a new dog park has been constructed at City Hall, and the water slide has been restored at Lake Front Park. Additionally, the construction of a splash pad is underway, with plans for its completion in the summer of 2024. These enhancements aim to provide more recreational options for residents.
- The City is prioritizing the replacement of aging vehicles and equipment, investing \$360,000 during the fiscal year 2023-2024. This investment includes two Chevy Tahoe police vehicles, a CAT 420 backhoe, a Turf Tiger riding mower, and a Ford F150 cab truck. These upgrades aim to enhance efficiency and safety across various City operations.
- The City has realized an increase in its General Fund balance of approximately \$88,963 exclusive of the Cable Franchise and Local Street funds.
- The City remains vigilant with property maintenance enforcement to ensure properties are maintained. Maintaining property values and minimizing the decline through an effective property maintenance and rental inspection program is an important component to our overall financial plan and maintaining the quality of life within our community.
- The City continues to host community events that include; Spring and Winter Fest, Music on the Lawn, Fall Fest, Flower Sale, City Picnic, Public Safety Open House, Hob Nobbin with Goblins, Polar Express and Woods Aglow. These events bring our community together and are enjoyed by all who attend.

**General Fund Revenue**

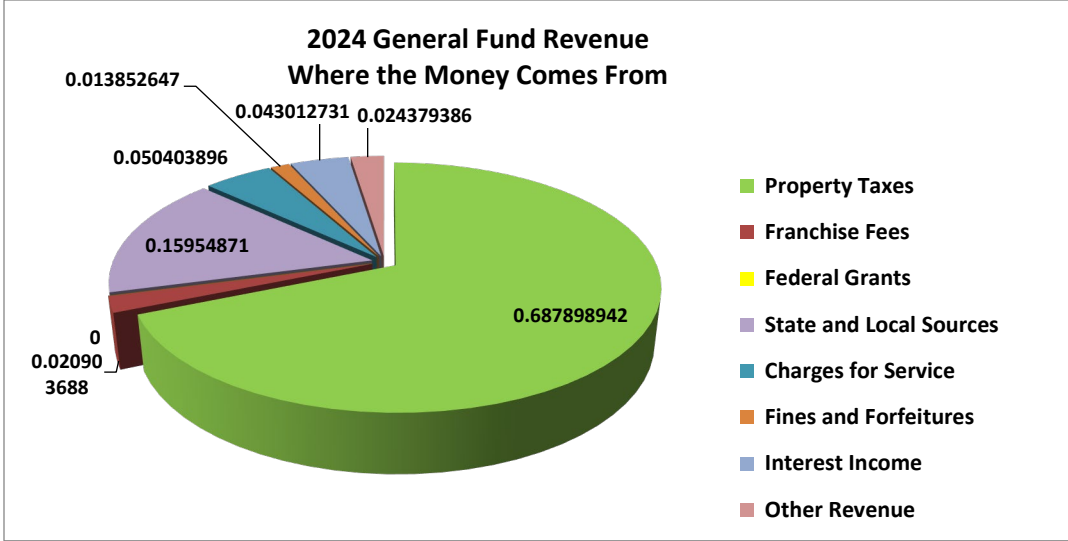
The following chart shows the dollar amounts collected for each of the City of Grosse Pointe Woods sources of revenue. The table includes revenue for fiscal year 2022-2024 and displays the change from fiscal year 2023 to 2024. Total General Fund revenue decreased by \$332,126 from fiscal year 2022-2023. The majority of the decrease is due to the \$1.6 million in revenue received from the State and Local Fiscal Recovery Funds (SLFRF), established by the American Rescue Plan Act (ARPA) of 2021 and increase on the Property taxes collected.

