



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 11, 2013
7:30 p.m.
City Hall Conference Room

1. Call to Order/Roll Call
2. Acceptance of Agenda
3. Approval of Minutes 02/25/13
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, FEBRUARY 25, 2013, IN THE CONFERENCE ROOM OF THE MUNICIPAL BUILDING, 20025 MACK PLAZA, GROSSE POINTE WOODS, MICHIGAN.

The meeting was called to order at 9:50 p.m. by Chair McConaghy.

In attendance: Chairman McConaghy
Members: Koester, Novitke

Absent: None

Also present: City Administrator Fincham
City Treasurer/Comptroller Irby
City Clerk Hathaway
Director of Public Works Ahee

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 Koester, seconded by Novitke, that the minutes of January 14, 2013, be approved as submitted.

Motion passed by the following vote:

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

The Committee discussed a **proposed budget presentation**. The Chair explained there was a suggestion that an informational meeting be held before the budget public hearing to allow the issues to be presented and to provide opportunity for public comment. The Mayor discussed possibly holding the meeting on May 13th, approximately a week before the public hearing, that there be a prepared budget presentation presented as an informational meeting to explain the budget and that Council and administration be prepared for dialogue.

The Committee then discussed various options including publishing the dates for upcoming meetings in addition to agenda posting to better inform the public of scheduled meetings giving them opportunity to attend.

Motion by Koester, seconded by Novitke, regarding a proposed budget presentation, that the Finance Committee recommend to the Committee-of-the-Whole that no special meeting be scheduled, and that dates and times of budget meetings be published in the Grosse Pointe News informing the public about the budget process.

Motion passed by the following vote:

Yes: Koester, McConaghy, Novitke

No: None

Absent: None

New Business:

- The Treasurer/Comptroller reported the Building Official has requested the Building Department's part-time employee be expanded to full-time.
- The Treasurer/Comptroller reported the Assessor would like to hire a part-time person.

Motion by Novitke, seconded by Koester, that tonight's meeting be adjourned at 11:00 p.m. PASSED UNANIMOUSLY.

Respectfully submitted,

Lisa Kay Hathaway
City Clerk

PRELIMINARY DRAFT

GENERAL FUND BUDGET SUMMARY

3/5/2013

	FY 05-06 ACTUAL AMOUNT	FY 06-07 ACTUAL AMOUNT	FY 07-08 ACTUAL AMOUNT	FY 08-09 ACTUAL AMOUNT	FY 09-10 ACTUAL AMOUNT	FY 10-11 ACTUAL AMOUNT	FY 11-12 ACTUAL AMOUNT	FY 12-13		FY 13-14	
								BUDGET	07/12-12/12 ACTUAL	ADMIN REQUEST	% Change In Budget
CITY COUNCIL	109,733	91,954	95,070	89,013	56,049	53,648	49,867	65,630	22,212	65,630	0.0%
COMMISSIONS	17,191	16,389	22,091	4,486	13,928	13,087	12,040	21,106	2,716	19,000	-10.0%
MUNICIPAL COURT	382,120	402,779	414,243	369,448	428,966	373,947	406,173	468,144	184,412	466,917	-0.3%
ADMINISTRATION	199,934	186,604	196,611	214,944	211,581	166,023	172,832	183,962	95,234	213,213	15.9%
BUILDING INSPECTIONS	243,308	268,031	301,314	329,718	302,910	299,039	335,123	367,382	176,076	390,974	6.4%
CITY ATTORNEYS	188,284	256,322	250,439	215,958	270,466	190,699	197,697	254,618	98,840	226,567	-11.0%
CITY CLERK/ELECTIONS	256,329	241,260	253,297	307,336	249,631	248,187	227,712	272,900	155,936	317,320	16.3%
TREASURER/COMPTROLLER	371,372	250,548	233,861	364,599	309,519	297,309	288,371	319,313	141,636	340,793	6.7%
CITY ASSESSOR	0	164,626	154,779	169,901	233,739	161,724	233,046	241,097	73,919	263,110	9.1%
ADMIN-FRINGES	448,199	536,559	469,424	431,898	468,170	579,608	455,936	405,862	246,339	208,201	-48.7%
ADMIN TRANSFER & OVERHEAD	211,012	212,031	466,456	363,436	197,311	178,394	173,253	125,713	72,016	152,713	21.5%
PUBLIC SAFETY + Transfers	5,287,301	5,819,887	5,316,412	6,073,408	5,948,916	5,728,624	5,419,472	5,275,588	2,415,047	5,226,636	-0.9%
PUBLIC WORKS + Transfers	925,737	3,339,530	2,853,988	1,942,959	1,954,923	1,679,052	2,207,151	2,309,954	550,831	2,337,629	1.2%
PARKS & RECREATION + Transfers	1,536,827	2,012,957	2,023,836	1,799,772	1,538,141	1,352,648	1,133,514	1,426,877	659,583	1,416,141	-0.8%
COMMUNITY CENTER	285,082	322,539	336,657	310,243	197,539	163,989	154,973	241,134	83,811	248,409	3.0%
Transfers Out	3,163,122					0					
MIS						299,524	304,650	320,462	167,286	358,361	11.8%
TOTAL	13,625,551	14,122,016	13,388,476	12,987,119	12,381,787	11,785,501		12,299,742	5,145,894	12,251,614	-99.6%

