

MINUTES OF THE MEETING OF THE COMMITTEE-OF-THE-WHOLE OF THE CITY OF  
GROSSE POINTE WOODS HELD REMOTELY ON MONDAY, DECEMBER 14, 2020.

The Facilitator's statement was read.

PRESENT\*: Mayor Pro-Tem Bryant  
Council Members Gafa, Granger, Koester, McConaghy (Southfield,  
MI), McMullen

ABSENT: Mayor Novitke  
(\*Unless specifically identified otherwise, Council Members attended remotely from Grosse Pointe Woods,  
MI.)

ALSO PRESENT: City Administrator Smith  
Treasurer/Comptroller Murphy  
City Clerk Hathaway  
Facilitator/Deputy City Clerk Antolin

Also in attendance were Bill Brickey and Josh Yde from Plante Moran.

Mayor-Pro Tem Bryant called the meeting to order at 7:03 p.m.

Motion by McMullen, seconded by Gafa, that Mayor Novitke be excused from tonight's meeting as he is attending to a personal matter.

Motion carried by the following vote:

Yes: Bryant, Gafa, Granger, Koester, McConaghy, McMullen

No: None

Absent: Novitke

The Chair stated that the purpose of tonight's meeting was to review the City's audit as well as the audit of the Municipal Court.

Motion by Granger, seconded by Gafa, that all items on tonight's agenda be received, placed on file, and taken in order of appearance.

Motion carried by the following vote:

Yes: Bryant, Gafa, Granger, Koester, McConaghy, McMullen

No: None

Absent: Novitke

Discussion ensued regarding the **FY Ending June 30, 2020, Audit**. Mr. Brickey stated that the Municipal Court received an unmodified opinion and there were no audit findings with nothing additional to go through.

Mr. Brickey then provided an overview of the highlights pertaining to the City audit. He stated this is the 47<sup>th</sup> year that City will receive the award from the Government Finance Officers Association for Financial Reporting for Fiscal Year Ending 2019, and he congratulated the City for the receiving the award. He then discussed:

- Page 1 - the City received an unmodified opinion, the City is in compliance, and it is a clean audit report.
- Page 51 - Revenue is at \$13.5 million, revenue sharing was under what was expected and similar to last year. The City expenditures are under budget by \$78,000.00 including amendments. Excess revenue over expenditures is \$1.6 million and budgeted was \$1.7 million; from original budget it is a loss of \$27,000.00. Excess revenues is \$1,601,496.00. There was \$2,224,703.00 transferred from the general fund to support other funds of the City.
- Page 12 - Balance sheet. The General Fund included local street and cable funds. The unassigned fund balance was \$6,181,169.00, 51% of the general fund expenditures, and the City remains in a healthy position; the City does not want Fund Balance to go any lower than 20% of expenditures. The City is in sound financial position even though monies have been moved to fund local street projects. When asked, Mr. Brickey stated that at the \$6.1 million at June 30, some of those could be used for future projects.
- Page 14-Grosse Gratiot Drain fund. The City is involved with the Milk River Drain projects, which funding is funneled through the Grosse Gratiot Drain Fund. The City collected \$2.8 million, with a total revenue at \$2.9 million to fund the project. Expenditures include at \$8,477,000.00 that represent operating and maintenance costs and \$6.7 million of capital. The capital is going through the County, which issued bonds, working on infrastructure, and is reflected in this fund. There was \$5.7 million of new debt issued, the City's portion of the large debt that the County has issued. The total for Grosse Pointe Woods was \$17.8 million. There have been some cost overages with this project, and the City did use some general fund money to fund the overages.
- Page 52-Legacy costs: Pension and health care. The audit identifies a schedule of seven years funding of pension system under GASB 68. For 2020, total pension liability is \$82.3 million according to actuary. Plan Fiduciary net position at FY 2020 is \$35.5 million. The unfunded pension is \$46.7 million, or 43% funded. Most systems are about 65-70% funded. The City needs to continue to monitor this fund by reviewing assumptions and actuary reports so this will be funded in the long run. The City has always paid into the fund what the actuary has advised.
- Page 55-Supplemental annuity fund. There is a \$3.7 million liability and the City has \$1.9 million set aside, fund is 50% funded. Plans will be filed with the State of Michigan to fund the liability.
- Page 57 - Retiree health care liability. Total OPEB liability is \$36.3 million, and the City has 1 million set aside; or, 3% funded. This is not very well funded but OPEB in many communities are zero funded. The City has always paid its costs as they come due. The accounting procedures changed a few years ago to measure this way.

Mr. Yde discussed the end of audit letter. This letter is required to list any deviations and difficulties, and there were none. He stated:

- Page 2-Internal Controls. First, material weaknesses were due to journal entries. Second, related to COVID-19 and segregation issues with cash receipting due to limited staffing at that time, but no errors were noted.
- Section 3, page 6 provides a lot of good information pertaining to upcoming events, legislative and finance, including upcoming GASB changes.

Motion by Gafa, seconded by McConaghy, regarding the FY Ending June 30, 2020, City and Municipal Court Audits, that the Committee-of-the-Whole refer these audits to the City Council at their meeting being held December 21, 2020.

Motion carried by the following vote:

Yes: Bryant, Gafa, Granger, Koester, McConaghy, McMullen  
No: None  
Absent: Novitke

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

- Council Member McConaghy discussed moving forward with setting up a Special Committee-of-the-Whole devoted to the issue of Supervision being given by the City Administrator, with Tom Fleury present, and there was a general consensus to schedule a January meeting.
- Council Member McConaghy referred to an article in the Grosse Pointe News regarding a Grosse Pointe Woods resident, Mark Dybis, who was recently a living organ donor to his brother-in-law. Hearing no objections, the City Administrator was asked to prepare a Proclamation.
- Council Member Granger asked if there were any updates on when the City will receive COVID vaccines. There were none.

Nobody wished to be heard under Public Comment.

Motion by McMullen, seconded by Koester, that the meeting of the Committee-of-the-Whole be adjourned at 7:48 p.m. PASSED UNANIMOUSLY.

Respectfully submitted,

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Lisa Kay Hathaway  
City Clerk

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Arthur W. Bryant  
Mayor Pro-Tem