<b>Revenue</b>				
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Change from 2023 to 2024</b>
<b>Property Taxes</b>	\$ 10,824,984	\$ 11,019,489	\$ 11,825,529	\$ 806,040
<b>Franchise Fees</b>	370,999	376,482	359,351	\$ (17,131)
<b>Federal Grants</b>	158	1,634,140	-	\$ (1,634,140)
<b>State and Local Sources</b>	2,568,146	2,639,881	2,742,769	\$ 102,888
<b>Charges for Service</b>	722,004	919,111	866,483	\$ (52,628)
<b>Fines and Forfeitures</b>	221,400	211,957	238,138	\$ 26,181
<b>Interest Income</b>	(106,770)	354,451	739,423	\$ 384,972
<b>Other Revenue</b>	356,210	367,409	419,101	51,692
<b>Total Revenue</b>	<b>\$ 14,957,131</b>	<b>\$ 17,522,920</b>	<b>\$ 17,190,794</b>	<b>\$ (332,126)</b>

Property taxes continue to be the City’s largest source of revenue; slow but steady increases have been realized for the last several years. The City has had incremental increases, with a CPI of 5.0 percent (maximum allowed) for tax year 2024, remaining the same percent increase as in tax year 2023. The general operating property tax revenue increased approximately \$806,040 from fiscal year 2022-2023.

Revenue sharing from the State of Michigan remains our second largest revenue source. The City continues to meet all requirements of accountability and transparency with the State and received 100 percent of state-shared revenue allocation in 2023-2024. During fiscal year 2023-2024, revenue from State and Local sources increased \$102,888 from fiscal year 2022-2023.

Interest Income increased by \$384,972 from fiscal year 2022-2023. This is a result of an increase in interest rates from investments and the City’s pooled cash interest bearing account.



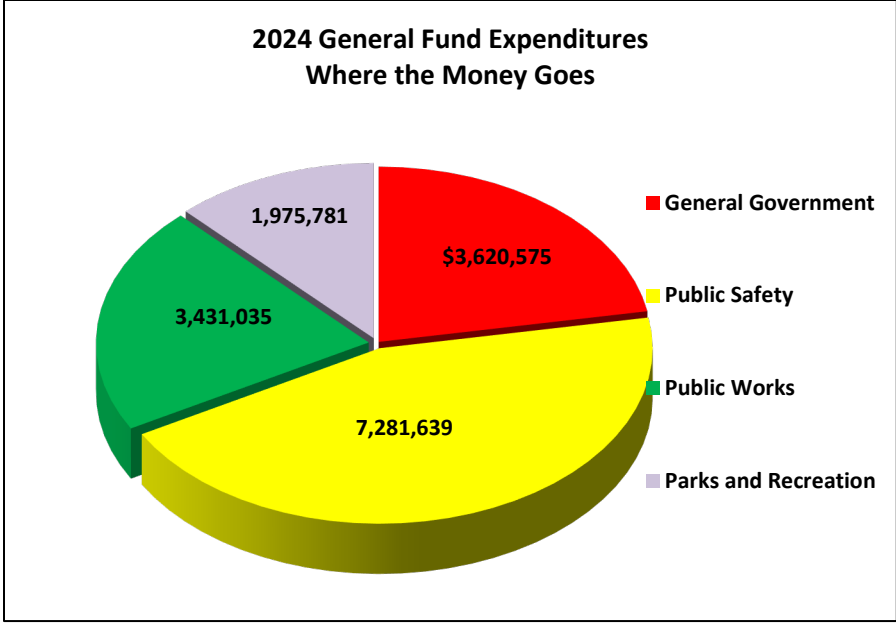
**General Fund Expenditures**

The General Fund is the City’s primary operating fund and supports the majority of the City’s governmental services. The two largest services funded by General Fund are public safety (combined police and fire services) and public services which account for \$10.7 million in expenditures. In addition, the other major activities included in General Fund are parks and recreation and all general government administrative and service operations. Some of these activities are supported by fees for services that help offset costs, but the majority of these activities rely on property taxes and state shared revenue to fund their operations.

The following chart shows expenditures for each governmental service for the City of Grosse Pointe Woods. The table includes expenditures for fiscal year 2022-2024 and displays the change in expenditures from fiscal year 2023 to 2024.