-48,128

NOTES:

1. Millage increased in Ambulance Fund, therefore no transfer FROM General Fund, Public Safety Dept.
2. City Operating millage reduced in Grosse Pointe Drain, therefore no transfer INTO General.
3. There is no transfer to Workers Comp Fund, using Workers Comp reserves. A savings of \$130,000 to General Fund.
4. Administrative fringe benefits reallocated to the Departments of Administration, Clerk & Treasurer.
5. All capital equipment/vehicle requests were cut.
6. Budget does not include a reduction in revenue for personal property tax, because there is nothing certain yet.
7. Budget will require use of Fund Balance, both restricted (\$592,000) and non-restricted (\$367,000) for a total of \$959,000.
8. Budget only includes \$40,000 for MTT refunds. Total liability is approx \$175,000.
9. Budget assumes no increase in pay or benefits for employees.

3/5/2013

	2012-13	2013-14	Change	
<u>GENERAL FUND</u>				
General Government	\$2,725,727	\$2,664,438		
Public Safety	\$5,275,588	\$5,226,636		
Public Works	\$2,309,954	\$2,337,629		
Management Info. Systems	\$320,462	\$358,361		
Parks & Recreation	\$1,668,011	\$1,664,550		
Total General Fund	\$12,299,742	\$12,251,614	(\$48,128)	
<u>SPECIAL REVENUE</u>				
Major Street	\$759,154	\$769,456		
Local Street	\$756,184	\$745,224		
Ambulance	\$612,044	\$626,016		
Act 302 Training	\$8,000	\$8,000		
Solid Waste	\$1,361,109	\$1,272,487		New rubbish contract
CDBG	\$7,000	\$7,000		
911 Service Fund	\$90,282	\$89,760		
Total Special Revenue	\$3,593,773	\$3,517,943	(\$75,830)	
<u>DEBT SERVICE FUND</u>				
Grosse Gratiot Drain (Milk River)	\$2,738,595	\$1,409,184	(\$1,329,411)	Debt paid off
Total Debt Funds				
<u>CAPITAL PROJECTS FUND</u>				
Municipal Improvement	\$88,260	\$119,560	\$31,300	P&R improvements
Total Capital Projects Fund				
<u>INTERNAL SERVICE FUNDS</u>				
Workmen's Compensation	\$137,500	\$141,000		
Motor Vehicle Fund	\$1,000,262	\$1,173,716		
Total Internal Service Funds	\$1,137,762	\$1,314,716	\$176,954	Repairs on aging vehicles, gas & t
<u>ENTERPRISE FUNDS</u>				
Water & Sewer**	\$14,697,000	\$15,100,000		Debt for SRF & DWRF, DWSD increa
Parking	\$267,344	\$267,204		
Boat Dock	\$369,995	\$113,215		Dredging complete
Commodity Sales	\$54,000	\$53,800		
Total Enterprise Funds	\$15,388,339	\$15,534,219	\$145,880	
Budget Total	\$35,246,471	\$34,147,236	(\$1,099,235)	

**Note: Water & Sewer Enterprise Funds will be completed after rate meeting on xxxxx.
Drinking Water Revolving Fund (DWRF) & Sewer Revolving Funds (SRF) projects are included in the budget.

