

COMMITTEE-OF-THE-WHOLE SITTING AS FINANCE COMMITTEE
04/20/26 – 05

MINUTES OF THE COMMITTEE-OF-THE-WHOLE SITTING AS FINANCE COMMITTEE OF THE CITY OF GROSSE POINTE WOODS HELD ON MONDAY, APRIL 20, 2026, IN THE COUNCIL CHAMBERS/COURTROOM OF THE ROBERT E. NOVITKE MUNICIPAL CENTER, 20025 MACK PLAZA DRIVE, GROSSE POINTE WOODS, MICHIGAN.

Mayor Bryant called the meeting to order at 7:21 p.m.

PRESENT: Mayor Bryant
Council Members: Brown, Gafa, Koester, McConaghy, Motschall
ABSENT: Granger

Also Present: City Manager Como
City Attorney Romer
City Clerk Antolin
City Treasurer/Comptroller Schmidt
Director of Public Services Kowalski

Motion by Motschall, seconded by Brown, that Councilmember Granger be excused from tonight's meeting.

Motion carried by the following vote:

Yes: Brown, Bryant, Gafa, Koester, McConaghy, Motschall
No: None
Absent: Granger

Motion by McConaghy, seconded by Brown, 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: Brown, Bryant, Gafa, Koester, McConaghy, Motschall
No: None
Absent: Granger

The purpose of tonight's meeting was regarding the **FY 2027 Water and Sanitary Sewer Rate and the proposed FY 2026-2027 Budget**.

The first item discussed was the proposed FY 2027 Water and Sanitary Sewer Rate. Treasurer/Comptroller Schmidt provided an overview stating the pass-through costs that will have an impact on the city's proposed water and sanitary sewer rates as follows:

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- Great Lakes Water Authority (GLWA) Water rates, 4.0% Increase
- Southeast Macomb Sanitary District (SEMSD), 9.5% Increase
- Water Sales Projection, 3.9% Decrease

After meeting with City Engineers (AEW), it was decided that the best option is to implement a moderate 2% increase of current rates to keep up with the rising costs.

He stated that the city still has a healthy fund balance of \$8 Million estimated at the end of this year, with ongoing water projects and two water main projects anticipated for next fiscal year.

Councilmember Brown inquired about the cause for the decrease in water sales projection. It was stated that the reasons for the decrease in water sales projections may include trends such as less use of sprinkler systems, shorter showers, and the use of more efficient toilets and other appliances such as washing machines.

Next item discussed was the **proposed FY 2026-2027 Budget.**

Treasurer/Comptroller Schmidt, provided an overview of the General Fund Balance Analysis for FY 2025-2026. He stated the Total Budgeted Revenue for FY 2025-2026 was \$16,982,921 and a Total Budgeted Expense of \$18,184,954 leaving a deficit of \$1,202,033. As of 03/31/26, the Total Estimated Revenue for FY 2025-2026 was \$16,985,017 and the Total Estimated Expense was \$17,304,477 with a deficit of \$319,460. The General Fund Balance, as of 06/30/25, was \$7,879,633 less the estimate reduction of Fund Balance of FY 2025-2026 leaving an estimated Fund Balance of \$7,560,173 or 44%.

The FY 2026-2027 proposed budget is expected to have a deficit of \$1,917,384. Based on the budget, the estimated Fund Balance at 06/30/27 is \$4,760,216 or 25%. However, based on the estimates, the Fund Balance at 06/30/27 is \$5,642,789 or 29%.

Next, Treasurer/Comptroller Schmidt provided an overview of the FY 2026-2027 Budget Summary for the General Fund. He commented on increases and decreases to the following accounts:

- Council – Decrease due to expenses for the 75th Anniversary
- City Clerk – Increase due to upcoming election cycle
- DPW – Increase due to \$420,000 allocated to road projects
- Other Departments – Increase due to Salary & Wages
- Lake Front Park – Increases due to Activities Building roof replacement/HVAC
- Public Safety – Increase due to two replacement vehicles

Councilmember Koester asked if there were any projects not implemented due to budgeting concerns. Treasurer/Comptroller Schmidt stated there were no major projects held up other than the pickleball courts in Ghesquiere Park.

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City Manager Como stated that the city is awaiting funds from the Marijuana Tax for the implementation of road projects. Treasurer/Comptroller Schmidt stated they were able to slate two road projects and set aside funding for the future Cook Road project.

Councilmember Brown requested to keep the City Hall Front Lawn Improvements on the radar and got confirmation that the funds would be taken from the General Fund.

Councilmember McConaghy thanked City Manager Como (being her first budget), Treasurer/Comptroller Schmidt and staff. He also commended their hard work and is proud of the budget they produced.

Treasurer/Comptroller Schmidt stated the city has a healthy fund balance with the only concerns being the uncertainty of road funds to be received from the Marijuana Tax.

Councilmember Koester got confirmation from Treasurer/Comptroller Schmidt that the proposed budget reflected the recent Union Tentative Agreements and the upcoming Public Safety Officers Tentative Agreement.

The Grosse Gratiot Drain information was included in the budget and the millage rate will decrease by about .2 mills.

City Manager Como thanked Treasurer/Comptroller Schmidt and staff for making a hard process easier. She also thanked Council and Department Heads and is appreciative of all.

Mayor Bryant stated how wonderful it is working with Administration and staff as well as with the City Council.

Motion by Koester, seconded by McConaghy, that the Committee-of-the-Whole Sitting as Finance Committee recommends to City Council **approval of the Proposed FY 2026-2027 Budget.**

Motion carried by the following vote:

Yes: Brown, Bryant, Gafa, Koester, McConaghy, Motschall
No: None
Absent: Granger

Under New Business/Public Comment, no one wished to be heard.

Motion by Motschall, seconded by Koester, that the meeting of the Committee-of-the-Whole Sitting as Finance Committee be adjourned at 7:36 p.m. PASSED UNANIMOUSLY.

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Respectfully submitted,

Paul P. Antolin
City Clerk

Arthur W. Bryant
Mayor