<b>Expenditures</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Change from 2023 to 2024</b>
<b>General Government</b>	\$ 3,064,776	\$ 3,794,417	\$ 3,620,575	\$ (173,842)
<b>Public Safety</b>	6,503,536	6,624,932	7,281,639	\$ 656,707
<b>Public Works</b>	3,562,977	3,205,406	3,431,035	\$ 225,629
<b>Parks and Recreation</b>	1,729,531	1,850,213	1,975,781	\$ 125,568
<b>Total Expenditures</b>	\$ 14,860,820	\$ 15,474,968	\$ 16,309,030	\$ 834,062

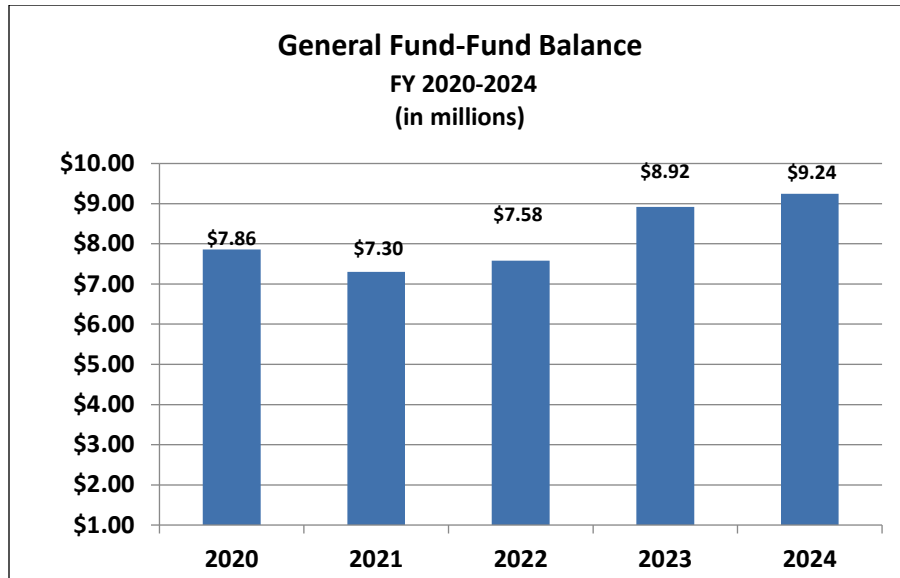
General Government expenses decreased by \$173,842, this is due outsourcing the building department. Overall there was an increase in General Fund expenditures of \$834,062, this is attributed to the overall increases in personnel costs related to pension and health care costs.



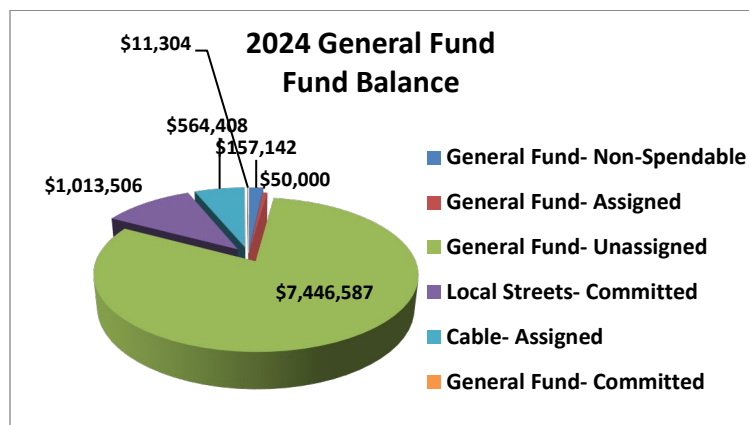
**General Fund-Fund Balance**

The last decade has been challenging, but through cost cutting initiatives and better efficiencies the City has maintained a strong cash reserve. As the chart indicates below, the City’s total General Fund year-end fund balance is approximately \$9.2 million. This includes the Local Road fund balance of \$1 million and Cable fund balance of \$564,408. This is an increase of \$319,713 from fiscal year 2022-2023.





As the chart below indicates, the 2024 General fund balance is comprised of the following; \$1.8 million is committed, assigned and unspendable, leaving \$7.4 million unassigned. The unassigned amount represents approximately 46 percent of fiscal year 2023-2024 actual expenditures. This level of fund balance exceeds the recommended level of between 10 and 15 percent of annual expenditures.



