

MINUTES OF THE MEETING OF THE COMMITTEE-OF-THE-WHOLE OF THE CITY OF GROSSE POINTE WOODS HELD ON MONDAY, FEBRUARY 14, 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
City Attorney Don Berschback
Treasurer/Comptroller Irby
City Clerk Hathaway
Director of Public Works Ahee

Also in attendance were Scott Lockwood and Jim Rabine, Anderson, Eckstein & Westrick.

Mayor Novitke called the meeting to order at 7:34 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.

Motion carried by the following vote:

Yes: Bryant, Granger, Howle, Ketels, McConaghy, Novitke, Sucher
No: None
Absent: None

The only item for discussion on tonight's agenda was regarding **water/sewer rates**. The Committee wanted to know whether the methodology applied by Detroit for calculating the rate increase (18.9%) was fair, whether Mr. Rabine would recommend Council adopt a resolution or write a letter to Detroit Water/Sewer Department (DWSD) opposing the increase, whether Mr. Rabine would recommend Council adopt a Resolution in favor of regional control, and what the probability is that the proposed rates will change in July.

Jim Rabine distributed an informational sheet entitled, *FY 2011/12 Water & Sewer Rate Information*, and provided an overview. Addressing water first, Mr. Rabine stated that the same methodology was employed by Detroit that has been used for many years and that it is fair based on a number of factors as outlined. Mr. Rabine did not recommend adopting a Resolution challenging the water rate, but did offer to assist with composing a letter to DWSD. Mr. Rabine stated he is in favor of Council adopting a Resolution in favor of regional control.

Mr. Rabine stated that Public Hearings on rates will be held on February 23rd (DWSD) and March 10, 2011 (Detroit Council), and suggested Bill Westrick present the letter in opposition to the rate increase.

Discussion ensued regarding whether a second (sprinkler) meter is beneficial, and Mr. Rabine stated that it does not provide a savings. He also stated that return on investment fees are returned to suburban customers first at a rate of 6.4%, and then to Detroit residents.

The Chair declared a recess at 8:37 p.m., and reconvened at 8:48 p.m.

There was concurrence of the Committee to direct Administration to schedule a meeting with a DWSD Representative in March.

There was a consensus of the Committee that the City Administrator and Jim Rabine prepare a Resolution supporting regionalization of the Water Board.

There was a consensus of the Committee to prepare a letter for presentation to the DWSD at their public hearing on February 23, 2011, to be signed by Mayor and Council, opposing the 18.2-18.9% water rate increase, and that Bill Westrick present the letter to the Water Board on the City's behalf.

Discussion then ensued regarding the Treasurer/Comptroller – City Administrator's memo dated February 10, 2011, stating, "The increase from the current rate to the proposed rate 'without tank' would have been 62.5%", over the last year. Between 2009/10 and 2010/11 Detroit revenues were reduced by \$220,000, or 20%. The proposed rate is up 18.2% from 2010. The rate increase from \$10.21 last year to \$12.07 would have been increased to \$16.58 without the tank according to Mr. Rabine, Mr. Lockwood, and Ms. Irby.

The Committee then segued into discussing sewer rates. Mr. Rabine stated that Detroit has calculated revenue the same as in the past, with an approximate 11.5% increase. Mr. Rabine reviewed the sewer portion of the handout and estimates Grosse Pointe Woods' rate will be about the same as Wayne County (6.7%). Mr. Rabine will provide rates the end of March or beginning of April. This item is to remain on the Committee-of-the-Whole.

Motion by Bryant, seconded by Sucher, that the meeting of the Committee-of-the-Whole be adjourned at 9:33 p.m. PASSED UNANIMOUSLY.

Respectfully submitted,

Lisa Kay Hathaway
City Clerk