



**CITY OF GROSSE POINTE WOODS**  
**20025 Mack Plaza Drive**  
**Grosse Pointe Woods, Michigan 48236-2397**

**NOTICE OF MEETING**

Chairperson Todd A. McConaghy has called a meeting of the **Finance Committee** for **Monday, March 5, 2012, at 8:30 p.m.** The meeting will be held in the Conference Room of the Municipal Building, 20025 Mack Plaza, and is accessible through the Municipal Court doors. In accordance with Public Act 267, the meeting is open to the public and the agenda items are as follows:

1. Call to Order
2. Roll Call
3. Acceptance of Agenda
4. Approval of Minutes: 01/30/12
5. Financial Consultant
6. New Business
7. Adjournment

CC:  
McConaghy – Chair  
Novitke  
Koester

Fincham  
Irby  
Hathaway

File

Submitted by: Todd McConaghy

Office Held: Chair

Telephone: 313 343-2440

FINANCE COMMITTEE  
01-30-12 – 03

MINUTES OF THE FINANCE COMMITTEE MEETING OF THE CITY OF GROSSE POINTE WOODS HELD ON MONDAY, JANUARY 30, 2012, IN THE CONFERENCE ROOM OF THE MUNICIPAL BUILDING, 20025 MACK PLAZA, GROSSE POINTE WOODS, MICHIGAN.

The meeting was called to order at 7:35 p.m. by Chair McConaghy.

PRESENT: Chair McConaghy  
Members Koester, Novitke

ABSENT: None

ALSO PRESENT: Administrator Fincham  
Treasurer/Comptroller Irby  
City Attorney Don Berschback  
City Clerk Hathaway  
Director of Public Works Ahee

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

Motion passed by the following vote:

Yes: Koester, McConaghy, Novitke  
No: None  
Absent: None

Motion by Koester, seconded by Novitke, that the minutes of January 9, 2012, be approved as submitted.

Motion passed by the following vote:

Yes: Koester, McConaghy, Novitke  
No: None  
Absent: None

Discussion ensued regarding **cost containment efforts**. The City Administrator provided an overview and stated administration has done their due diligence. Cost containment efforts included reducing staff through attrition from 105 to 87 full time employees (18%) without having to reduce services, equipment replacement cycles have been postponed (computers, scout cars, and fleet inventory), and purchases have been delayed.

The Chair stated he has been impressed with the ability to maintain the fund balance.

The City Administrator stated that if it is necessary to cut services, those affected may include leaf pick up, plowing sidewalks, plowing and salting, and tree trimming.

## FINANCE COMMITTEE

01-30-12 – 04

The Mayor stated Grosse Pointe Woods wants to remain a point of destination, and that maintaining services is key. With cost containment efforts already implemented, additional substantial dollar cuts would be personnel, which would impact services. Reserves and expenses have been addressed, previous cost containment measures realized \$200,000, and substantial savings have been realized by reducing the number of employees without affecting services. He said that revenue now needs to be addressed and that the remaining .41 mills left on the Headlee cap will generate \$250,000. Further, normal road construction/maintenance ceased in 2008, when in prior years \$1-1.5 million was spent on road construction annually.

The Treasurer/Comptroller provided a brief millage history:

In 2007 1 mill = \$867,000;

In 2012 1 mill = \$595,000.

Council Member Koester stated his concern was regarding the level of public safety after staffing cuts. The City Administrator stated coverage is sufficient given the reduction in Command Officers, from 14 to 7, allowing for more patrols on the street.

Discussion then ensued regarding **proposed increase in current millage**. The current rate is rolled back to 14.0492, with approximately .41 mills remaining that the City Council can authorize be placed on the tax bills to generate approximately \$250,000. Including the projected 3% decline in taxable value, the budget would be approximately \$900,000 short of a balanced budget and funds would need to be taken from reserves. The current operating millage is 13.5660, but can go to 14.0492. The Mayor stated that if we wait until November \$250,000 in revenue would be lost in the first year, and if the proposal does not pass \$250,000 possibly lost the next year if the proposal does not pass. If .41 is approved by the City Council, it will be placed on the rolls in July and collected in 2012, at a cost of approximately \$20 to each resident annually. The Treasurer/Comptroller stated the City will need approximately 4 mills for road construction, capital equipment, and general operations.

Motion by Novitke, seconded by McConaghy, regarding proposed increase in current millage, that the Finance Committee recommend that the Committee-of-the-Whole consider including .41 in this budget.

Motion by Novitke, seconded by McConaghy, regarding proposed increase in current millage, to amend the previous motion by adding, "or whatever the Headlee adjustment to the maximum is allowed."

Motion passed by the following vote:

Yes: McConaghy, Novitke

No: Koester

Absent: None

The next item discussed was regarding **proposed headlee override**. The first matter discussed was the ballot. The Chair encouraged the Committee to recommend the proposal be placed on the November ballot due to higher voter turnout.

Motion by Koester, seconded by Novitke, regarding proposed headlee override, that the Finance Committee recommend to the Committee-of-the-Whole that the Headlee override ballot initiative be placed on the General Election Ballot on November 6, 2012.

Motion by Koester, seconded by Novitke, regarding proposed headlee override, to amend the previous motion and insert before "that", "approve the recommendation for a headlee override initiative, and. . ."

FINANCE COMMITTEE  
01-30-12 – 05

Motion passed by the following vote:

Yes: Koester, McConaghy, Novitke  
No: None  
Absent: None

Administration confirmed Plante Moran will be in attendance at the Committee-of-the-Whole Meeting on February 13, 2012, to discuss options.

Following discussion regarding bonds, there was a consensus of the Committee to recommend a millage range regarding road construction bonds.

Motion by Koester, seconded by McConaghy, regarding **bond millage**, that the Finance Committee recommend to the Committee-of-the-Whole approval of a headlee override range of 3.6 up to 5.3, if .41 is already included.

Motion passed by the following vote:

Yes: Koester, McConaghy, Novitke  
No: None  
Absent: None

The Treasurer/Comptroller provided an overview on the **debt schedules**.

There was a consensus of the Committee to place the bond issue on the February 13, 2012, Committee-of-the-Whole agenda.

The Treasurer/Comptroller then discussed **proposals: Financial Advisor**. Hutchinson Shockey Erley & Co. and Benzinski & Co. submitted proposals. The Treasurer/Comptroller provided an overview of both companies. Administration was directed to obtain a reference from Don Keim on the two companies. There was a consensus of the Committee to place this item on a future Finance Committee agenda.

Hearing no objections, under new business the Mayor inquired whether personal property remains the same. The Treasurer/Comptroller confirmed it does.

Motion by Koester, seconded by Novitke, that tonight's meeting be adjourned at 9:11 p.m. PASSED UNANIMOUSLY.

Respectfully submitted,

Lisa Kay Hathaway  
City Clerk