



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

NOTICE OF MEETING AND AGENDA

Finance Committee Meeting
Monday, March 25, 2019
6:30 p.m.
City Hall Jury Room

1. Call to Order/Roll Call
2. Acceptance of Agenda
3. Finance Committee Minutes 03/18/19
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, MARCH 18, 2019, IN THE COUNCIL-COURT ROOM OF THE MUNICIPAL
BUILDING, 20025 MACK PLAZA, GROSSE POINTE WOODS, MICHIGAN.

The meeting was called to order at 7:37 p.m. by Chair McConaghy.

In attendance: Chairman McConaghy
Members: Koester, Novitke

Absent: None

Also present: City Administrator Smith
Treasurer/Comptroller Behrens
Deputy City Clerk Antolin

Motion by Novitke, seconded by Koester, 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 Koester, seconded by Novitke, that the meeting minutes dated April 23, 2018 and February 11, 2019, be approved as submitted.

Motion passed by the following vote:

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

Discussion ensued regarding the allocation of \$650,000 for Municipal Street Lights brought up during the April 23, 2018 Finance Committee Meeting.

Questions asked included:

- What are the savings per year?
- What are the conversion costs?
- Can the project be done in one or multiple phases?
- Is DTE the only company able to complete the work?
- Are there any maintenance costs?
- Are there any interest charges?
- What are the impacts on the fund balance?

City Administrator stated he can get the information in approximately two weeks to place this topic in the next Committee-of-the Whole Meeting.

There was a brief discussion regarding ornamental poles, gas lights and the use of LED lights.

The Committee commenced review of the General Fund Balance. The Treasurer/Comptroller provided an overview of the Budget Statistics sheet and Fund Balance Analysis update. She provided answers to questions of the Committee.

Discussion ensued regarding the comparison between the SEV, Taxable Value, and Millage rate of FY 18-19 and FY 19-20.

The Headlee Rollback results in a loss of \$169,557 in property tax revenue for FY 2020, although the overall increase in tax revenues is approximately \$250,000. The Consumer Price Index increased our taxable value for FY 2020 by 2.4%. Expenses have been based upon an increase of 3.5% in the fiscal forecast as a result of the unknowns associated with union negotiations.

Topics to consider when preparing budget and fiscal forecast:

- Union negotiations forthcoming;
- Needs and wants of each department;
- Limiting spending
- Being cautious when budgeting

The City Administrator stated that the figures in the budget are still tentative, in which a majority still needs to be approved.

The Treasurer/Comptroller was asked to provide information of current fiscal year budget with actual fiscal forecast numbers for 12 months to provide an estimate of surplus funds with the current fiscal year.

Honeywell was briefly discussed. When information is available a comparison will be conducted.

Public Comment:

- A resident briefly discussed his experience with Honeywell. Topics he mentioned were maintenance cost and system turnover rate.

Motion by Koester, seconded by Novitke, that tonight's meeting be adjourned at 8:23 p.m. PASSED UNANIMOUSLY.

Respectfully submitted,

Paul P. Antolin
Deputy City Clerk

BUDGET PROJECTIONS

FISCAL YEAR 2019 - 2020

4

Updated 3/20/2019

		PROJECTIONS OF INCREASED TAXABLE VALUE										ESTIMATES	
		AUDITED	2.1%	2.4%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
		2017-18	BUDGETED 2018-19	PROJECTED 2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	
Taxable Value	Commercial	66,827,849	67,524,139	69,075,274	70,456,779	71,865,915	73,303,233	74,769,298	76,264,684	77,789,978	79,345,777	80,932,693	
	Residential & Personal	597,507,104	627,404,502	654,591,238	667,683,063	681,036,724	694,657,458	708,550,608	722,721,620	737,176,052	751,919,573	766,957,965	
MTT Appeals (Estimated 0.01% TV)		(509,054)	694,929	723,667	(738,140)	(752,903)	(767,961)	(783,320)	(798,986)	(814,966)	(831,265)	(847,891)	
The Rivers 6/30/2017													
Total		663,825,900	695,623,570	724,390,179	737,401,702	752,149,736	767,192,731	782,536,586	798,187,318	814,151,064	830,434,085	847,042,767	
CPI Index		1.0090	1.0210	1.0240									
City's Millage Rate													
Operating		13.8974	13.6125	13.4260	13.6125	13.6125	13.6125	13.6125	13.6125	13.6125	13.6125	13.6125	
Public Relations		0.0758	0.0718	0.0687	0.0718	0.0718	0.0718	0.0718	0.0718	0.0718	0.0718	0.0718	
Total City Millage		13.9732	13.6843	13.4947	13.6843	13.6843	13.6843	13.6843	13.6843	13.6843	13.6843	13.6843	
Potential MMT Loss		(7,113)	9,510	9,766	(10,101)	(10,303)	(10,509)	(10,719)	(10,934)	(11,152)	(11,375)	(11,603)	

