

CITY OF GROSSE POINTE WOODS
Electronic Finance Committee Agenda
Wednesday, March 31, 2021
7:00 p.m.

The Chair of the Finance Committee, Council Member Todd A. McConaghy, has called a meeting of the Finance Committee. The meeting will be conducted by video (Zoom), telephone conference, and in-person in accordance with the City of Grosse Pointe Woods City Council Resolution adopted November 16, 2020, establishing rules for remote attendance pursuant to the Open Meetings Act, as amended. This notice is being provided to ensure that those wishing to participate in the meeting have an opportunity to do so. Additional instructions are listed below.

For individuals wishing to attend in-person, the meeting will be held in the City Council Chambers/Municipal Court Room at the Robert E. Novitke Municipal Center, 20025 Mack Plaza, Grosse Pointe Woods, MI. Social distancing and wearing a mask is required.

Join Zoom Meeting:

<https://zoom.us/j/98066012967?pwd=NjdHYzdielRNYkZacUxTU1VMUDJxQT09>

Meeting ID: 980 6601 2967

Passcode: 681882

Join by phone:

Dial by your location

888 788 0099 US Toll-free

877 853 5247 US Toll-free

Meeting ID: 980 6601 2967

Passcode: 681882

Facilitator's Statement.

1. Call to Order
2. Roll Call
3. Acceptance of Agenda
4. Approval of Minutes 05/12/20
5. Review Corrective Action Plan-Monitoring Retiree Health Care
6. Review FY 2020-2021 Budget to Actual
7. Review Proposed FY 2021/22 Budget
8. New Business/Public Comment
9. Adjournment

Lisa Kay Hathaway, MiPMC-3/MMC
City Clerk

cc:
Council – 5
Murphy
Smith
Hathaway

Rec. Secretary
Email Group
Media – Email
Post – 8
File

IN ACCORDANCE WITH PUBLIC ACT 267 (OPEN MEETINGS ACT)
POSTED AND COPIES GIVEN TO NEWSPAPERS

The City of Grosse Pointe Woods will provide necessary, reasonable auxiliary aids and services to individuals with disabilities. Closed captioning and audio will be provided for all electronic meetings. All additional requests must be made in advance of a meeting.

Instructions for meeting participation

1. To join through Zoom: The meeting may be joined by clicking on the link provided on the agenda at the start time posted on the agenda, enter the meeting identification number, and password. Zoom may provide a couple of additional instructions for first time use. As an alternative to using the link, accessibility to the meeting may be obtained by using the browser at join.zoom.us. If having trouble logging in, try a different browser e.g. Chrome.

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2. Join by telephone: Dial the toll-free conferencing number provided and enter the meeting identification number, and password. Dial *9 to be heard under Public Comment.

Dial by your location

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In an effort to alleviate feedback and disruption of the meeting, choose one of the media options, either phone or Zoom, not both.

Meeting notices are posted on the City of Grosse Pointe Woods website home page at www.gpwmi.us and the on-line calendar, both containing a link to the agenda. The agenda contains all pertinent information including business to be conducted at the meeting, a hyperlink to participate using Zoom, and call-in telephone number with necessary meeting identification, and a password. Agendas will also be posted on six (6) City bulletin boards along Mack Avenue.

The following are procedures by which persons may contact members of the public body to provide input or ask questions:

1. To assist with meeting flow and organization, all public comment will be taken at the end of the meeting unless it is moved to a different location on the agenda upon a consensus of the Committee;
2. The phone-in audience, when making public comment please state your name (optional) when called upon;
3. Audience participants will be muted upon entry and will have a chance to speak during the public comment portion of the meeting at the end of the agenda, at which time the microphones will be unmuted.

