

MINUTES OF THE MEETING OF THE COMMITTEE-OF-THE-WHOLE OF THE CITY OF GROSSE POINTE WOODS HELD ON MONDAY, APRIL 11, 2011, IN THE CONFERENCE ROOM OF THE MUNICIPAL BUILDING, 20025 MACK AVENUE, GROSSE POINTE WOODS, MICHIGAN.

PRESENT: Mayor Novitke
Council Members Bryant, Granger, Howle, Ketels, McConaghy, Sucher

ABSENT: None

ALSO PRESENT: City Administrator Fincham
Treasurer/Comptroller Irby
City Attorney Don Berschback
City Clerk Hathaway
Director of Public Works Ahee
Director of Public Safety Pazuchowski
City Engineer Lockwood
City Engineer Rabine

Also in attendance: Kyle Seidel, Department of Public Safety
Ryan Schroerlucke, Department of Public Safety

Mayor Novitke called the meeting to order at 7:33 p.m.

Motion by Granger, seconded by Bryant, that all items on tonight's agenda be received, placed on file, taken in order of appearance.

The Chair confirmed with the City Engineer that the State Revolving Fund would be included in the discussion relating to water/sewer rates listed on tonight's agenda.

Motion carried by the following vote:

Yes: Bryant, Granger, Howle, Ketels, McConaghy, Novitke, Sucher

No: None

Absent: None

Discussion ensued regarding **Water/Sewer Rates**. Jim Rabine provided an overview regarding the State Revolving Fund (SRF) and grant timeline. He also provided detailed comparisons between Table 14B - Annual Costs & Percentages for water and sewer funds if no projects were done versus Blended SRF Table 14B dated April 11, 2011 - Annual Costs & Percentages and Table 14C-Use of Dedicated Reserve Funds, which included all of the projects (\$6.8 million.) City Engineer Rabine recommended adopting a middle-ground blended rate rather than having to increase rates in excess of 16% at a later date to pay the SRF. City Engineer Lockwood recommended doing all of the \$6.8 million in projects due to existing deficient pipe and explained it would cost even more to perform emergency repairs. The Director of Public Works concurred with City Engineer Lockwood. The City Administrator recommended doing all \$6.8 million in projects, further that the most critical projects be identified and completed first. The

Treasurer/Comptroller recommended readdressing and looking at doing the projects closer to the loan approval time (which the City Engineer stated was August.)

The City Engineer stated the projects have not yet been funded, but the City remains on the State's list for consideration. Engineer Rabine suggested doing some sort of in-between increase because sewers are cracked and taking in ground water, which is costing the City to have treated; further, the water brings in soils that will cause pipes to collapse at a higher cost to repair. Engineer Rabine recommended the City increase the rate to 10.28% before the end of this Fiscal Year. He also stated that if the City does not receive state funding at 2.5%, the City would have to obtain alternative funding such as bonding.

The Chair declared a recess at 8:20 p.m., and reconvened at 8:28 p.m.

The City Engineers Rabine and Lockwood, Director of Public Works, City Administrator and Treasurer/Comptroller recommended the increase become effective prior the end of this Fiscal Year.

The Chair stated a Committee-of-the-Whole will be scheduled for May 2, 2011, to continue discussing this item, identify what is being approved, which projects are urgent, how they will be funded, and potential liability.

A brief discussion ensued regarding a letter dated April 4, 2011, received from the Detroit Water and Sewer Department (DWSD) responding to questions submitted by the City. The Chair directed administration to prepare a letter thanking the DWSD for their time and responses, which is to be signed by all of City Council.

The Treasurer/Comptroller then provided an overview regarding **millage projections**. She stated the State of Michigan has not yet provided the formula to project the Headlee calculation, and was hoping to receive it by the third week of April. Regardless, she is projecting the need for a .5 mill increase, which has been built into the proposed budget. The value of 1 mill is \$618,000, and .5 mill is \$309,000; the \$618,125,396 listed under revenue includes personal property as determined by the Board of Review, however only three days were calculated into the proposed budget prior to printing, one more day has yet to be included. She again stated an additional .5 mill was included in the proposed budget, or 15.2397 total, and that the increased millage will reduce the shortfall to \$287,000.

The Chair pointed out that the City continues to maintain adequate reserves, and that fund balance is in good shape.

The Chair declared a recess at 9:03 p.m., and reconvened at 9:09 p.m.

The Committee then began review of the **proposed FY 2011/12 Budget**. The following items were discussed under the Mayor/Council section:

- Eliminate Council salary/Social Security. The Chair reminded Council they can donate their salary if they choose. There was some support to reduce the salary. There was majority consensus not to eliminate Council salary generally because it serves as a stipend to cover expenses.
- Membership/Travel: The Chair suggested removing U.S. Mayor's Conference (\$2,000), MML Annual Conference (\$4,000), and MML Capital Conference (\$1,000) totaling \$7,000 because these conferences are not attended, and to possibly eliminate the NLC Membership (\$1,500) except that it provides prescription coverage savings for residents. There was unanimous consensus to remove the conferences totaling \$7,000.
- Employee Relations: Eliminate the Commission Appreciation Reception (\$12,000). The Chair recommended keeping the event. Other suggestions included rather than eliminating the event, to hold it in the Community Center or the current venue at a reduced cost. (Council Member Granger left the meeting at 9:34 p.m. due to illness.)
- Special Projects: Eliminate/reduce and change title to "Contingency".

Motion by Ketels, seconded by Bryant, that the meeting of the Committee-of-the-Whole be adjourned at 9:43 p.m. PASSED UNANIMOUSLY.

Respectfully submitted,

Lisa Kay Hathaway
City Clerk