

MINUTES OF THE MEETING OF THE COMMITTEE-OF-THE-WHOLE OF THE CITY OF GROSSE POINTE WOODS HELD ON MONDAY, OCTOBER 26, 2009, IN THE CONFERENCE ROOM OF THE MUNICIPAL BUILDING, 20025 MACK AVENUE, GROSSE POINTE WOODS, MICHIGAN.

PRESENT: Mayor Novitke  
Council Members Bryant, Dickinson, Granger, Howle (left at 10:15 p.m.), Sucher, Waldmeir (left at 10:15 p.m.)

ABSENT: None

ALSO PRESENT: City Administrator Wollenweber  
City Treasurer/Comptroller Irby  
City Attorney Chip Berschback  
City Clerk Hathaway

Also in attendance was Dennis DuBay, Labor Attorney, and Mark Manquin, CornerstoneGroup.

Mayor Novitke called the meeting to order at 7:31 p.m.

Motion by Dickinson, seconded by Granger, that the Committee-of-the-Whole recess the regularly scheduled Committee-of-the-Whole meeting at 7:32 p.m. and convene in Closed Executive Session for the purpose of discussing legal opinions and labor negotiations in accordance with the Open Meetings Act 1976 PA 267.

Motion carried by the following ROLL CALL vote:

Waldmeir	Yes
Bryant	Yes
Dickinson	Yes
Granger	Yes
Howle	Yes
Novitke	Yes
Sucher	Yes

The Committee-of-the-Whole reconvened in regular session at 10:22 p.m.

Now in attendance at the meeting were Don Keim, Bond Counsel; Mike Gormely, Financial Advisor; Joe Ahee, Director of Public Works; Scott Lockwood, City Engineer; and Council Candidates Gabriela Boddy and Todd McConaghy.

Council Members Howle and Waldmeir were no longer in attendance.

The Chair asked for a consensus of the Committee to remove Item Nos. 5 – Newspaper Bids, 6 – Milk River Drain Millage, and 7 – New Business from tonight's agenda due to the late hour and the need to address the water tank and DWRF financing.

The City Administrator provided a brief overview regarding the Children's Home property as a matter of new business.

Motion by Sucher, seconded by Bryant, that Item Nos. 5 – Newspaper Bids, 6 – Milk River Drain Millage, and 7 – New Business be removed from tonight’s agenda.

Motion carried by the following vote:

Yes: Bryant, Dickinson, Granger, Novitke, Sucher  
No: None  
Absent: Howle, Waldmeir

Motion by Sucher, seconded by Bryant, to excuse Council Members Howle and Waldmeir from the remainder of tonight’s meeting.

Motion carried by the following vote:

Yes: Bryant, Dickinson, Granger, Novitke, Sucher,  
No: None  
Absent: Howle, Waldmeir

The next topic discussed was regarding an **update on the water tank and DWRF (Drinking Water Revolving Fund) Financing**. Mr. Keim provided an overview of his memo dated October 23, 2009, regarding Financing of Water Projects. The City did not qualify for stimulus money or for 2.5% funding on \$2,000,000 through the DWRF program for the water reservoir, which was previously authorized by resolution by City Council. However, the City’s projects might move into the fundable range if one or more of the projects drops out, and Mr. Keim stated there is a good chance the City will qualify for the DWRF program. Two applications were made, one for \$2 million for the water reservoir, and another for \$7.5 million for meters and/or replacement lines, which would require additional Council action if it is approved and accepted. Mr. Keim then discussed alternative methods of financing outlined in his memo including issuing BANs (Bond Anticipation Notes) combined with use of the City’s fund balance to be reimbursed by DWRF funds. Methods included utilizing BANs in the amount of \$1,000,000, issuing a second series of bonds in the amount of \$2 million, and issuing a new Notice of Intent for \$7,500,000 that would include meter project and/or replacement lines project. The cost to issue bonds is approximately \$50,000 but, according to the City Administrator, is reimbursable from DWRF money, which would not be reimbursed until July 2010 at the earliest.

The Chair requested administration to provide numbers identifying fully funding the project(s) including the rate reduction provided by Detroit if the water tank is installed by July. The Treasurer/Comptroller confirmed the water tank with the rate reduction will pay for itself. She recommended raising the combined water/sewer rates 4% (average \$30 rate increase per residential customer per year) for each year for five consecutive years to cover \$9.5 million in water improvements and \$6 million for sewer improvements and annual rate increases from Detroit, which were increases recommended by Plante Moran to stay on track with the City’s Capital Outlay Plan.

Mr. Keim stated it is time for Council to: 1) Decide whether to do the reservoir project because it must be installed by July in order to receive the benefit of the water rate reduction; 2) consider Plante Moran’s recommendations regarding the 4%

water/sewer rate increase for five years to repay the total \$15.5 million in capital outlay; and, 3) issue a second notice of intent for \$7.5 million based on the assumption of getting DWRF.

Motion by Dickinson, seconded by Granger, that the Committee-of-the-Whole recommend City Council adopt a resolution authorizing the City Clerk to publish a Notice of Intent for \$7.5 million, and approve three contracts for installing the reservoir in an amount not to exceed \$2 million.

Motion carried by the following vote:

Yes: Bryant, Dickinson, Granger, Novitke, Sucher,  
No: None  
Absent: Howle, Waldmeir

Motion by Granger, seconded by Bryant, that the previous motion be immediately certified.

Motion carried by the following vote:

Yes: Bryant, Dickinson, Granger, Novitke, Sucher,  
No: None  
Absent: Howle, Waldmeir

Motion by Bryant, seconded by Sucher, that the meeting of the Committee-of-the-Whole be adjourned at 12:05 p.m. PASSED UNANIMOUSLY.

Respectfully submitted,

Lisa Kay Hathaway  
City Clerk