



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

(313) 343-2440
Fax (313) 343-2785

**NOTICE OF MEETING
AND
AGENDA**

COMMITTEE-OF-THE-WHOLE

Mayor Robert E. Novitke has called a meeting of the City Council, meeting as a Committee-of-the-Whole, for **Monday, March 28, 2011, at 7:30 p.m.** The meeting will be held in the Conference Room of the Municipal Building, 20025 Mack Plaza, and is accessible through the Municipal Court doors. In accordance with Public Act 267, the meeting is open to the public and the agenda items are as follows:

1. Call to Order
2. Roll Call
3. Acceptance of Agenda
4. Gov. Snyder's Proposal – Impact on State Revenue Sharing Funds
5. 2010 Census Impact
 - A. Act 151 Funds
 - B. State Revenue Sharing Funds
6. Millage Rate
7. 2011/12 Budget Outlook
 - A. Memo 03/23/11, w/attachments – City Administrator/ Treasurer-Comptroller
8. Fiscal Forecast
9. New Business
10. Adjournment

Alfred Fincham
City Administrator

IN ACCORDANCE WITH PUBLIC ACT 267 (OPEN MEETINGS ACT)
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The City of Grosse Pointe Woods will provide necessary, reasonable auxiliary aids and services, such as signers for the hearing impaired, or audio tapes of printed materials being considered at the meeting to individuals with disabilities. All such requests must be made at least five days prior to a meeting. Individuals with disabilities requiring auxiliary aids or services should contact the City of Grosse Pointe Woods by writing or call the City Clerk's office, 20025 Mack Plaza, Grosse Pointe Woods, MI 48236 (313) 343-2440, Telecommunications Device for the Deaf (TDD) 313 343-9249, or e-mail the City Clerk at cityclerk@gpwni.us.

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**CITY OF GROSSE POINTE WOODS
MEMORANDUM**

Date: March 23, 2011

To: Mayor and Council

From: Al Fincham, City Administrator *AF*
Dee Ann Irby, Treasurer/Comptroller *DA*

Subject: Fiscal Year 2011-12 Budget

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CITY OF GROSSE PTE. WOODS

Development of the proposed budget for FY 2011-12 is well underway. Each of the Department Heads and Appointed Officials have been diligent in cutting costs with the mind set of doing more with less. Preliminary assessment and taxable values show a decline of approximately 12%. The anticipated loss of personal property taxes adds another 3.81% decline. The decline in taxable value equates to a \$1.7 Million loss in property tax revenue for FY 2011-12. (See attached spreadsheet). We anticipate a loss of \$250,000 in statutory state revenue sharing as well.

With the implementation of cost containment, cutting capital equipment and construction expenses, anticipating union concessions and personnel changes, the projected shortfall for 2011-12 budget is approximately \$1,140,000.

At the meeting, we will discuss a number of options to balance the budget.

1. Discuss personal property tax revenue.
2. Further reduction in expenses and personnel.
3. Discuss millage rates.
4. Use of general fund fund balance (see attached spreadsheet)

We continue to discuss consolidation efforts with neighboring communities.

Fund Balance Summary

3/21/2011

ACTUAL

	30-Jun-05	30-Jun-06	30-Jun-07	30-Jun-08	30-Jun-09	30-Jun-10	Budgeted FY 10-11	Estimated Balance 30-Jun-11	Proposed Budget FY 11-12	Balance 30-Jun-12
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Non-Restricted

General & Cable	\$7,324,290	\$6,934,386	\$6,374,259	\$4,707,389	\$2,887,968	\$3,865,272	\$3,351	\$3,868,623	\$3,868,623	\$3,868,623
Municipal Improvement	\$138,075	\$19,493	\$35,848	\$176,383	\$177,984	\$116,162	\$0	\$116,162	(\$97,025)	\$19,137
Parkway Beautification	\$168,733	\$190,953	\$154,589	\$163,185	\$157,761	\$157,107	\$0	\$157,107	\$0	\$157,107
2006 Park Construction	\$0	\$0	\$49,185	\$52,949	\$52,949	\$0	\$0	\$0	\$0	\$0
Total Non-Restricted	\$7,631,098	\$7,144,832	\$6,613,881	\$5,099,906	\$3,276,662	\$4,138,541	\$3,351	\$4,141,892	(\$97,025)	\$4,044,867