**Non-Spendable:** Funds that are not in spendable form or are legally required to be maintained intact (Prepays)

**Restricted:** Reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties (Special Revenue Funds)

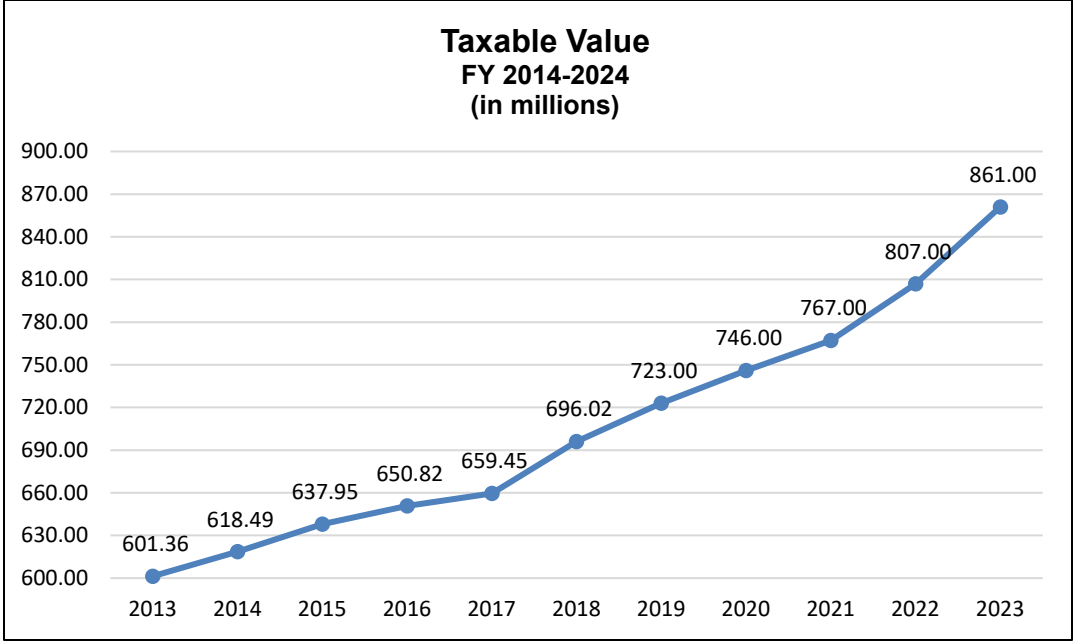
**Committed:** Funds that have been formally set aside by Council to be used for a specific purpose (Local Streets)

**Assigned:** Intent to spend resources on specific purposes expressed by Council (Cable Fund)

**Unassigned:** Funds that do not fall into any other category

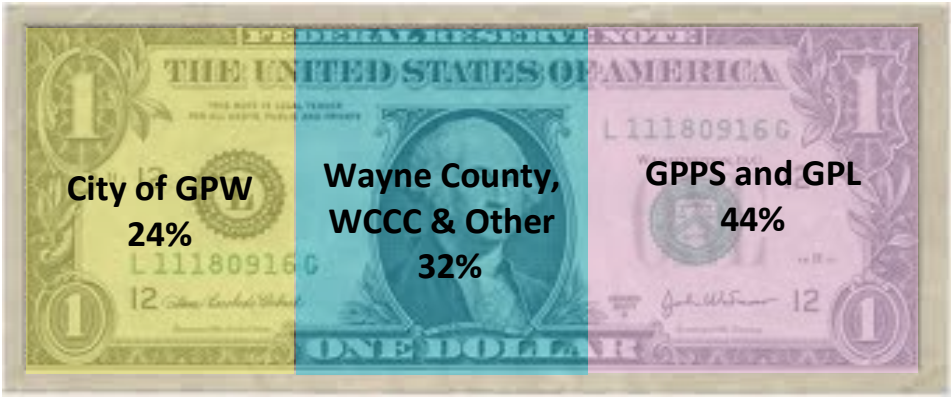
### Taxable Value

Property tax values increased pursuant to the Consumer Price Index (CPI) by approximately 5 percent and realized an overall increase of 6.7% in fiscal year 2023-2024. The overall increase is inclusive of all taxable value additions and losses calculated into this final percentage. The City remains optimistic that the rebound from the 2007 decline in taxable value will continue.