*** The proposed budget is subject to change, as more budget meetings are scheduled.

Fund Balance Summary

3/5/2013	ACTUAL								Budgeted	Estimated	Proposed	
	30-Jun-05	30-Jun-06	30-Jun-07	30-Jun-08	30-Jun-09	30-Jun-10	30-Jun-11	30-Jun-12	Use FY 12-13	Balance 30-Jun-13	Use FY 13-14	Balance 30-Jun-14
Non-Restricted								\$326,795				
General & Cable	\$7,324,290	\$6,934,386	\$6,374,259	\$4,707,389	\$2,887,968	\$3,865,272	\$4,729,315	\$5,056,110 *	(\$645,532)	\$4,410,578	(\$539,348)	\$3,871,230
Municipal Improvement	\$138,075	\$19,493	\$35,848	\$176,383	\$177,984	\$116,162	\$182,154	\$103,054	(\$50,000)	\$53,054	(\$52,200)	\$854
Parkway Beautification	\$168,733	\$190,953	\$154,589	\$163,185	\$157,761	\$157,107	\$154,382	\$164,528	\$0	\$164,528	\$0	\$164,528
2006 Park Construction	\$0	\$0	\$49,185	\$52,949	\$52,949	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Non-Restricted	\$7,631,098	\$7,144,832	\$6,613,881	\$5,099,906	\$3,276,662	\$4,138,541	\$5,065,851	\$5,323,692	(\$695,532)	\$4,628,160	(\$591,548)	\$4,036,612
Non-Restricted Annual Change		(\$486,266)	(\$530,951)	(\$1,513,975)	(\$1,823,244)	\$861,879	\$927,310	\$257,841		37.71%		31.81%
							\$18,482	\$5,199,921				
							\$345,277					
							Balance	Balance	Budgeted	Estimated	Proposed	
									Use	Balance	Use	Estimated
												Balance
Restricted	30-Jun-05	30-Jun-06	30-Jun-07	30-Jun-08	30-Jun-09	30-Jun-10	30-Jun-11	30-Jun-12	FY 12-13	30-Jun-13	FY 13-14	30-Jun-14
Major Street	\$525,379	\$126,269	\$309,747	\$77,609	\$50,725	\$62,321	\$64,383	\$262,189	(\$50,000)	\$212,189	(\$130,456)	\$81,733
Local Street	\$21,294	\$40,587	\$30,996	\$148,606	\$240,200	\$253,864	\$125,329	\$143,811 *	(\$50,000)	\$93,811	(\$90,000)	\$3,811
Grosse Pointe Drain	\$1,509,853	\$1,568,203	\$969,635	\$1,166,480	\$1,179,355	\$770,074	\$180,120	\$24,414	\$0	\$24,414	\$0	\$24,414
Ambulance Fund	\$424,704	\$373,445	\$349,880	\$230,544	\$174,521	\$48,282	\$118,512	\$173,977	(\$75,000)	\$98,977	(\$88,794)	\$10,183
Solid Waste	\$269,741	\$90,288	\$190,303	\$253,091	\$258,943	\$318,498	\$464,655	\$370,317	(\$133,824)	\$236,493	(\$20,211)	\$216,282
Act 302 PS Training	\$4,689	\$9,634	\$9,967	\$13,788	\$17,717	\$26,433	\$34,290	\$41,262	\$0	\$41,262	\$0	\$41,262
CDBG Grants	\$1,778	\$1,504	\$1,515	\$1,597	\$16,458	\$16,748	\$8,031	\$152	\$0	\$152	\$0	\$152
911 Emergency Service	\$65,200	\$33,194	\$24,822	\$21,026	\$22,899	\$904	\$6,347	\$112,230	\$0	\$112,230	(\$37,260)	\$74,970
Drug Enforcement	\$4,228	\$11	\$11	\$2,381	\$5,256	\$1,333	\$281	\$1,491	\$0	\$1,491	\$0	\$1,491
Park Bonds	\$15	\$1,320	\$426	\$9,760	\$959	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Restricted	\$2,826,881	\$2,244,455	\$1,887,302	\$1,924,882	\$1,967,033	\$1,498,457	\$1,001,948	\$1,129,843	(\$308,824)	\$821,019	(\$366,721)	\$454,298
Restricted Annual Change		(\$582,426)	(\$357,153)	\$37,580	\$42,151	(\$468,576)	(\$496,509)	\$127,895				
Annual Change--All Funds		(\$1,068,692)	(\$888,104)	(\$1,476,395)	(\$1,781,093)	\$393,303	\$430,801	\$385,736	(\$1,004,356)	\$5,449,179	(\$958,269)	\$4,490,910
\$10,457,979												
Cumulative Effect-- All Funds		(\$1,068,692)	(\$1,956,796)	(\$3,433,191)	(\$5,214,284)	(\$4,820,981)	(\$4,390,180)	(\$4,004,444)	(\$5,008,800)		(\$5,967,069)	

