



**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, 2013**  
**7:30 p.m.**  
**City Hall Conference Room**

1. Call to Order/Roll Call
2. Acceptance of Agenda
3. Approval of Minutes 03/11/13
4. FY 2012/13 Update
5. 2013/14 Budget
6. New Business
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 – Chair  
Novitke

Koester  
Fincham  
Irby

Babij  
File

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 11, 2013, IN THE CONFERENCE ROOM OF THE MUNICIPAL BUILDING, 20025 MACK PLAZA, GROSSE POINTE WOODS, MICHIGAN.

The meeting was called to order at 7:41 p.m. by Chair McConaghy.

In attendance: Chair McConaghy  
Members: Koester, Novitke

Absent: None

Also present: City Administrator Fincham  
City Treasurer/Comptroller Irby  
Deputy City Clerk Ryska

Also in attendance: Council Member Shetler

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 minutes of February 25, 2013, be approved as submitted.

Motion passed by the following vote:

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

The Committee discussed the **Fiscal Year 2012/13 Update**. Treasurer/Comptroller Irby distributed an updated Fund Balance Summary and projection sheet. She explained that FY 13/14 proposed expenditures are about \$48,000 less than budgeted in FY 12/13. Additionally, property values are projected to decline by 0.5 percent in FY 13/14 compared to FY 12/13. However, there is a large pending Michigan Tax Tribunal case that should be settled soon. Despite the increase in some property values we are not able to collect taxes on the increase because they are Headlee capped.

There is currently a \$750,000 short fall for the projected FY 13/14 General Fund which will leave about 28% in the General Fund Fund Balance. Additionally, there is a projected \$450,000 short fall for Restricted Funds, totaling a \$1.2 million overall projected FY 13/14 deficit.

Next the Committee discussed the **Fiscal Year 2013/14 Budget**. Treasurer/ Comptroller Irby referred to the FY 2012/13 – FY 2013/14 comparison sheet and stated that the \$1 million decrease in the overall budget is primarily due to the pay off of the Grosse Gratiot Drain Bonds. She then summarized the remainder of the changes, indicating the Enterprise Fund is listed on the sheet to provide a complete overview, however, that fund cannot be utilized to offset the deficit in the General Fund. The current projected deficit is approximately \$1.2 million.

Committee Member Koester stated that he is not comfortable with the \$1.2 million deficit and insisted that the number be brought down to a more manageable \$600,000, noting that there will be consequences to making substantial cuts. However, since the voters rejected the millage proposals on the last ballot the city is obligated to make some hard decisions.

The Committee discussed their encounters with residents and determined that residents do not want to cut services but also do not want their taxes raised. Council and Administration is challenged with the task of retaining services within the current budgetary restraints by balancing revenue levels with service expenses. Approximately two-thirds of the budget is staffing and while not an ideal situation, it is necessary for the Committee to review staffing levels to make possible cuts. Currently, with the hiring freeze in the city, staffing levels have already dropped through attrition.

The Committee then briefly discussed a number of other possible savings or revenue generating ideas. They also discussed possible cost savings from privatization of services, such as ambulance services.

The Committee asked Administration to look into the feasibility of reducing staff by \$600,000, which could mean eight to ten people; what would the consequences be on city services, staffing levels, and which departments might be affected. Additionally, Administration is to review the practicality of outsourcing ambulance services in the city. Administration is to report their findings at the March 25, 2013 Finance meeting.

Hearing no objections the following individuals addressed the Committee:

Chris Kaczanowski  
19888 William Ct.

Judith Sheehy  
941 Woods Lane

Motion by Koester, seconded by Novitke, that tonight's meeting be adjourned at 8:24 p.m. PASSED UNANIMOUSLY.