

MINUTES OF THE MEETING OF THE COMMITTEE OF THE WHOLE OF THE CITY OF GROSSE POINTE WOODS HELD ON MONDAY, APRIL 23, 2012, IN THE COUNCIL/COURT ROOM OF THE MUNICIPAL BUILDING, 20025 MACK AVENUE, GROSSE POINTE WOODS, MICHIGAN.

PRESENT: Mayor Pro-Tem Granger
Council Members Bryant, Ketels, Koester, McConaghy, Shetler

ABSENT: Mayor Novitke

ALSO PRESENT: City Administrator Fincham
Treasurer/Comptroller Irby
Director of Public Services Ahee
City Attorney D. Berschback
City Engineer Lockwood
Deputy City Clerk Ryska

ALSO IN
ATTENDANCE: Jim Rabine, Anderson, Eckstein & Westrick (AEW)
Kyle Seidel, AEW
Pat McGow, Bond Council, Miller Canfield
Ryan Bedzinski, Municipal Financial Advisor, Bedzinski & Co.

Mayor Pro-Tem Granger called the meeting to order at 7:32 p.m.

Motion by Bryant, seconded by Shetler, that Mayor Novitke be excused from tonight's meeting.

Motion carried by the following vote:

Yes: Bryant, Granger, Ketels, Koester, McConaghy, Shetler
No: None
Absent: Novitke

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

Motion carried by the following vote:

Yes: Bryant, Granger, Ketels, Koester, McConaghy, Shetler
No: None
Absent: Novitke

The first item on the agenda was regarding the **State Revolving Fund (SRF) Sewer Project**. Treasurer/Comptroller Irby gave an overview of the project stating that Administration and the City Engineers worked to get the sewer repair project down to \$4.9 million, inclusive of fees and interest. By entering into a Bond agreement with the State, the City will receive funds at a 2.5% interest rate over the course of 20 years. The City would likely be subject to a rate of 3% or higher without using the Michigan Finance Authority SRF Program. It is necessary to enter into a sewer repair project to avoid having to pay back a \$1 million grant the City received in 2005 for televising the sewer system to determine needed repairs.

Pat McGow, Bond Council, stated that the next step is to recommend to City Council the Notice of Intent Resolution – Water Supply and Sewage Disposal System Revenue Bonds. If Council approves it, the Clerk will publish a notice giving a referendum right to electors if a petition of 10% of the population is submitted within 45 days of the publication. If petitions are not submitted, the City will go out for bid in July, anticipate MDEQ approval in August and the loan could close in September. Mr. McGow also noted that this bond amount is not to be exceed \$4.9 million, but can be reduced if necessary.

Motion by Bryant, seconded by Ketels, that the Committee of the Whole recommend the **Notice of Intent Resolution – Water Supply and Sewage Disposal System Revenue Bonds** to Council for consideration at their meeting on May 7, 2012.

Motion carried by the following vote:

Yes: Bryant, Granger, Ketels, Koester, McConaghy, Shetler

No: None

Absent: Novitke

The next item discussed was the **Proposed Water/Sewer Budget**. Treasurer/Comptroller Irby stated that the budget includes the proposed SRF monies. There are some increases in concrete maintenance reflecting the sewer repair work that will be done under the proposed SRF Sewer Project. Water main and meter repairs through the DWRF will continue in this fiscal year. Backup diesel pumps for the Torrey Road Pump Station were also included in the proposed budget. The pumps are necessary to ensure uninterrupted service in the event of a power failure.

Jim Rabine, AEW, addressed the Committee explaining that the City needs to pay Detroit water increases and debt services, including the proposed SRF Bond. Rather than increase water bill rate all at once, AEW is proposing a gradual increase beginning with an estimated 2.01% in FY 2012/13. Mr. Rabine then explained how the water bill charges are divvyed up, with funds

going to Wayne County, Detroit, and fixed city debt services (including DWRF and proposed SRF).

Discussion then ensued regarding the timeline for the proposed budget. Mr. Rabine indicated that the rates presented in the budget are anticipated, however, actual numbers will not be available until Detroit adopts the rates, which could happen after the City is required to adopt its budget. Ms. Irby stated that the budget must be approved by the City Council, by the third Monday in May. If Detroit's rates are different than anticipated, Council will need to do a budget amendment in July.

Motion by Bryant, seconded by Shetler, that the Committee of the Whole recommend the **2012/13 Proposed Water/Sewer Budget** to Council for consideration.

Motion carried by the following vote:

Yes: Bryant, Granger, Ketels, Koester, McConaghy, Shetler

No: None

Absent: Novitke

The Committee then discussed possible programs to assist those who can prove hardship in paying for the increase in water bills. Ms. Irby will contact other communities and see if there are programs available.

Hearing no objections, the following items were addressed under New Business:

- Treasurer/Comptroller Irby requested an adjustment in staff to accommodate necessary assistance. While there is a hiring freeze, these changes will not cost the City any additional funds. One full-time position will be reduced to part-time, and two part-time personnel will be hired to work in Accounting and Assessing. Consensus of the Committee was to allow these staffing changes.
- City Administrator Fincham informed the Committee of the new facility in Harper Woods where Public Safety can take stray animals. The Grosse Pointe Animal Adoption Society will be more cost effective and convenient. Consensus of the Committee was to approve the change in venue.
- City Attorney D. Berschback recommended that the Committee allow public comment at tonight's meeting due to the nature of items discussed.

The following individuals were heard during public comment:

- Regarding the Proposed Water/Sewer Budget:
 - Christine Kaczanowski, 19888 E William Ct.

- Regarding the SRF Sewer Project
 - Pete Waldmeir, 514 Hollywood.

The Committee then held a recap discussion about the SRF Sewer Project. Pat McGow, Bond Council, and Ryan Bendzinski, Municipal Finance Advisor, expressed that the terms of the Michigan Finance Authority SRF Program are exceptional for the City. The mere fact that the City was found to be “fund worthy” shows that these repairs are imperative. Treasurer/Comptroller Irby reiterated the fact that if the City does not move forward with the repairs it will have to pay back the \$1 million grant it was awarded in 2005. City Engineer Lockwood stated that if the bond is approved, work would start in September of 2012 and go through 2014. The Committee requested that a preliminary map of the needed sewer repairs be put on the website for residents to view.

Motion by McConaghy, seconded by Bryant, that the meeting of the Committee of the Whole be adjourned at 8:27 p.m. PASSED UNANIMOUSLY.