REVENUE												
Property Taxes		\$10,237,999	\$9,979,843	\$9,775,428	\$10,090,826	\$10,292,643	\$10,498,495	\$10,708,465	\$10,922,635	\$11,141,087	\$11,363,909	\$11,591,187
PPT Loss Reimbursement		\$48,128	\$0	\$63,564	\$64,835	\$66,132	\$67,455	\$68,804	\$70,180	\$71,583	\$73,015	\$74,475
State Revenue Sharing	1.5% Increase Projected/Year	\$1,356,728	\$1,296,542	\$1,443,843	\$1,465,501	\$1,487,483	\$1,509,795	\$1,532,442	\$1,555,429	\$1,578,760	\$1,602,442	\$1,626,478
State Revenue Sharing-EVIP		\$194,857	\$171,503	\$209,312	\$209,312	\$209,312	\$209,312	\$209,312	\$209,312	\$209,312	\$209,312	\$209,312
Other		\$2,032,109	\$1,714,118	\$2,035,696	\$2,035,696	\$2,035,696	\$2,035,696	\$2,035,696	\$2,035,696	\$2,035,696	\$2,035,696	\$2,035,696
Transfers In From Other Funds		\$105,000	\$136,168	\$105,000	\$113,000	\$113,000	\$113,000	\$113,000	\$113,000	\$113,000	\$113,000	\$113,000
Transfer in From Fund Balance (See Below)			\$2,678,459*									
TOTAL GENERAL FUND REVENUE		\$13,974,821	\$13,298,174	\$13,623,077	\$13,979,170	\$14,204,266	\$14,433,754	\$14,667,719	\$14,906,251	\$15,149,439	\$15,397,374	\$15,650,149

EXPENSES												
Total Budgeted Expense				+3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
General Government		\$2,909,557	\$3,582,999	\$3,690,489	\$3,764,299	\$3,839,585	\$3,916,376	\$3,994,704	\$4,074,598	\$4,156,090	\$4,239,212	\$4,323,996
Public Safety		\$5,884,288	\$5,879,217	\$6,055,594	\$6,176,705	\$6,300,239	\$6,426,244	\$6,554,769	\$6,685,865	\$6,819,582	\$6,955,973	\$7,095,093
Public Works		\$2,069,864	\$4,905,836	\$2,131,960	\$2,174,599	\$2,218,091	\$2,262,453	\$2,307,702	\$2,353,856	\$2,400,933	\$2,448,952	\$2,497,931
Parks & Rec		\$1,795,638	\$1,608,581	\$1,656,838	\$1,689,975	\$1,723,775	\$1,758,250	\$1,793,415	\$1,829,283	\$1,865,869	\$1,903,186	\$1,941,250
Capital Estimate		\$0	\$0	\$900,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
(2019/20 - Potential Public Safety Equipment, Potential Public Works Equipment, Potential Parks Equipment, Potential 2nd Installment Payment Ladder Truck - ESTIMATE)												
2019/20 - Beaufait/Oxford Reconstruction				\$1,115,000								
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	\$15,976,633	\$15,699,881	\$14,205,578	\$14,481,690	\$14,763,324	\$15,050,590	\$15,343,602	\$15,642,474	\$15,947,324	\$16,258,270

Fund Balance Used to Balance GF	\$0	(\$2,678,459)	(\$2,076,803)	(\$226,408)	(\$277,424)	(\$329,570)	(\$382,871)	(\$437,351)	(\$493,035)	(\$549,949)	(\$608,121)	
Unassigned Fund Balance and Cable Fund as of June 30, 20xx	\$8,118,073	\$5,439,614	\$3,362,811	\$3,136,402	\$2,858,978	\$2,529,408	\$2,146,537	\$1,709,187	\$1,216,152	\$666,203	\$58,082	
Fund Balance %	64.13%	42.97%	21.05%	19.98%	20.13%	17.47%	14.54%	11.36%	7.93%	4.26%	0.36%	

*Current General Fund Balance Allocation total \$3,014,029. Based upon updated expense projections that allocation may decrease to \$2,678,459; Potential savings of \$335,570.

Budget Allocation from General Fund Prior Reserves (1X Purchases)

Transfer to Balance 2018/19 Budget	\$	631,744
2018 Local Road Allocation	\$	1,819,336
Municipal Complex Painting	\$	32,850
DB Roof Replacement	\$	10,500
Fuel Tank Replacement	\$	214,935
Vernier Road Engineering	\$	85,000
Activity Building Roof Replacement	\$	85,000
Minor Misc. Transfers from FY 2018-19	\$	134,663
	\$	3,014,028