

MINUTES OF THE MEETING OF THE COMMITTEE-OF-THE-WHOLE SITTING AS A FINANCE COMMITTEE OF THE CITY OF GROSSE POINTE WOODS HELD ON MONDAY, FEBRUARY 2, 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, Sucher, Waldmeir
ABSENT: None

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

Also in attendance were Plante Moran Auditors Mark Hurst and Pamela Hill

Mayor Novitke called the meeting to order at 7:00 p.m.

The first item discussed was the FY June 30, 2008, Audit Review and the report to the City Council. Treasurer/Comptroller Irby assured the Council that procedures recommended by the auditors have been, or are being, implemented as suggested.

Mr. Hurst provided an overview regarding the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2008, noting that the City has received a positive rating, that being unqualified. He also stated that accounting standards identify fund balance (\$3,041,334) be comprised of 10-15% of the total expenditures (\$11,418,739), and the City exceeds that standard (25%.) Mr. Hurst cautioned the Committee that due to the economy revenues are expected to decline, impacting municipal budgets for at least the next two fiscal years.

The Chair noted that by adding \$1.6 Million from the Cable Fund, and \$1.6 Million in water/sewer reserves to the fund balance, the City's total unrestricted reserves available to be used when needed totals approximately \$6.5 Million. Mr. Hurst and the Treasurer/Comptroller agreed.

The Treasurer/Comptroller stated the Finance Department plans to prepare a 5 year plan on capital expenditures, etc.

Motion by Granger, seconded by Dickinson, regarding the FY June 30, 2008 Audit Review, that the Committee-of-the-Whole recommend to City Council that the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2008, be received and placed on file.

Motion carried by the following vote:

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

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

Motion carried by the following vote:

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

The Chair noted that the City received approximately \$6 million in grant funding for various road construction projects over the past couple of years with the City's share being approximately \$600,000, which nearly equals the total of the net change in fund balances.

The Chair declared a recess at 7:27 p.m., and reconvened at 8:33 p.m.

Also in attendance for this portion of the meeting:

Scott Lockwood, City Engineer
Joe Ahee, Director of Public Works

The City Administrator then provided an update regarding the **Water Tower**. The Chair stated, with confirmation by the City Administrator, that the Water Tower needs to be functioning in order for the City to receive reduced water rates. There are three separate bids needed for three phases/components of the project; the pump station, reservoir, and sight preparation. Site preparation will require additional contingency costs.

The City Administrator stated anticipated sale of bonds will acquire up to \$2 million, with anticipated costs at \$1.6 million. The City Engineer will act as Project Manager at cost of approximately \$100,000-125,000, with additional contingency funding needed.

The Chair stated, and the City Administrator confirmed, that regardless of whether the City contracts with Grosse Pointe Farms or the City of Detroit to supply water, the water tank is needed, and as a result of its construction, the new rate would take effect one year from July.

The City Administrator stated that the City Council will need to pass an ordinance regulating watering (sprinkling), and make it effective immediately. The ordinance would then be forwarded to the City of Detroit resulting in the City of Grosse Pointe Woods receiving a decreased rate retroactive to adoption of the ordinance.

The Chair stated a meeting needs to be held with Grosse Pointe Farms to determine governance prior to the March 9th Committee-of-the-Whole Meeting. Administration was directed to provide cost calculations. Committee-of-the-Whole will then make a recommendation for Council consideration regarding an Agreement with the Farms or Detroit.

Mike Gormely is preparing costs. The Chair stated the Committee-of-the-Whole at the meeting on March 9th will also discuss whether to form an authority.

Construction of the Water Tower will need to be addressed by the Planning Commission at their meeting on February 24, 2009.

In order for the City to obtain a rate reduction effective July 2010, the City must prove the tank was operational by July 2009.

The City Administrator stated administration is seeking authorization to bid three projects which includes a 500,000 gallon water reservoir, a pump station, and site work. Hearing no objections, there was a consensus of the Committee-of-the-Whole to authorize the City Engineer to go out for bids.

Motion by Waldmeir, seconded by Bryant, that the meeting of the Committee-of-the-Whole be adjourned at 9:21 p.m. PASSED UNANIMOUSLY.

Respectfully submitted,

Lisa Kay Hathaway
City Clerk