

MINUTES OF THE MEETING OF THE COMMITTEE-OF-THE-WHOLE OF THE CITY OF GROSSE POINTE WOODS SITTING AS A FINANCE COMMITTEE HELD ON MONDAY, MAY 1, 2017, IN THE CONFERENCE ROOM OF THE MUNICIPAL BUILDING, 20025 MACK AVENUE, GROSSE POINTE WOODS, MICHIGAN.

PRESENT: Mayor Novitke  
Council Members Bryant, Granger, Ketels (left at 7:08 p.m.),  
Koester, McConaghy, Shetler  
ABSENT: None

ALSO PRESENT: City Administrator Smith  
Treasurer/Comptroller Behrens  
City Clerk Hathaway  
Director of Public Safety Kosanke  
Director of Public Services Schulte  
Recreation Supervisor Byron

Also present were City Engineers Kyle Seidel and Scott Lockwood, Anderson Eckstein and Westrick.

Mayor Novitke called the meeting to order at 6:00 p.m.

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, Novitke, Shetler  
No: None  
Absent: None

A **payroll tax withholding update** was provided by the Treasurer/Comptroller. She stated \$34,205.65 in total net expenses and reimbursements have been paid, however she continues to receive requests from current and former employees. Funds have not been received for FICA to date. The Chair stated this item is to remain on the Committee-of-the-Whole agenda for future meetings for the purpose of providing updates.

Corrected per Council 05/15/17. lkh
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The first item discussed was **water rates**. Mr. Seidel recommended approval of ~~the 4.2% commodity increase~~ Option 1, a 4.0% commodity increase only, for the total bill for the average user. He stated most customers in this community are residential customers, with an average consumption at 10.4 ccf per month. He cited a bit of history by stating that at one time the City passed along only a commodity charge then approximately ten years ago the City went to a fixed cost. Typically a fixed bill would be approximately \$35.00 per month and 40% is paid to the Great Lakes Water Authority. He stated that a fixed rate tends to create a greater amount of wasted water, which increases the City's costs. Mr. Seidel recommended the City Council adopt Option 1 by

only raising the commodity rate. The City Administrator and Treasurer/Comptroller concurred with his recommendation. The Committee concurred with administration's recommendations, and a resolution is to be presented to City Council on May 15, 2017.

Motion by Granger, seconded by Shetler, that the Committee-of-the-Whole recommend to City Council adoption of Option 1, a commodity rate increase only, which is a 4% increase for the total bill for the average user, as presented by the City Engineer.

Motion carried by the following vote:

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

Discussion ensued along with review of the **proposed 2017/18 budget**. The Chair addressed the revised budget sheets presented as a result of changes made at the prior meeting. Now placed back into the budget was City Hall tuck pointing, City Hall painting, and the Absent Voter Office upgrades. The Treasurer/Comptroller stated that funds would not have to be taken out of fund balance, and that funds are available in the municipal improvement fund, which has a balance in the amount of \$150,000.00. She stated these are projects that administration felt were important enough to be completed. Following discussion, there was a consensus of the Committee to complete City Hall tuck pointing and City Hall painting; and, to eliminate the Absent Voter Office upgrades from the budget. There was a consensus of the Committee to request the Director of Public Services to look at the condition of Absent Voter Office and report back.

The Treasurer/Comptroller provided an overview of the supplement budget sheets dated April 28, 2017. Discussion ensued regarding a need for an additional \$35,000.00 for the Activities Building roof that was not previously on the list of projects for bonding. Following discussion, there was a consensus of the Committee to add \$35,000.00 to the bond for the Activities Building roof, increasing the bond amount to \$2,215,140.00. The Treasurer/Comptroller stated \$55,000.00 for painting and \$7,000.00 for tuck pointing will be drawn from the municipal improvement budget line.

The Chair requested a summary of budget statistics, and the Treasurer/Comptroller provided the following:

- General Fund Budget - \$12,862,994.00;
- Total Budget \$40,322,878 (including the \$20,000.00 to be taken out for eliminating the absent voter office);
- Total Transfers \$1,202,660.00;
- SEV Taxable \$659,449,995.00;
- 1 mil \$659,449.00;
- 2.25% increase in taxable value.

The Committee then reviewed the proposed budget book. Administration confirmed that WCA Assessing is working out well in the City since being implemented.

Motion by Granger, seconded by Bryant, that Council Member Ketels be excused from the remainder of tonight's meeting.

Motion carried by the following vote:

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

Administration was asked to look at parking lots with meters to evaluate needed improvements, and to look into using parking meter funds to cover the costs. The Treasurer/Comptroller was asked to look at various funds that could cover departmental costs.

Motion by McConaghy, seconded by Granger, that the Committee-of-the-Whole recommend to City Council that the budget notice as presented be published for a Public Hearing on May 15, 2017.

Motion by McConaghy, seconded by Granger, to amend the previous motion by adding, "and authorize the City Clerk to publish a Notice of Public Hearing as amended."

Motion by McConaghy, seconded by Granger, to amend the previous motion by adding, "and to recommend adoption of the proposed FY 2017/18 budget."

Motion carried by the following vote:

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

Motion by Bryant, seconded by Shetler, that water rates be removed from the Committee-of-the-Whole agenda.

Motion carried by the following vote:

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

Motion by Granger, seconded by McConaghy, that the meeting of the Committee-of-the-Whole be adjourned at 7:33 p.m. PASSED UNANIMOUSLY.

Respectfully submitted,

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Lisa Kay Hathaway  
City Clerk

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Robert E. Novitke  
Mayor