**City of Grosse Pointe Woods Property Tax Revenue**

As indicated on the dollar bill below, the City of Grosse Pointe Woods receives 24 cents for every dollar of property tax revenue collected. These taxes are used to support the general government administrative services, public safety, public works, recreation, and the voter approved road bond. The remaining 76 cents for every dollar of property tax revenue collected is allocated to Grosse Pointe School Public Schools (GPPS), Grosse Pointe Library (GPL), Wayne County, Milk River Drain, Wayne County Intermediate School District and Wayne County Community College.

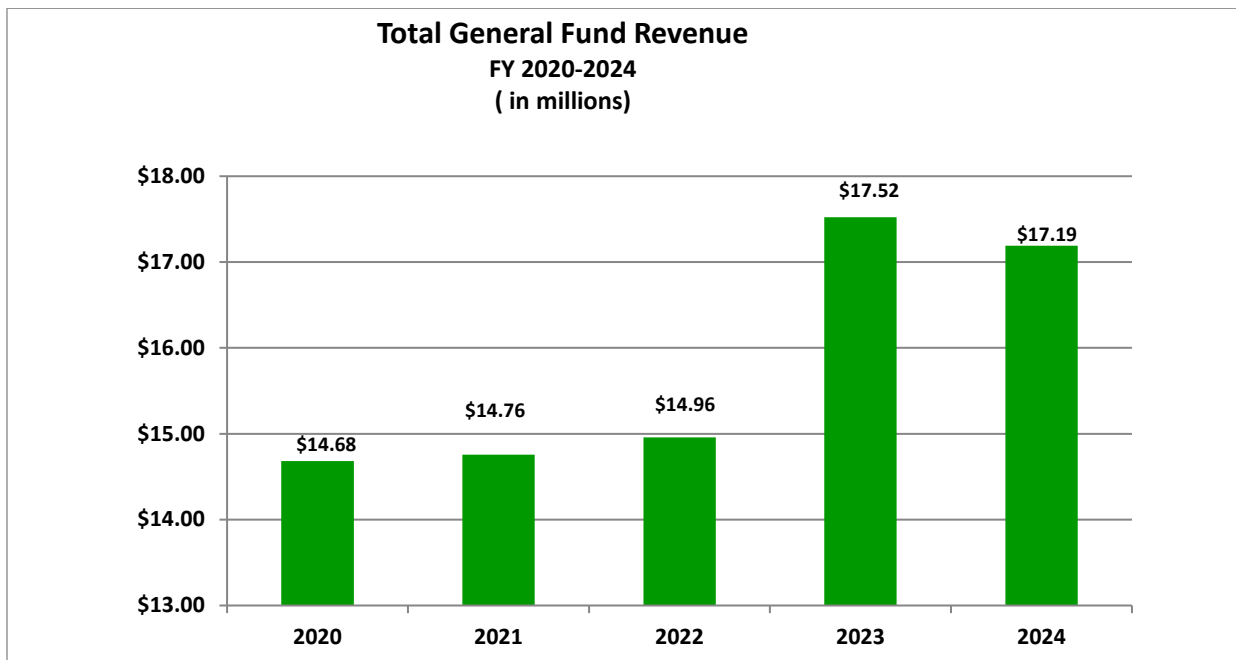


## General Fund-Revenue/Expenditure History

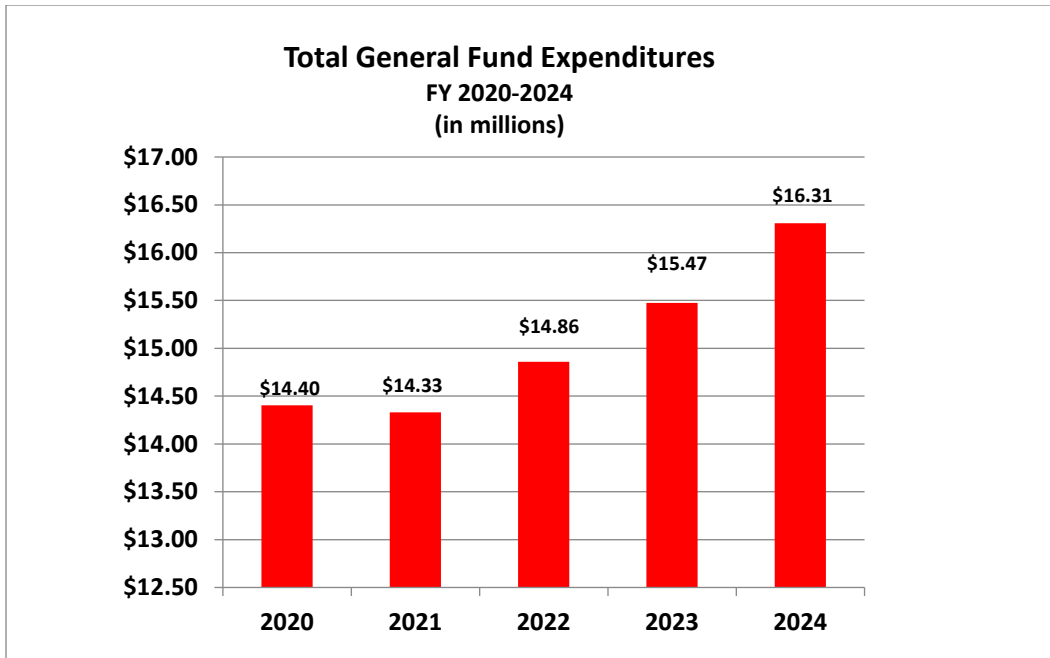
General Fund revenue experienced slight fluctuations over the last five (5) years due to the following:

- General Property Tax Revenue increased approximately 7.3%. This increase is attributable to slow but steady increases in property tax values and the Consumer Price Index that is used to calculate the inflation rate multiplier.
- Intergovernmental Revenue from state sources experience an increase of approximately 3.9%.
- Fines and Forfeitures experienced increase in revenue. This is a result of an increase in violations issued.

Overall, there was an increase in General Fund Revenue of 17% from 2020 through 2024.



General Fund expenditures experienced an increase over the last five years. Fiscal years ending 2020-2024, expenditures increased approximately 15%. The increase is the result of easing up on budget restrictions, and an overall increase in personnel costs. In addition, the City continued implementing capital improvement projects related to road reconstruction/maintenance and replacement of vehicles and equipment.



**Enterprise Funds**

An Enterprise Fund is a fund that accounts for operations and services that are provided to residents and are financed through user charges. The major business type activities consist of the water and sewer fund and the parking fund. The non-major enterprise funds are the Boat Dock fund, and Commodity Sales fund.

