

FINANCE AND BUDGET COMMITTEE MEETING WEDNESDAY, MAY 25, 2022

A Finance and Budget Committee meeting was held on Wednesday, May 25, 2022, in the City Hall Council Chambers.

Committee Members Present: Scott Bahr, Chair
Kathleen McIntyre, Vice Chair

City Officials and Others Present: Rob Donovic, Councilmember
Scott Morgan, Councilmember
Lynda Scheel, City Treasurer
Leo Neville, Assistant City Attorney
Michael Slater, Finance Director
Connie Kumpula, Chief Accountant

Additional Attendees: Stephanie Atkinson, Plante Moran, PLLC
Stacey Reeves, Plante Moran, PLLC
Keith Szymanski, Plante Moran, PLLC

1. CR 367-02 Topic of Annual Audit Reports. (City of Livonia Audit Reports for the period December 1, 2020, to November 30, 2021)

The meeting convened at 7:05 PM and was led by Committee Chair, Scott Bahr.

Plante Moran presented their annual audit report, complimenting the city on its exceptional preparedness and the ease of the process. They once again submitted an unmodified opinion, which is the goal. They found all accounting and record-keeping to be in compliance with required standards and noted that the city stayed within budget in all categories.

Also of note, they found zero errors in more than 7,000 accounting journal entries.

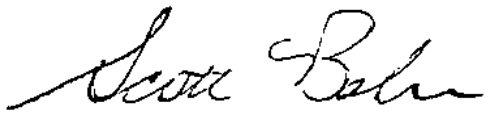
The Committee recommends:

To receive and file the 2021 audit report as submitted.

Note: This item will remain in committee.

This item is to be placed on the **Regular Meeting Agenda of June 27, 2022**

Respectfully submitted,



Scott Bahr, Chair



Kathleen McIntyre, Vice Chair

2. CR 02-22: Administrative response regarding the City's purchasing policy limits.
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Finance Director, Mike Slater, began the discussion, noting that since 1994, the ordinance has required the following for city purchases:

- \$0-\$1,499: no special requirements
- \$1,500-\$14,999: 3 quotes required
- \$15,000+: Sealed bids required and council approval of the expense

With inflation, \$1,500 would be \$2,793 and \$15,000 would be \$27,930 today.

The Administration recommended that the policy be updated as follows:

- \$0-\$2,999: no special requirements
- \$3,000-\$29,999: 3 quotes required
- \$30,000+: Sealed bids required and council approval of the expense

The Administration also asked that the limit for contract adjustments without Council approval be raised to 5% or \$30,000, whichever is less, from the current limit of 5% or \$15,000. Furthermore, the Administration proposed that the point at which the local contractor advantage changes from 3% to 1%, which currently stands at \$100,000, be raised to \$200,000.

Councilwoman McIntyre proposed a resolution that all of these recommendations be adopted with the exception that City Council approval still be required for purchases of \$15,000 or more.

The Committee recommends:

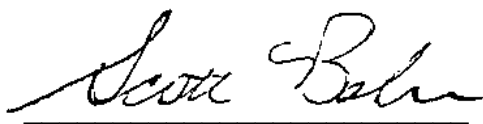
A resolution to include all above-mentioned recommendations be adopted with the exception that City Council approval still be required for purchases of \$15,000 or more.

The meeting was adjourned at 8:05 PM.

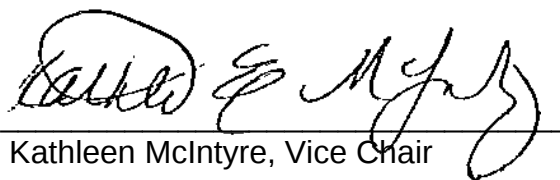
Note: This item will be out of Committee.

This item is to be placed on the **Regular Meeting Agenda of June 27, 2022**

Respectfully submitted,

A handwritten signature in cursive script, reading "Scott Bahr".

Scott Bahr, Chair

A handwritten signature in cursive script, reading "Kathleen McIntyre".

Kathleen McIntyre, Vice Chair