

FINANCE AND BUDGET COMMITTEE MEETING

WEDNESDAY, JUNE 30, 2021

A Finance and Budget Committee meeting was held on Wednesday, June 30, 2021, in the City Hall Council Chambers.

Committee Members Present: Vice President Scott Bahr, Chair
Rob Donovic, Vice Chair

Committee Members Absent: Jim Jolly, Member

City Officials and Others Present: Kathleen E. McIntyre, City Council President
Michael Slater, Finance Director
Leo Neville, Assistant City Attorney
Connie Kumpula, Chief Accountant

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

The meeting convened at 7:01PM.

1. CR 367-02 Topic of Annual Audit Reports. (City of Livonia Audit Reports for the period December 1, 2019 to November 30, 2020)

The meeting was led by Committee Chair, Vice President Scott Bahr.

Plante Moran presented their annual audit report. They city once again was given an unmodified opinion, which is the goal. This year presented extra challenges with working remotely during the audit and converting to the new GASB84 accounting standard, and both Plante Moran and City Finance Director Mike Slater expressed their appreciation for everyone's efforts.

There were again zero errors by the city in more than 8,000 journal entries.

Additional information to note:

- Both revenue and expenditures were higher in FY 2020, and revenue exceeded expenditures by \$1.3M
- Unassigned General Fund balance as a percentage of expenditures is about 24%, which far exceeds the minimum requirement of 16.7%.
- Though not fully funded, Livonia's legacy costs continue to be well managed and in the top tier relative to other Michigan communities.
- Plante Moran recommended that we continue to make discretionary contributions to these funds.
 - The defined benefit pension system is 96% funded, which represents an \$11M liability.
 - The VEBA is 59% funded, representing an \$85M liability.

The Committee recommends:

To receive and file the 2020 audit report as submitted.

Note: This item will remain in committee.

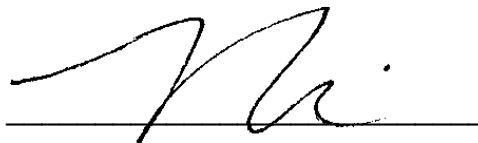
The meeting was adjourned at **7:57PM**

This item is to be placed on the **Regular Meeting Agenda of July 26, 2021**

Respectfully submitted,



Scott Bahr, Chair



Rob Donovic, Vice Chair

cc: City Clerk, City Attorney