

MINUTES OF THE MEETING OF THE COMMITTEE-OF-THE-WHOLE OF THE CITY OF GROSSE POINTE WOODS HELD ON MONDAY, NOVEMBER 28, 2016, IN THE CONFERENCE ROOM OF THE MUNICIPAL BUILDING, 20025 MACK AVENUE, GROSSE POINTE WOODS, MICHIGAN.

PRESENT: Mayor Novitke
Council Members Bryant, Granger, Ketels, Koester, McConaghy, Shetler

ABSENT: None

ALSO PRESENT: City Administrator Smith
City Clerk Hathaway
Deputy Comptroller Murphy

Also in attendance were Plante Moran representatives Bill Brickey and Kari Shea

Mayor Novitke called the meeting to order at 7:40 p.m.

Motion by Bryant, seconded by Shetler, 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, Granger, Ketels, Koester, McConaghy, Novitke, Shetler
No: None
Absent: None

Motion by Granger, seconded by Shetler, that the following document be received and placed on file:

1. Letter 11/15/16 – Plante Moran

Motion carried by the following vote:

Yes: Bryant, Granger, Ketels, Koester, McConaghy, Novitke, Shetler
No: None
Absent: None

The purpose of tonight's meeting was to receive the audit report from Plante Moran on the City's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2016. Mr. Brickey provided a general overview of the auditor's letter dated November 15, 2016. The CAFR has been presented to Government Finance Officer's Association to receive the Excellence in Financial Award for last 47 years, and Plante Moran expects the City will receive it again this year. He stated that the City did \$1.4 Million better than budgeted, revenues came in higher, and expenditures came in lower resulting in \$900,000 less than budgeted in unrestricted reserves. Unfunded retiree health care needs to be addressed. The Deputy Comptroller was asked to provide the carryover from the FY 2014/15 Budget.

Mr. Brickey stated \$6 million was invested in infrastructure; \$4.6 million in bond proceeds were used, with \$2 million remaining to be used in 2017. Challenges going forward include a maxed out millage rate and legacy costs – funding of pension and retiree health care (OPEB.)

Mr. Brickey reported that Plante Moran will need to make no adjustments. The referenced material weakness relates to closing the books, not to the day to day operations. There were no difficulties encountered or disagreements with management, nor were there any corrected or uncorrected misstatements. He then provided an overview regarding the Actuary Report. He stated that in the next two years, unfunded liabilities will need to be reported. Revenue sharing is projected to remain the same, \$1.4 million.

Mr. Brickey suggested the City look at the amount being charged for administrative charges across multiple funds. The City Administrator was asked to look at Administrative Charges in various funds including Pension, Water/Sewer, and Boat Dock Enterprise.

Ms. Shea provided an overview of the CAFR. The Finance Committee will need to review Fiscal Policies/Major Initiatives relating to cash reserve. Mr. Brickey suggested the Pension Board review the GASB 68 Actuary Valuation at the next Pension Board Meeting so that all members are familiar. The increase in fund balance is due to almost \$1 million in expenditures less than budgeted, \$200,000 in license fees (building permits), state shared revenue, grants, and personal property. Revenue that cannot be counted on next year is state revenue sharing and permits, which totals approximately \$400,000.

The Deputy Comptroller stated in accordance with the Pension Ordinance, the City Attorney shall be legal advisor to the Pension Board. Such will be addressed with the City Attorney and the Pension Attorney to determine whether the Pension Ordinance needs to be amended.

A brief discussion ensued regarding an audit being conducted on the municipal court. Mr. Brickey stated that the State Court Administrator's Office conducts audits every few years. Plante Moran was asked to provide a cost to audit the court.

The following items were discussed under New Business:

- The Mayor stated a Special Council Meeting is being called for this Wednesday at 6 p.m. to address the SAW Grant Agreement pertaining to water/sewer and wastewater, which is due to the State by December 2. The City Engineer was asked to provide projects that the money is to be used for that would already be required to be done at some point in time. The City Engineer was also asked to determine if the Agreement is signed, can we say we don't want the grant up until the time of disbursement, and also is there a requirement to have to pay back the grant if the City does not do the projects that were listed. The City Administrator was asked to check with the City Engineer to determine whether engineering fees are included in the grant money and the matched funds, and what is the amount. Some projects mentioned included Torrey Road Pump Station power source, man hole/catch basin inspections, sewer investigations, and major trunk lines.

- The Mayor briefly discussed the Trolley and the need for a full inspection. The City Administrator stated a full inspection will be made of the trolley.
- A Presidential recount was briefly discussed.

Motion by Granger, seconded by Bryant, that the meeting of the Committee-of-the-Whole be adjourned at 9:23 p.m. PASSED UNANIMOUSLY.

Respectfully submitted,

Lisa Kay Hathaway
City Clerk

Robert E. Novitke
Mayor