4. Those joining by Zoom will also be muted and may use the virtual raised “hand” to request to be heard under Public Comment.
5. Those joining by telephone need to dial in using the phone number provided on the agenda. When prompted, enter the meeting number and the password also located on the agenda. Dial *9 to be heard under Public Comment.
6. The published agenda invites participants from the community to provide written questions, comments, and concerns in advance of the meeting to any Elected Official or the City Clerk regarding relevant City business and may be read under Public Comment. Emails may be sent to:

Todd McConaghy, Chair	todd.mcconaghygpw@yahoo.com	248 765-0628
Art Bryant, Mayor Pro-Tem	arthurwbryant@gmail.com	313 885-2174
Mike Koester, Council Member	koester.gpw@gmail.com	313 655-4190
Lisa Hathaway, City Clerk	lhathaway@gpwmi.us	313 343-2447

You may contact Lisa Hathaway, City Clerk, at lhathaway@gpwmi.us should you have any questions prior to the meeting starting.

NOTE TO PETITIONERS: YOU, OR A REPRESENTATIVE, ARE REQUESTED TO BE IN ATTENDANCE AT THE MEETING SHOULD COUNCIL HAVE QUESTIONS REGARDING YOUR REQUEST

MINUTES OF THE FINANCE COMMITTEE MEETING OF THE CITY OF GROSSE POINTE WOODS HELD REMOTELY ON TUESDAY, MAY 12, 2020.

The Facilitator's Statement was presented.

The meeting was called to order at 5:02 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
Deputy City Clerk Antolin
Director of Public Services Schulte

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 March 16, 2020, be approved as submitted.

Motion passed by the following vote:

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

The purpose of tonight's meeting was to **review proposed budget 2020/21 and fiscal forecast**. The Mayor provided a brief overview and stated items having an effect on this year's budget included COVID-19 and State Revenue Sharing.

The Mayor stated there are three non-reoccurring major items presented in this budget including replacement of the vehicular bridge at Lake Front Park at \$631,000.00, payment of the new fire truck at \$500,000.00, and paving of Oxford Road. A decision needs to be made whether or not to keep all three projects in the budget. He also stated consideration needs to be given to whether some items can be delayed such as public safety

and public works vehicle purchases, LED conversation, and whether to consider not opening the pool for three months, June – August. The Mayor also reminded the Committee that City events have been cancelled, although there may be consideration given to Polar Express with practicing social distancing.

Discussion also included the possibility of not filling a position at the Department of Public Works if it becomes vacant, and according to the Director of Public Services one position may retire. The Director of Public Services confirmed that the City will receive rebates from DTE after completing the LED conversions and that the project is supported by the parking fund.

The Treasurer/Comptroller provided information regarding the City obtaining a Capital Improvement Bond for \$1.5 million as well as possible financing. She confirmed there are three current bonds including a Capital Improvement Bond (paid from the General Fund) and two for roads (paid from water/sewer).

Further discussion included commission budgets appearing to be arbitrarily high, liability insurance, and OPEB. The Mayor discussed assumptions for healthcare being based on an average history, and the Treasurer/Comptroller was asked to check with Mark Manquin for actual numbers. The Treasurer/Comptroller, when asked, explained that the park budget increased due to the bridge construction cost of \$650,000.00 and pool filter sand at \$60,000.00. The Mayor discussed the MIS employee pension cost at \$26,131.00; the Treasurer/Comptroller confirmed the cost is 31.19% of the employees annual payroll.

The Treasurer/Comptroller confirmed the State has not released information regarding State Shared Revenues but that it is scheduled for a 1.9% increase but she does not anticipate it coming through; each percent is equal to \$16,000.00 and if increased by 5% would equate to \$80,000.00.

Discussion included a trash removal increase of 3% per the contract, a road bond debt surplus, Grosse Gratiot Bond, and Capital Improvement obligation remains at \$1.5 million for 14 more years. The Treasurer/Comptroller stated of the road bond issuance through 2025, after the first issuance into this fiscal year including 2021, the City owes \$4.761 million on the bond issued for \$6.6 million; and on second bond issue \$3.158 million including interest at 2.875% interest.