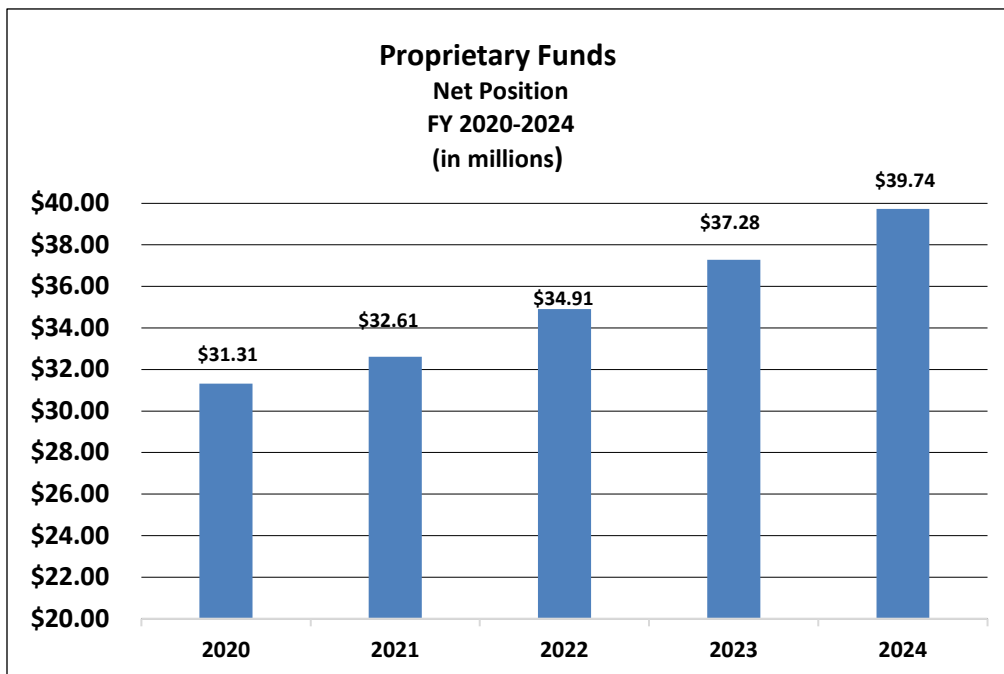
Fiscal year 2023-2024 operating revenue decreased \$458,889 from fiscal year 2022-2023. Water and Sewer revenue experienced a slight decrease in user fees, docking/launching fees in the Boat Dock fund were slightly up from fiscal year 2022-2023 and the Parking Fund experienced a slight increase in operating revenue related to an increase in parking violations issued. Operating expenses decreased by 208,303 from fiscal year 2022-2023, this is the result of a decrease expenses in operations and maintenance costs.

The Water & Sewer Fund has a “AA” bond rating from Standard & Poor’s. This allows the City to borrow funds at the lowest possible interest rate to fund infrastructure projects. Water and Sewer rates were did not increase in the current year. Infrastructure projects were funded through capital improvement revenue and water and sewer reserves.



<b>Proprietary Funds</b>			
<b>Statement of Revenue, Expenses, and Changes in Net Position</b>			
<b>Fiscal Year 2024 compared to Fiscal Year 2023</b>			
	<b>Total Enterprise Funds FY 2024</b>	<b>Total Enterprise Funds FY 2023</b>	<b>Change</b>
Total Operating Revenue	8,068,649	8,527,538	\$ (458,889)
Total Operating Expenses	<u>6,154,973</u>	<u>6,363,276</u>	\$ (208,303)
Operating Income	1,913,676	2,164,262	\$ (250,586)
Total nonoperating revenue (expenses)	<u>545,130</u>	<u>207,958</u>	\$ 337,172
Change in Net Position	2,458,806	2,372,220	\$ 86,586
Net Position-Beginning of year, as restated	37,277,870	34,905,650	\$ 2,372,220
Net Position-End of year	<u>\$ 39,736,676</u>	<u>\$ 37,277,870</u>	\$ 2,458,806

The City's business type activities have experienced a steady increase in net position from 2020-2024. The increase is primarily the result of water and sewer rate revenue that covers operation and maintenance expenses and infrastructure improvements financed by the issuance of debt.



The Government Finance Officers Association (GFOA) of the United States and Canada has awarded the City of Grosse Pointe Woods the Popular Annual Financial Award (PAFR) for fiscal year end June 30, 2023. This is the eleventh (11) consecutive year the PAFR has been awarded to the City.



Government Finance Officers Association

Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting

Presented to

**City of Grosse Pointe Woods  
Michigan**

For its Annual Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

Please visit the City of Grosse Pointe Woods website at [www.gpwmi.us](http://www.gpwmi.us) Finance Department/Budget & Reports for financial documents that include the ACFR, PAFR, Budgets, Other Postemployment Benefits (OPEB) and Pension Actuarial Reports. If further information is needed, contact the Finance Department at 313-343-2604.

# April 2024 Arbor Day Posters



**City of Grosse Pointe Woods  
20025 Mack Plaza Drive  
Grosse Pointe Woods, MI 48326**

**Hours: Monday-Friday 8:30am – 5:00pm  
City Hall: 313-343-2440**

**[www.gpwmi.us](http://www.gpwmi.us)**