Non-Restricted Annual Change

(\$486,266)

(\$530,951)

(\$1,513,975)

(\$1,823,244)

\$861,879

Restricted

Major Street	\$525,379	\$126,269	\$309,747	\$77,609	\$50,725	\$62,321	(\$50,000)	\$12,321	\$0	\$12,321
Local Street	\$21,294	\$40,587	\$30,996	\$148,606	\$240,200	\$253,864	(\$185,000)	\$68,864	(\$60,000)	\$8,864
Grosse Gratiot Drain	\$1,509,853	\$1,568,203	\$969,635	\$1,166,480	\$1,179,355	\$770,074	(\$476,599)	\$293,475	(\$250,000)	\$43,475
Ambulance Fund	\$424,704	\$373,445	\$349,880	\$230,544	\$174,521	\$48,282	(\$28,031)	\$20,251	(\$20,000)	\$251
Solid Waste	\$269,741	\$90,288	\$190,303	\$253,091	\$258,943	\$318,498	(\$67,834)	\$250,664	(\$157,858)	\$92,806
Act 302 PS Training	\$4,689	\$9,634	\$9,967	\$13,788	\$17,717	\$26,433	\$0	\$26,433	\$0	\$26,433
CDBG Grants	\$1,778	\$1,504	\$1,515	\$1,597	\$16,458	\$16,748	\$0	\$16,748	\$0	\$16,748
911 Emergency Service	\$65,200	\$33,194	\$24,822	\$21,026	\$22,899	\$904	\$0	\$904	\$0	\$904
Drug Enforcement	\$4,228	\$11	\$11	\$2,381	\$5,256	\$1,333	\$0	\$1,333	\$0	\$1,333
Park Bonds	\$15	\$1,320	\$426	\$9,760	\$959	\$0	\$0	\$0	\$0	\$0
Total Restricted	\$2,826,881	\$2,244,455	\$1,887,302	\$1,924,882	\$1,967,033	\$1,498,457	(\$807,464)	\$690,993	(\$487,858)	\$203,135

Restricted Annual Change

(\$582,426)

(\$357,153)

\$37,580

\$42,151

(\$468,576)

Annual Change--All Funds

(\$1,068,692)

(\$888,104)

(\$1,476,395)

(\$1,781,093)

\$393,303

Cumulative Effect-- All Funds

(\$1,068,692)

(\$1,956,796)

(\$3,433,191)

(\$5,214,284)

(\$4,820,981)

(\$5,625,094)

Changes in property tax revenue

	ESTIMATE			PROJECTED	
	2010-11	2011-12	Loss	2012-13	Loss
Taxable Value	699,266,846	603,818,245	15.81%	573,627,333	5%
City (summer bill)					
	Current Millage	(Real & Pers)	(Real Only)	(Real Only)	
Gen'l Operating	11.5060	\$8,045,764	\$6,947,533	\$6,600,156	(\$347,377)
Public Safety Pension	0.9362	\$654,654	\$565,295	\$537,030	(\$28,265)
EMS	0.3578	\$250,198	\$216,046	\$205,244	(\$10,802)
Public Relations (Act 359)	0.0590	\$41,257	\$35,625	\$33,844	(\$1,781)
Solid Waste (Act 298)	1.8807	\$1,315,111	\$1,135,601	\$1,078,821	(\$56,780)
	14.7397	\$10,306,984	\$8,900,100	\$8,455,095	(\$445,005)
Grosse Pointe Drain (winter bill)					
Debt/Operations & Maintenance	3.484	\$2,436,246	\$2,103,703	\$1,998,518	(\$105,185)
City Operating	0.318	\$222,367	\$192,014	\$182,413	(\$9,601)
	3.802	\$2,658,613	\$2,295,717	\$2,180,931	(\$114,786)
TOTAL LOSS IN TAX REVENUE FOR 2011-12				(\$1,769,779)	