GENERAL FUND BUDGET PROJECTIONS

3/11/2013

: 13-14 budget projections prelim

		Final	Final	Final	Current	Estimates					
		2009-10	2010-11	2011-12	Budget 2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Taxable Value	Commercial	63,517,473	61,444,920	63,236,964	65,423,499	62,355,137	62,978,888	63,608,475	64,244,560	65,529,451	66,840,040
	Residential & Personal	717,462,999	637,821,926	553,938,918	539,448,732	538,801,394	544,189,407	549,631,302	555,127,615	566,230,167	577,554,770
	Total	780,980,472	699,266,846	617,175,882	604,872,231	601,156,530	607,168,096	613,239,777	619,372,174	631,759,618	644,394,810
Percent Change in Taxable Value		(0.09)	(0.105)	(0.117)	(0.020)	(0.0061)	0.010	0.010	0.010	0.020	0.020
City's Millage Rate											
Operating		9.2791	11.0291	12.006	12.526	13.4986	13.4986	13.4986	13.4986	13.4986	13.4986
Public Relations		0.059	0.059	0.059	0.081	0.081	0.081	0.081	0.081	0.081	0.081
Public Safety Pension		0.9362	0.9362	0.9362	0.9362	0	0	0	0	0	0
Park Bond			0.4769								

Total City Millage	10.2743	12.5012	13.0012	13.5432	13.5796	13.5796	13.5796	13.5796	13.5796	13.5796	13.5796
--------------------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------

REVENUE

Property Taxes	\$9,393,623	\$8,717,923	\$8,438,724	\$8,191,906	\$8,163,465	\$8,245,100	\$8,327,551	\$8,410,826	\$8,579,043	\$8,750,624
LOSS Personal Property Tax						(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)
State Revenue Sharing	\$1,084,931	\$1,088,548	\$1,186,705	\$1,170,600	\$1,170,600	\$1,170,600	\$1,170,600	\$1,170,600	\$1,170,600	\$1,170,600
State Revenue Sharing-EVIP	\$248,192	\$244,575	\$140,307	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
Other	\$2,204,945	\$2,091,241	\$2,103,614	\$1,935,168	\$1,958,698	\$1,958,698	\$1,958,698	\$1,958,698	\$1,958,698	\$1,958,698
Transfers In From Other Funds	\$407,000	\$490,008	\$230,000	\$200,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
TOTAL GENERAL FUND REVENUE	\$13,338,691	\$12,632,295	\$12,099,350	\$11,822,674	\$11,497,763	\$11,539,398	\$11,621,849	\$11,705,124	\$11,873,341	\$12,044,922

EXPENSES

Total Budgeted Expense	\$12,381,787	\$11,785,501	\$11,772,555	\$12,268,206	\$12,251,614	\$12,312,872	\$12,374,436	\$12,436,309	\$12,498,490	\$12,560,983
Capital Equipment Purch/Fire Truck Reserve					included					
WCA Assessing Contractual Svcs/ FT ee in 2015					included					
Pension Contribution Increase					included					
TOTAL GENERAL FUND EXPENSE	\$12,381,787	\$11,785,501	\$11,772,555	\$12,268,206	\$12,251,614	\$12,312,872	\$12,374,436	\$12,436,309	\$12,498,490	\$12,560,983

ANNUAL SHORTFALL / Use of Fund Balance	\$956,903	\$846,794	\$326,795	(\$845,532)	(\$753,851)	(\$773,474)	(\$752,588)	(\$731,184)	(\$625,149)	(\$516,061)
Fund Balance (used) to balance other funds			(\$79,100)	(\$50,000)	(\$52,200)	(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)
Balance as of June 30, 20xx										
++ All Non Restricted Fund										
Balances, except Pkwy Beautif.	\$4,138,542	\$4,911,469	\$5,159,164	\$4,463,632	\$3,657,581	\$2,659,107	\$1,681,519	\$725,335	(\$124,814)	(\$865,875)

: 13-14 Budget projections prelim

41.67% 43.82% 36.38% 29.85% 21.60% 13.59% 5.83% -1.00% -6.89%

ASSUMPTIONS:

- Does not account for future headlee roll back of existing millage.
- Expense does NOT include roads.
- Use of Fund Balance to balance other funds, include both restricted & non-restricted.

