



CITY OF GROSSE POINTE WOODS
20025 Mack Plaza Drive
Grosse Pointe Woods, Michigan 48236-2397

NOTICE OF MEETING AND AGENDA

Finance Committee Meeting
Monday, February 11, 2019
7:30 p.m.
City Hall Conference Room

1. Call to Order/Roll Call
2. Acceptance of Agenda
3. Finance Committee Minutes 04/23/18
4. General Fund Balance 06/30/18
5. Fiscal Forecasting
6. New Business/Public Comment
7. Adjournment

PUBLIC INVITED: IN ACCORDANCE WITH PUBLIC ACT 267 OF 1976 (OPEN MEETINGS ACT), ALL MEMBERS OF THE GROUP SELECTED, AS WELL AS THE GENERAL PUBLIC, ARE INVITED TO ATTEND THE FOLLOWING MEETING.

cc:
McConaghy
Novitke
Koester

File
Behrens
Smith

Hathaway

Submitted by: Todd McConaghy

Office Held: Chair

Telephone: 313 343-2440

MINUTES OF THE FINANCE COMMITTEE MEETING OF THE CITY OF GROSSE POINTE WOODS HELD ON MONDAY, APRIL 23, 2018, IN THE CONFERENCE ROOM OF THE MUNICIPAL BUILDING, 20025 MACK PLAZA, GROSSE POINTE WOODS, MICHIGAN.

The meeting was called to order at 7:00 p.m. by Chair McConaghy.

In attendance: Chairman McConaghy
Members: Koester, Novitke

Absent: None

Also present: City Administrator Smith
Treasurer/Comptroller Behrens
City Clerk Hathaway

Motion by Koester, seconded by Novitke, that all items on tonight's agenda be received and placed on file.

Motion passed by the following vote:

Yes: Koester, McConaghy, Novitke
No: None
Absent: None

Motion by Novitke, seconded by Koester, that the meeting minutes dated April 9, 2018, be approved as submitted.

Motion passed by the following vote:

Yes: Koester, McConaghy, Novitke
No: None
Absent: None

The Committee commenced review of the proposed FY 2018/19 Budget book. The Treasurer/Comptroller provided answers to questions of the Committee. She stated the General Fund Balance is \$6.206 Million, and at the end of this fiscal year the fund balance will be \$3.4 Million, or 27%, after the road improvements with the exception of Lochmoor. The Cable Fund is not included in the 27%, whereby \$500,000 remains. The City Administrator stated he received an update on the estimated costs for Rocket Fiber, and that with the addition of Lake Front Park costs are projected at \$380,000.

The Treasurer/Comptroller stated the following:

- SEV is \$870,068,000;
- Taxable SEV is \$696,000,000;
- 1 mil = \$696,024;
- Total budget is \$37,517,538;

- Total Budget without transfers \$35,017,000;
- Internal transfers \$2.577 million;
- General fund budget \$13,895,068.

The Treasurer/Comptroller was asked to:

- Correct the Municipal Court organizational chart;
- Break down salaries and retirement values for staff in the departments of the City Clerk, Finance/Comptroller, City Administrator, and Public Works for Mathews, Adkins, and Schulte;
- Remove Training & Seminars allocation from the City Attorney's budget;
- Check on supplemental annuity.

The City Administrator was asked to look at the \$6,000 allocated in Public Safety for a grant-writer. Administration was also asked to look at the allocation for Municipal Street Lights at \$650,000, and spreading it across a number of years.

Motion by Novitke, seconded by Koester, regarding the Proposed 2018/19 Budget, that the Finance Committee recommend that City Council approve the budget as presented.

Motion passed by the following vote:

Yes: Koester, McConaghy, Novitke
No: None
Absent: None

Hearing no objections, the following items were discussed under New Business:

- The Treasurer/Comptroller distributed two memos dated March 26, 2018, regarding:
 - Water/sewer fund capital improvement (water main replacements);
 - Water/sewer fund balance and parking fund balance purchase/funds transfer (water/sewer equipment and three vehicle.)

Motion by Koester, seconded by Novitke, regarding water/sewer fund capital improvement and water/sewer fund balance and parking fund balance purchase, that the Finance Committee recommend the City Council approve the expenditures referenced in the two memos dated March 26, 2018.

