

MINUTES OF THE MEETING OF THE COMMITTEE-OF-THE-WHOLE OF THE CITY OF GROSSE POINTE WOODS HELD ON MONDAY, OCTOBER 23, 2017, IN THE CONFERENCE ROOM OF THE MUNICIPAL BUILDING, 20025 MACK AVENUE, GROSSE POINTE WOODS, MICHIGAN.

PRESENT: Mayor Novitke
Council Members Bryant, Granger, Ketels, Koester, Shetler
ABSENT: McConaghy

ALSO PRESENT: City Administrator Smith
Treasurer/Comptroller Behrens
City Attorney Chip Berschback
Director of Public Services Schulte
City Engineer Lockwood
Deputy City Clerk Gerhart

Also in attendance, Stephen Duchane former City Manager, City of Eastpointe.

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

Motion by Bryant, seconded by Granger, that Council Member McConaghy be excused from tonight's meeting.

Motion carried by the following vote:

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

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

Motion carried by the following vote:

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

The first item discussed was regarding **Public Safety Authority**. Stephen Duchane presented an overview of his tenure serving as City Manager in the City of Eastpointe. He explained that Michigan municipalities have faced a reduction in their tax base as a result of a reduction in State revenue sharing, Proposal A limiting the amount property taxes increase on a yearly basis, and the economic downturn of 2008. As a result of this reduction in revenues, municipalities have had to look at other revenue options in order to avoid cutting critical services. During his time as City Manager, Mr. Duchane oversaw the creation of the South Macomb/Oakland Regional Services Authority as permitted by Public Act 57 of 1988. Public Act 57 allows for communities above 15,000 residents to create a Public Safety Authority that has the ability to levy a dedicated Public Safety tax should the voters of both jurisdictions approve. The Public Safety Authority can be

crafted so that the authority serves strictly to collect and distribute property taxes from each jurisdiction back to individual jurisdictions. The creation of a Public Safety Authority does not mean the departments are obligated to provide mutual aid to one another.

It was the consensus of the Committee that exploring Public Act 57 of 1988 was in the best interest of the City. Currently the City spends approximately 46% of the General Fund on Public Safety. By creating a dedicated revenue source, the City would be able to provide better Public Safety Services to residents. It will enable a portion of the general revenue funding to be allocated to items that have been neglected as a result of lean budgeting by the City Council. Increased revenue would allow the City to reinvest in capital improvement projects as well as fund additional improvements to local roads.

The next item discussed was regarding **Fiscal Forecasting**. The Treasurer/Comptroller distributed and provided an overview of the City Department Breakdown based upon 2017-18 FY budget and budget projections calculated using various millage increases. Discussion, questions, and answers ensued. The Treasurer/Comptroller explained she projected an annual taxable value increase of 1.5%, the Headlee rollback factor was estimated at 0.9975, and the City's share of the State Revenue Sharing was left constant. When projecting the expenses for the City, she estimated that expenses would increase 1% annually with an additional 1% increase in employee cost. The first full payment for the capital improvement bond will be due in Fiscal Year 2018-19 with an annual payment of \$200,000.00 per year for twenty years. When forecasting the projected fund balance with potentially additional revenue from Public Act 57, she incorporated local road funding at a rate of 1 mill per year, approximately \$677,977.00 annually. Funding the roads at this rate would allow for the re-construction of one local road every other year. The City Engineer provided a revised infrastructure inventory that included an updated replacement cost for the remaining roads on the immediate repair program.

The Committee asked the various department heads for their recommendations regarding the millage rate and length of time for a potential Public Safety Authority: the Treasurer/Comptroller recommended 4 mills for 8-10 years; the City Administrator recommended 4 mills for 10-15 years; the Director of Public Services recommended 4 mills for 10-15 years; and the City Attorney recommended 4 mills for 10-15 years. Mr. Duchane recommended 4-6 mills for a minimum of 10 years. It was the consensus of the Committee that, for the purpose of locating a potential partner with which to form a Public Safety Authority, the millage rate would be approximately 4 mills per year for 10 years. Discussion was held regarding potential characteristics to look for in partner communities, but it was the consensus of the Committee to allow Mr. Duchane flexibility when evaluating potential partners.

There was a consensus of the Committee to authorize the City Administrator to hire Stephen Duchane at a rate of \$115.00 per hour for 10 hours to assist administration with locating potential partner jurisdictions and to provide the legal framework for the partnership. The Committee-of-the-Whole will meet with Mr. Duchane on December 11, 2017 to discuss his findings.

Motion by Bryant, seconded by Shetler, that the meeting of the Committee-of-the-Whole be adjourned at 9:02 p.m. PASSED UNANIMOUSLY.

Respectfully submitted,

Steve Gerhart
Deputy City Clerk

Robert E. Novitke
Mayor