Bond Rating
Concern

Fund Balance Summary

3/11/2013	ACTUAL								Budgeted	Estimated	Proposed	
	30-Jun-05	30-Jun-06	30-Jun-07	30-Jun-08	30-Jun-09	30-Jun-10	30-Jun-11	30-Jun-12	Use FY 12-13	Balance 30-Jun-13	Use FY 13-14	Balance 30-Jun-14
Non-Restricted								\$326,795				
General & Cable	\$7,324,290	\$6,934,386	\$6,374,259	\$4,707,389	\$2,887,968	\$3,865,272	\$4,729,315	\$5,056,110 *	(\$645,532)	\$4,410,578	(\$753,851)	\$3,656,727
Municipal Improvement	\$138,075	\$19,493	\$35,848	\$176,383	\$177,984	\$116,162	\$182,154	\$103,054	(\$50,000)	\$53,054	(\$52,200)	\$854
Parkway Beautification	\$168,733	\$190,953	\$154,589	\$163,185	\$157,761	\$157,107	\$154,382	\$164,528	\$0	\$164,528	\$0	\$164,528
2006 Park Construction	\$0	\$0	\$49,185	\$52,949	\$52,949	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Non-Restricted	\$7,631,098	\$7,144,832	\$6,613,881	\$5,099,906	\$3,276,662	\$4,138,541	\$5,065,851	\$5,323,692	(\$695,532)	\$4,628,160	(\$806,051)	\$3,822,109
										37.71%		31.20%
Non-Restricted Annual Change		(\$486,266)	(\$530,951)	(\$1,513,975)	(\$1,823,244)	\$861,879	\$927,310	\$257,841				
							\$18,482	\$5,199,921				
							\$345,277	Balance	Budgeted	Estimated	Proposed	
									Use	Balance	Use	Estimated
Restricted	30-Jun-05	30-Jun-06	30-Jun-07	30-Jun-08	30-Jun-09	30-Jun-10	30-Jun-11	30-Jun-12	FY 12-13	30-Jun-13	FY 13-14	30-Jun-14
Major Street	\$525,379	\$126,269	\$309,747	\$77,609	\$50,725	\$62,321	\$64,383	\$262,189	(\$50,000)	\$212,189	(\$130,456)	\$81,733
Local Street	\$21,294	\$40,587	\$30,996	\$148,606	\$240,200	\$253,864	\$125,329	\$143,811 *	(\$50,000)	\$93,811	(\$90,000)	\$3,811
Grosse Pointe Drain	\$1,509,853	\$1,568,203	\$969,635	\$1,166,480	\$1,179,355	\$770,074	\$180,120	\$24,414	\$0	\$24,414	\$0	\$24,414
Ambulance Fund	\$424,704	\$373,445	\$349,880	\$230,544	\$174,521	\$48,282	\$118,512	\$173,977	(\$75,000)	\$98,977	(\$97,135)	\$1,842
Solid Waste	\$269,741	\$90,288	\$190,303	\$253,091	\$258,943	\$318,498	\$464,655	\$370,317	(\$133,824)	\$236,493	(\$52,199)	\$184,294
Act 302 PS Training	\$4,689	\$9,634	\$9,967	\$13,788	\$17,717	\$26,433	\$34,290	\$41,262	\$0	\$41,262	\$0	\$41,262
CDBG Grants	\$1,778	\$1,504	\$1,515	\$1,597	\$16,458	\$16,748	\$8,031	\$152	\$0	\$152	\$0	\$152
911 Emergency Service	\$65,200	\$33,194	\$24,822	\$21,026	\$22,899	\$904	\$6,347	\$112,230	\$0	\$112,230	(\$37,260)	\$74,970
Drug Enforcement	\$4,228	\$11	\$11	\$2,381	\$5,256	\$1,333	\$281	\$1,491	\$0	\$1,491	\$0	\$1,491
Park Bonds	\$15	\$1,320	\$426	\$9,760	\$959	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Restricted	\$2,826,881	\$2,244,455	\$1,887,302	\$1,924,882	\$1,967,033	\$1,498,457	\$1,001,948	\$1,129,843	(\$308,824)	\$821,019	(\$407,050)	\$413,969
Restricted Annual Change		(\$582,426)	(\$357,153)	\$37,580	\$42,151	(\$468,576)	(\$496,509)	\$127,895				
Annual Change--All Funds		(\$1,068,692)	(\$888,104)	(\$1,476,395)	(\$1,781,093)	\$393,303	\$430,801	\$385,736	(\$1,004,356)	\$5,449,179	(\$1,213,101)	\$4,236,078
	\$10,457,979											
Cumulative Effect-- All Funds		(\$1,068,692)	(\$1,956,796)	(\$3,433,191)	(\$5,214,284)	(\$4,820,981)	(\$4,390,180)	(\$4,004,444)	(\$5,008,800)		(\$6,221,901)	