

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, APRIL 8, 2013, IN THE CONFERENCE ROOM OF THE MUNICIPAL BUILDING, 20025 MACK AVENUE, GROSSE POINTE WOODS, MICHIGAN.

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

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

Mayor Novitke called the meeting to order at 8:00 p.m.

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

Motion carried by the following vote:

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

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

The Committee discussed the **proposed 2013/14 budget**. The Chair reiterated a discussion recently held at the Finance Committee regarding the City Attorney's budget, which includes additional items other than City Attorney fees such as Labor Attorney fees and costs for Michigan Tax Tribunal. The Treasurer/Comptroller distributed updated budget sheets renamed, *Legal Services & Other Consultants*, to replace the *City Attorney* budget sheet making the title more representative of the line items.

The Treasurer/Comptroller provided an overview of the proposed budget. The budget includes a .0083 mill increase taking it to the Headlee cap, which may go up or down based on the formula received today from the State Tax Commission. The General Fund budget is approximately \$734,000 short, and will be drawn out of General Fund Fund Balance, which shortfall was reduced from \$769,385 due to cuts made by the Finance Committee in Municipal Improvements and Motor Vehicle Fund. There is a shortfall in Other Funds of \$460,000, which includes municipal improvements, streets, etc.

The Treasurer/Comptroller distributed a number of revised budget sheets affected by reductions made by the Finance Committee. Under non-restricted, a 20% road-grant match in the amount of \$400,000 was not included in the budget. She stated that if the budget continues status quo for another year then a few funds will be in the red, or \$230,000 would need to come out of the General Fund Fund Balance. Also included in the budget was Assessing's WCA contract in the amount of \$80,000 and \$30,000 for a part-time assessor. She further stated no pay or benefit increases were budgeted, and the TPOAM contract has been settled including a number of concessions. The budget includes pension increases in the amount of \$150,000 (an amount gleaned from the Actual Report), administrative fringes decreased, the parking budget includes a part-time Parking Enforcement Office at a cost of \$25,000 (cost is offset by revenue), Grosse Gratiot Drain costs were estimated for operations/maintenance until a meeting is held in the fall and will be placed on the winter tax bill but is anticipated to remain the same as in past years. Water/sewer is not included but a rate increase in excess of 5% is anticipated, which will be discussed at the Committee-of-the-Whole Meeting on April 29, 2013.

The cost for employees across all funds is \$9.5 million. Of the \$32-33 million budget, employees are about 57% of the budget. The budget does not contain pending Michigan Tax Tribunal (MTT) refunds for Kroger and Lochmoor estimated at about \$150,000.

The budget is down about \$1.2 million overall, partly due to Grosse Gratiot Drain Bonds having been paid off. The Rivers project is expected to produce approximately \$50,000 in building fee revenue this fiscal year and approximately \$250,000 in property tax revenue in fiscal year 2015/16. Two full-time employees are eligible to retire; one each from the Departments of Public Services and Public Safety. The Director of Public Services will recommend that City Council fill a vacancy at a lower rate and benefits. The City Administrator will not recommend replacing the Department of Public Safety position. Both of these positions have been included in the proposed budget at their current rates of compensation.

The Committee then commenced reviewing the budget books. Discussion included:

- Mayor and Council: Council Member Koester discussed a reduction in Council salary.
- Building Department: Administration was asked to determine how much revenue may be lost if a part-time employee is not hired. A part-time time staff person would cost \$25,000.

The Chair declared a recess at 9:12 p.m., and reconvened at 9:21 p.m.

- Management Information Systems: Discussion ensued regarding use of the cloud. The City Clerk was directed to place this item on a future Committee-of-the-Whole agenda.
- Major/Local Streets: The Mayor requested administration to obtain information regarding use of polymer coating verses asphalt on roadways.
- Ambulance Fund: There was a consensus to arrange for a presentation for sometime in June from Medstar and Beaumont regarding privatization of ambulance services, as well as from the City's EMS employees including

- information on equal in-house service levels. Administration was also asked to provide information regarding the impact upon long-term liability.
- Parking: Administration was asked to look at installing new meters for presentation at a future meeting.

The Chair requested Membership and Travel be broken out for all departments.

Motion by McConaghy, seconded by Shetler, that the Committee-of-the-Whole recommend to the City Council adoption of the budget as modified.

Motion carried by the following vote:

Yes: Granger, Ketels, McConaghy, Novitke, Shetler
No: Koester
Absent: Bryant

Hearing no objections, the following items were discussed under New Business:

- The City Administrator announced Caribou Coffee is being taken over by Peets and the Grosse Pointe Woods branch is closing, however a Bigbee Coffee is moving onto Brys and Mack.
- Paul Spiteri, 1829 Allard Ave. Spoke in favor of the millages on the ballot and the proposed budget. He does not want to see services impacted.
- George McMullen spoke in favor of the proposed budget.

Motion by Granger, seconded by Ketels, that the meeting of the Committee-of-the-Whole be adjourned at 10:23 p.m. PASSED UNANIMOUSLY.

Respectfully submitted,

Lisa Kay Hathaway
City Clerk