Motion passed by the following vote:

Yes: Koester, McConaghy, Novitke
No: None
Absent: None

Motion by Koester, seconded by Novitke, that tonight's meeting be adjourned at 9:36 p.m.
PASSED UNANIMOUSLY.

Respectfully submitted,

Lisa Kay Hathaway
City Clerk

GENERAL FUND BALANCE ANALYSIS UPDATED 1/7/2019				
Fund Balance 6/30/2018	General Fund		General Fund	
	FY 2018 - 19	FUND BALANCE %	FY 2019 - 2020	FUND BALANCE %
Beginning Fund Balance	\$ 9,156,038.00			
NON-SPENDABLE	\$ (24,890.00)	Pre-paids		Estimate
COMMITTED				
- Local Streets	\$ (424,329.00)			
ASSIGNED				
- Public Safety	\$ (50,000.00)			
- Cable Fund	\$ (538,746.00)			
FY 2018-19 Year's Budget - (See below yellow for allocation explanation)	\$ (2,802,482.00)	Listed in CAFR pg. 12		Listed in CAFR pg. 12
Unassigned Fund Balance Per FY 2017-18 Audit	\$ 5,315,591.00			
FY 2018-19 additional allocations from Fund Balance (see below blue for allocation explanation)	\$ (196,702.00)	Not Listed in CAFR		Not Listed in CAFR
Unassigned Fund Balance Effective 1/7/2019	\$ 5,118,889.00	40.44%	\$ 5,118,889.00	
FY 2018-19 Fund Balance Allocations through 1/7/2019				
- FY 2018-19 Deficit	\$ (631,744)	*		
- FY 2018-19 Local Road Project	\$ (1,734,336)	*		
- Public Safety Roof	\$ (14,972)	**		
- DPW Operator II Position(s) (2)	\$ (211,667)	*		
- Fuel Tank Replacement	\$ (214,935)	*		
- GMC Terrain DPW (Assistant)	\$ (9,799)	*		
- Dominion Voting System	\$ (65,330)	**		
- Activities Building Roof	\$ (10,500)	**		
- Public Safety Project Engineering	\$ (13,000)	**		
- Transfer to Solid Waste Deficit	\$ (89,830)	**		
- Building Demolition Transfer 1298 Hawthorne	\$ (3,070)	**		
Updated Total Assigned to Current Year's Budget	\$ (2,999,184)			
*\$2,802,482 Total				
**\$196,702				

BUDGET PROJECTIONS

FISCAL YEAR 2019 - 2020

5

Updated 2/7/2019

AUDITED	PROJECTIONS OF INCREASED TAXABLE VALUE										ESTIMATES	
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2.0%

Taxable Value	Commercial	66,827,849	67,524,139	69,144,718	70,527,613	71,938,165	73,376,928	74,844,467	76,341,356	77,868,183	79,425,547	81,014,058
	Residential & Personal	597,507,104	627,404,502	642,462,210	655,311,454	668,417,683	681,786,037	695,421,758	709,330,193	723,516,797	737,987,133	752,746,875
	MTT Appeals (Estimated 0.01% TV)	(509,054)	694,929	(771,607)	(725,839)	(740,356)	(755,163)	(770,266)	(785,672)	(801,385)	(817,413)	(833,761)
	<i>The Rivers 6/30/2017</i>	663,825,900	695,623,570	710,895,321	725,113,228	739,615,492	754,407,802	769,495,958	784,885,878	800,583,595	816,595,267	832,927,172

CPI Index	1.0090	1.0210	1.0240									
City's Millage Rate												
Operating	13.8974	13.6125	13.6125	13.6125	13.6125	13.6125	13.6125	13.6125	13.6125	13.6125	13.6125	13.6125
Public Relations	0.0758	0.0718	0.0718	0.0718	0.0718	0.0718	0.0718	0.0718	0.0718	0.0718	0.0718	0.0718

Total City Millage	13.9732	13.6843	13.6843	13.6843	13.6843	13.6843	13.6843	13.6843	13.6843	13.6843	13.6843	13.6843
Potential MMT Loss	(7,113)	9,510	(9,738)	(9,933)	(10,131)	(10,334)	(10,541)	(10,751)	(10,966)	(11,186)	(11,409)	

