

MINUTES OF THE MEETING OF THE COMMITTEE-OF-THE-WHOLE OF THE CITY OF GROSSE POINTE WOODS HELD ON MONDAY, APRIL 14, 2014, IN THE CONFERENCE ROOM OF THE MUNICIPAL BUILDING, 20025 MACK AVENUE, GROSSE POINTE WOODS, MICHIGAN.

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

ABSENT: None

ALSO PRESENT: City Administrator Fincham
Comptroller/Treasurer Irby
City Clerk Hathaway
Director of Public Services Ahee
City Engineer Lockwood

Also present was Mark Hurst, Plante & Moran, and Jim Rabine, Anderson, Eckstein & Westrick.

Mayor Novitke called the meeting to order at 7:33 p.m.

Motion by Bryant, seconded by Ketels, 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

Next item was regarding **Plante & Moran Auditing Services**. Mr. Hurst provided an overview of his letter dated April 4, 2014. He stated the current Agreement for auditing services will expire after the June 30, 2014, audit and is proposing extending the Agreement for the Fiscal Years 2015 and 2016. Services will include implementation of GASB 67 for this year, and GASB 68 for 2015. Proper implementation of the two GASB's are critical to the CAFR. Mr. Hurst presented the following two pricing options:

1. Extend the standard audit fees by 2% each year for Fiscal 2015 and 2016 (\$2,020 for two years) plus an amount not to exceed \$3,000 annually (\$6,000 for two years); or,
2. Complete the Fiscal 2014 audit under the current Agreement plus the GASB 67 and GASB68 consulting time to date ranging from \$6-\$10,000.

The Treasurer/Comptroller recommended approval of Option 1 - 2%/\$2,020, plus an amount not to exceed \$3,000 annually (\$6,000). The City Administrator concurred.

Motion by Bryant, seconded by Shetler, regarding Plante & Moran auditing services, that the Committee-of-the-Whole recommend to City Council to extend the contract with

Plante & Moran to perform auditing services for the Fiscal Years 2015 and 2016 with a 2% increase and an amount not to exceed \$3,000.00 annually.

Motion carried by the following vote:

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

Motion by Granger, seconded by Ketels, to remove Plante & Moran auditing services from the Committee-of-the-Whole.

Motion carried by the following vote:

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

The item discussed at tonight's meeting was concerning the **DWSD FY 2014/15 Water and Sewage Rates and charges**. Jim Rabine, Anderson, Eckstein & Westrick, was in attendance to provide an overview and addressed regionalization and Detroit's Emergency Manager's ideas for addressing water issues. Mr. Rabine stated he would like to see regionalization and buy equity in the system because the concept makes sense, but with that should be some of the ownership.

Detroit system waste water increase is approximately 4% (between 3.9-4.1%) with billing at 1/12 yearly cost. There are fixed costs on the sewer side. Waste water increases for Northeast Sanitary Sewer (NESS) are 7.29%, and this increase has to be passed on to water customers. Last year's increase was 4.9%.

The Treasurer/Comptroller presented three water and sewer rate scenarios. The Treasurer/Comptroller and Engineer Rabine are recommending Scenario 3 to maintain consistent rates. The water and sewer increase for 2014/15 is 4.93% with \$170,000 to be taken from reserves. Proposed rates for water and sewer effective July 1, 2014 usage charge will go from \$4.15 to \$4.52 per unit. The flat fees will remain the same. There was a consensus of the Committee to maintain consistent rates.

The Treasurer/Comptroller stated that the fixed monthly charge for only water was \$52,481 last year, and will be \$53,795 this year; commodity charge last year was \$4.15, and will be \$4.52 this year.

Motion by Ketels, seconded by Shetler, to remove DWSD FY 2014/15 Water and Sewage Rates and charges from the Committee-of-the-Whole.

Motion carried by the following vote:

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

The next item was concerning the **proposed FY 2014/15 Budget**.

Motion by Bryant, seconded by Shetler, that the Committee-of-the-Whole recommend to City Council adoption of the proposed FY 2014/15 budget, including the Water and Sewer Enterprise Fund budget.

Motion carried by the following vote:

Yes: Bryant, Granger, Ketels, Koester, McConaghy, Novitke, Shetler

No: None

Absent: None

Motion by Bryant, seconded by Shetler, that the proposed FY 2014/15 Budget be removed from the Committee-of-the-Whole.

Motion carried by the following vote:

Yes: Bryant, Granger, Ketels, Koester, McConaghy, Novitke, Shetler

No: None

Absent: None

Motion by Ketels, seconded by Shetler, regarding **water/sewer rates**, that the Committee-of-the-Whole recommend the City Council approve the 2014/15 water rates as identified in Scenario 3.

Motion by Ketels, seconded by Shetler, to amend the previous motion by adding, "effective July 1, 2014."

Motion carried by the following vote:

Yes: Bryant, Granger, Ketels, Koester, McConaghy, Novitke, Shetler

No: None

Absent: None

The Chair declared a recess at 8:39 p.m., and reconvened at 8:46 p.m.

The following item was discussed under New Business:

- The City Clerk requested to publish for a full-time Deputy City Clerk to fill the vacancy created by the current Deputy's resignation effective April 25, 2014, in an amount not to exceed the current salary of \$49,200.00. She explained salary would be commensurate with experience ranging from \$46,000.00 (the hiring salary paid approximately seven years ago) to \$49,200.00 (current, budgeted salary). Discussion ensued regarding changing this to a part-time position. The City Clerk distributed a listing of Clerk's Department responsibilities, and staffing history since 2004, which showed current staffing cut in half since 2004. The City Clerk recommended keeping this position full-time due to legal requirements of the department, and in order to maintain quality customer service. There was a consensus of the Committee to fill the full-time vacancy.

- Property liability insurance expires September 30, 2014. Bids were last obtained in 2011. The current provider covers inverse condemnation, which other bidders did not include. The current vendor is willing to reduce by the cost by 3%. The City is currently paying \$109,000.00. Administration is requesting direction whether to seek bids or stay with current vendor. Discussion ensued and additional information was requested: would other companies be interested in bidding, would inverse condemnation be included, can Plante & Moran provide insight as to whether it is a tight or soft market. Administration will return within 30 days with additional information.
- The City Administrator provided additional information regarding the vehicle lease program and electric vehicle (Volt). The Chevy Volt costs \$219.00 per year versus \$2,000.00 in gas for one vehicle. He stated one charging station can be installed at Public Safety to charge two vehicles, and it takes three hours to charge a dead battery at \$.60 per charge to full. The charging system itself costs \$700.00, but is in the process of obtaining a full estimates. The gas engine of the Volt kicks in after 40 miles. The price of vehicle is \$25-28,000.00.

The Treasurer/Comptroller reported the financing interest rate with Comerica is 2.5-2.75%, and the City would own the vehicle(s) at end of the term. Ford Motor was at 6% markup for leasing and could not lease Public Safety equipment. It was confirmed that equipment can be financed through Comerica. The Treasurer/Comptroller recommended financing to own rather than leasing. Administration was asked to provide a proposal for financing.

- City Administrator provided property updates on Caribou, vacated Bank of America, and Briarcliff.
- The Director of Public Services reported pot holes will take about a month and more, but that more snow is projected that has a potential to cause more damage.

Motion by Shetler, seconded by Ketels, that the meeting of the Committee-of-the-Whole be adjourned at 9:38 p.m. PASSED UNANIMOUSLY.

Respectfully submitted,

Lisa Kay Hathaway
City Clerk