The Mayor stated with the pool not opening, there should be \$150,000.00 to recapture for bridge cost. The Director of Public Services stated if the bridge is not replaced this year it could collapse based on a survey completed one year ago. The survey identified one-three years life left on the bridge; 2020 being the second year.

Discussion ensued regarding the cost of the pool's sand filters and resurfacing of one of the tennis courts and whether to keep these items in the budget. The Director of Public Services recommended keeping the sand filters and maintaining the tennis courts.

The Mayor identified three non-recurring expenses in this budget including the pedestrian bridge, Oxford Rd construction, and the fire truck, and he would like to not put off too many things from this next budget.

The Committee and Treasurer/Comptroller discussed the \$600,000.00 deficit in the current budget, keeping the three projects in the budget for 2020/21, and discussed formulas and methods for retaining a minimum 25% fund balance with and without bonding or financing. The Committee discussed the \$150,000.00 pool expenses recaptured for June and \$50,000.00 for not hosting City events this year. There was mention of performing an audit on equipment and employees in the Clerk's Department and not purchasing \$4,200.00 for election laptops.

The Mayor stated Commission budgets appear to be overfunded by \$10,000.00, and the City programs not being held for residents this year due to COVID-19. He also does not believe there should be a Commission Appreciation Reception this year due to the public safety standpoint for the need to social distance. The Mayor asked that the Commission Appreciation be taken out of the budget, that the Commission budgets be reduced to realistic costs, and to include reductions from the pool not opening. There was a consensus to operate on the assumption that City events will not be held.

The Mayor asked what the fund balance projections would be including the Committee's recommendations. The Treasurer/Comptroller calculated the budget summary with the Committee's recommended changes resulting in a 24.04% fund balance, but did not address Oxford Rd. Discussion ensued regarding keeping Oxford Rd in the budget and whether to finance or not finance the project. The Treasurer/Comptroller confirmed the proposed budget as presented did not take into account the \$150,000.00 for not opening the pool, and adding \$150,000.00 for each July and August, totaling a \$450,000.00 expenditure reduction. After recapturing \$50,000.00 for City programs that are not self-sufficient and \$10,000.00 off for Commission expenses, the fund balance including paying the fire truck from the fund balance was down to 17.7%.

The Committee agreed to this current configuration including fire truck financing, possibly paying it off early, and having a 23.24% fund balance. The Treasurer/Comptroller was asked to take another look to be sure that healthcare assumption percentages are actual numbers. The Treasurer/Comptroller stated the number is artificially high due to road projects expensed in the current fiscal year budget.

The Mayor asked if the Committee agreed to adoption of this budget with no funding for the pool for July and August 2020, reduce the Commission budgets down to actual amounts expended, and remove the Commission Appreciation Reception. The Committee agreed. He then asked if Public Works vehicles (chipper, dump truck and another vehicle) could be deferred. The Director of Public Services stated the vehicles affects the General Fund by \$100,000.00. The Treasurer/Comptroller stated the biggest vehicles expense to the General Fund-Local Road Fund is \$57,000.00.

The Treasurer/Comptroller confirmed \$150,000.00 in pharmacy savings was built into the proposed budget for retiree health care costs.

Motion by Koester, seconded by Novitke, regarding the proposed FY 2020/21 budget, that the Finance Committee recommend the City Council approve this budget as presented with modifications reflecting that the pool would not be open for July and August 2020, that the commission's budgets be reduced to what is projected to be their actual expenditures, cancellation of the Commission Appreciation Reception, and cancellation of the City events for the calendar year 2020.

Motion passed by the following vote:

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

The Chair thanked the City Administrator, Treasurer/Comptroller, Director of Public Services, and everyone else who helped with the budget.

Nobody wished to be heard under New Business.

The following individual was heard under Public Comment:

Catherine Dumke
20081 East Ballantyne Ct.

Motion by Novitke, seconded by Koester, that tonight's meeting be adjourned at 7:17 p.m.
PASSED UNANIMOUSLY.

Respectfully submitted,

Lisa Kay Hathaway
City Clerk