REVENUE

Property Taxes	\$10,237,999	\$9,519,122	\$9,728,105	\$9,922,667	\$10,121,120	\$10,323,543	\$10,530,014	\$10,740,614	\$10,955,426	\$11,174,535	\$11,398,025
PPT Loss Reimbursement	\$48,128	\$66,818	\$68,154	\$69,517	\$70,908	\$72,326	\$73,772	\$75,248	\$76,753	\$78,288	\$79,854
State Revenue Sharing	\$1,356,728	\$1,370,578	\$1,391,137	\$1,412,004	\$1,433,184	\$1,454,682	\$1,476,502	\$1,498,649	\$1,521,129	\$1,543,946	\$1,567,105
State Revenue Sharing-EVIP	\$194,857	\$194,857	\$194,857	\$194,857	\$194,857	\$194,857	\$194,857	\$194,857	\$194,857	\$194,857	\$194,857
Other	\$2,032,109	\$1,968,169	\$1,968,169	\$1,968,169	\$1,968,169	\$1,968,169	\$1,968,169	\$1,968,169	\$1,968,169	\$1,968,169	\$1,968,169
Transfers In From Other Funds	\$105,000	\$756,224	\$113,000	\$113,000	\$113,000	\$113,000	\$113,000	\$113,000	\$113,000	\$113,000	\$113,000
TOTAL GENERAL FUND REVENUE	\$13,974,821	\$13,875,768	\$13,463,422	\$13,680,214	\$13,901,238	\$14,126,576	\$14,356,314	\$14,590,537	\$14,829,334	\$15,072,795	\$15,321,010

EXPENSES

Total Budgeted Expense			+3.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
General Government	\$2,909,557	\$3,432,789	\$3,535,773	\$3,624,167	\$3,714,771	\$3,807,640	\$3,902,831	\$4,000,402	\$4,100,412	\$4,202,923	\$4,307,996
Public Safety	\$5,884,288	\$6,029,563	\$6,210,450	\$6,365,711	\$6,524,854	\$6,687,975	\$6,855,175	\$7,026,554	\$7,202,218	\$7,382,273	\$7,566,830
Public Works	\$2,069,864	\$2,400,046	\$2,472,047	\$2,533,849	\$2,597,195	\$2,662,125	\$2,728,678	\$2,796,895	\$2,866,817	\$2,938,488	\$3,011,950
Parks & Rec	\$1,795,638	\$2,013,370	\$2,073,771	\$2,125,615	\$2,178,756	\$2,233,225	\$2,289,055	\$2,346,282	\$2,404,939	\$2,465,062	\$2,526,689
Capital Estimate	\$0	\$0	\$1,000,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
(2019/20 - Patrol Vehicles (3), Breathing Air System, Backhoe, Dump Truck, Pickup, 2nd Installment Payment Ladder Truck - ESTIMATE)			\$520,000								
(2019/20) - Vernier Road			\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Capital Improvement Bond Payment			\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
TOTAL GENERAL FUND EXPENSE	\$12,659,347	\$13,875,768	\$15,962,041	\$15,049,342	\$15,415,576	\$15,790,965	\$16,175,739	\$16,570,133	\$16,974,386	\$17,388,746	\$17,813,464

Fund Balance Used to Balance GF	\$0	(\$196,702)	(\$2,498,619)	(\$1,369,128)	(\$1,514,338)	(\$1,664,389)	(\$1,819,425)	(\$1,979,596)	(\$2,145,052)	(\$2,315,951)	(\$2,492,454)
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Unassigned Fund Balance and Cable Fund as of June 30, 20xx	\$5,315,591	\$5,512,293	\$3,013,674	\$1,644,546	\$130,208	(\$1,534,181)	(\$3,353,606)	(\$5,333,202)	(\$7,478,254)	(\$9,794,205)	(\$12,286,659)
Fund Balance %	41.99%	39.73%	18.88%	10.93%	0.84%	-9.72%	-20.73%	-32.19%	-44.06%	-56.32%	-68.97%