



## CITY OF GROSSE POINTE WOODS MEMORANDUM

**Date:** January 27, 2025

**To:** Mayor and City Council

**From:** Steven Schmidt, Treasurer/Comptroller  
Frank Schulte, City Administrator

**Re:** Fund 678 Creation and Budget

After extensive discussions and consultations with Plante Moran, we have decided to establish a new 678 Medical Care Fund. The purpose of this fund is to consolidate all medical-related expenses, ensuring that they are paid solely from this account. This fund will operate similarly to the Worker's Compensation Fund.

In recent years, we've frequently had to make transfers from other fund balances to cover the volatile medical market. By creating the 678 Medical Care Fund, we can build a fund balance during years with lower expenses and use that balance during years when medical costs are higher. This will aim help stabilize our finances and reduce the need for constant internal transfers once the fund has established a sufficient fund balance.

At the end of each fiscal year, we will perform a thorough analysis, just as we do with our other funds, to ensure that the balance of the 678 Medical Care Fund is sufficient to cover anticipated expenses. While it may take a few years to build an adequate balance, the goal is to avoid needing additional transfers in the future.

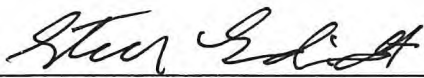
Please see below the current suggested budget for the 678 Medical Care Fund, based on the medical expenses budgeted in all other funds for the current year. The funds to cover this budget will be transferred from the medical expense lines in those other funds. Due to the actual being estimated to be higher than originally budgeted and to provide a small fund balance I am also requesting a budget amendment for an additional \$150,000 from General Fund from previous fund balance 101-000-692.100 to include in the Transfer in GF line item 678-000-084.101.

Revenue Line Description	Budget Line	Amount
Transfer In GF	678-000-084.101	\$2,329,699
Transfer In Local Road	678-000-084.202	\$138,698
Transfer In Major Road	678-000-084.203	\$147,181
Transfer In Solid Waste	678-000-084.226	\$73,978
Transfer In 911	678-000-084.261	\$32,145
Transfer In Parking	678-000-084.585	\$36,890
Transfer In WS	678-000-084.592	\$241,819
Transfer In MV	678-000-084.661	\$93,006
<b>Total</b>		<b>\$3,043,416</b>

<b>Expenses</b>		
Line Description	Budget Line	Amount
Retiree Health Care BCBS	678-210-717.000	\$693,000
Medicare Advantage Retiree	678-210-717.010	\$245,600
Delta Dental Retiree	678-210-717.020	\$106,000
Humana Retiree	678-210-717.030	\$302,000
Life Retiree	678-210-717.040	\$206
Health/Optical	678-210-719.000	\$1,555,000
Dental	678-210-719.010	\$70,000
Life& LTD	678-210-720.000	\$17,600
<b>Total</b>		<b>\$2,989,406</b>

If you have any questions, please feel free to call me.

Thank you.



Steven Schmidt  
Treasurer/Comptroller



Frank Schulte  
City Administrator