

MINUTES OF THE MEETING OF THE COMMITTEE-OF-THE-WHOLE OF THE CITY OF GROSSE POINTE WOODS HELD ON MONDAY, OCTOBER 21, 2024, IN THE CONFERENCE ROOM OF THE ROBERT E. NOVITKE MUNICIPAL CENTER, 20025 MACK PLAZA DRIVE, GROSSE POINTE WOODS, MICHIGAN.

Mayor Bryant called the meeting to order at 7:00 p.m.

PRESENT: Mayor Bryant
Council Members: Brown, Gafa, Granger, Koester, McConaghy
ABSENT: None

Also Present: City Administrator Schulte
Assistant City Administrator Como
City Attorney Walling
City Clerk Antolin
City Treasurer/Comptroller Schmidt
Councilmember Elect Motschall
Manquen Vance Representative Kowalski

Motion by Granger, 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, Granger, Koester, McConaghy
No: None
Absent: None

The Treasurer/Comptroller provided an overview of the FY 2023-2024 General Fund Balance Analysis. He stated that the audit is 95% completed with a budgeted deficit of \$1.58 Million. After the completion of the audit, the fund balance is estimated to have an increase of approximately \$89,000 bringing the Fund Balance to 44%. After the projected FY 2024-2025 Budget a deficit of approximately \$1.1 Million is estimated to decrease the Fund Balance to 35%.

Treasurer/Comptroller answered questions from the Committee-of-the-Whole regarding other projects affecting the budget as well as tips or techniques to consistently and accurately plan for the future.

The next item discussed was Public Act 152: Adoption of the Annual Option for the Publicly Funded Health Insurance Contribution Act. John Kowalski of Manquen Vance provided an overview of the options offered to the city.

In 2017, the City of Grosse Pointe Woods elected the Hard Cap option under PA 152. The Hard Cap cost is included in the city's union contracts and states that all employees are obligated to pay the amount that exceeds the limit.

In 2024, the Hard Cap exceeded the allowable limit by \$86,113. The Council voted to opt out of covering the overage, and employees were not charged.

In 2025, the Hard Cap will exceed the allowable limit again in the amount of \$268,083. Furthermore, it is estimated to increase an additional 3% in 2026.

Manquen Vance has prepared the city with the following options:

1. Cover Hard Cap overage
2. 80/20
3. 90/10 (Opt-Out)

After meeting and reviewing PA 152 options with Manquen Vance, Administration has come up with a 3-year step plan that would ultimately move to the 80/20 plan as required by PA 152. To ease the financial increase to the employees, it is recommended to follow a 3-year step plan: 2025 to move to option#3: 90/10 opt-out; 2026 85/15 opt-out; 2027 80/20 as required by PA 152. The opt-out options require a 2/3 vote of the governing body.

Mr. Kowalski answered questions from the Committee. The Committee-of-the-Whole suggested to consider factors causing inflated costs in order to look ahead and provide better recommendations. In addition, the Committee wanted to emphasize the importance of clear communications with the employees. There was a consensus of the Committee-of-the-Whole to move forward with the 3-year plan.

Motion by McConaghy, seconded by Brown, that the Committee-of-the-Whole recommend to City Council to select option 3 – Section 8 – “Exemption” Option – a local unit of government, as defined in the act, to set a bargained contribution level at “90/10%”.

Motion carried by the following vote:

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

Motion by McConaghy, seconded by Granger, to immediately certify the minutes of tonight's meeting.

Motion carried by the following vote:

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

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

Motion by Granger, seconded by Brown, that the meeting of the Committee-of-the-Whole be adjourned at 7:33 p.m. PASSED UNANIMOUSLY.

Respectfully submitted,

Paul P. Antolin
City Clerk

Arthur W. Bryant
Mayor