

**VILLAGE OF GROSSE POINTE SHORES, A MICHIGAN CITY
MINUTES OF FINANCE COMMITTEE MEETING
WEDNESDAY, FEBRUARY 20, 2019**

A meeting of the Finance Committee of the Village of Grosse Pointe Shores, A Michigan City was held on Wednesday, February 20, 2019 in the Council Chambers of the Grosse Pointe Shores Municipal Building. The meeting was called to order at 10:03 A.M., by Chairman Bisballe.

Present: Council Member Bisballe, Chair
Council Member Robert Gesell
Committee Member Chuck Ruifrok

Absent: Council Member Tina Ellis, Excused

Also Present: City Manager Mark Wollenweber
Finance Officer/Treasurer Rhonda Ricketts
Public Works Director Brett Smith
Public Safety Director John Schulte
Mayor Ted Kedzierski
Council Member Matthew Seely
Resident Harry Kurtz

Motion by Council Member Gesell, seconded by Committee Member Ruifrok to excuse Council Member Tina Ellis; Passed 3-0

All items pertinent to this meeting are either attached or placed on file.

APPROVAL OF MINUTES – DECEMBER 11, 2018

Motion by Council Member Gesell to approve, seconded by Committee Member Ruifrok Passed 3-0.

ITEM 4 OLD BUSINESS:

ITEM 4a-The committee chose to discuss park renovations first. Staff indicated they are in the process of compiling the remaining numbers and will report back at the April Finance Committee meeting. The Committee wanted to make sure all security upgrades were included and asked staff to prepare the cost of manning the new gate house for the entire summer. Chief Schulte agreed to prepare the staffing and security plan for the next meeting. He indicated that they will be advertising for approximately ten new gate guards. The committee felt for budget purposes, we should assume both gatehouses should be staffed for the appropriate times for the summer.

ITEM 4b-FY Budget 2019/2020-It was the suggestion of Finance Committee chairperson Bisballe that a joint meeting with City Council be held on Thursday, April 18, 2019 at 7 P.M. to go over preliminary budget information and obtain any wish-list projects from City Council members. Finance Officer/Treasurer Rhonda Ricketts went through some of the preliminary budget assumptions which include tax revenue up approximately 2%, the DPW list of capital items which include a lawn mower, one pick-up vehicle and replacement of the existing gas pump at a cost of approximately \$15,000. The Public Safety department capital items include, a replacement patrol vehicle at approximately \$30,000, the Grosse Pointe Shores share of the breathing apparatus at \$13,000, one mobile and one replacement radio at \$8,300, and replacement tasers for \$2,700. Under Buildings it was agreed to allocate \$10,000 for roof repairs and \$20,000 for City Hall parking lot repairs. The Committee then discussed upcoming personnel replacements. In DPW, two retirees are scheduled to leave in September 2019, and it was the administrative plan to overlap one DPW employee (Fred Lees) with Bob Heckman for the summer pool and set up. Staff mentioned other potential changes in December of 2020. Discussion then turned to potential budget cuts. Rhonda mentioned that we would not send employees to Leadership Macomb saving \$3,000. Also, the bank service fees have been eliminated in both the current budget and for next year worth about \$2,300 each year. She also mentioned that of the current budget, \$4.4 million is labor cost and we only receive approximately \$4.6 million from tax revenue. Other potential cuts or revenue enhancements were the midnight shift of clerks and consideration of no longer holding court in Grosse Pointe Shores. Longer term plans for the court were also discussed, staff also mentioned the expirations of the PEG agreement with the GP War Memorial which expires at the end of November in 2019 and that the staff recommendation would be to retain the PEG monies and use those funds to upgrade the equipment in the council room for televising council meetings. It was the general consensus of the committee to have staff look at any additional cuts to the proposed budget that would not significantly affect service to the residents. Chairperson Bisballe turned the discussion to the retiree health care issue and indicate while there is approximately \$1.8 million in the trust fund. We just transferred by action of council and recommendation of the finance committee \$160,000 from the carry-over of last year's budget. Bisballe mentioned that the state goal for retiree health care funding was to be 40% funded or that a plan must be submitted to a special board of treasury. He also pointed out that revenue from taxes based upon the decline in the real estate market several years go has resulted in a loss of \$1.2 million in revenue to Grosse Pointe Shores. Other suggestions by Mayor Kedzierski for possible cuts, were to cut the calendar at an approximate cost of \$9,000, review trips, and possibly close City Hall on Fridays. It was the general consensus of the committee and members of council that were present were to go ahead with presenting options A and B for budget purposes. Discussion then turned to creating a part time park director position which would work March 1st through November. The consensus was to include \$50,000 in the proposed budget for this position.

Discussion then turned to the roads budget which will include \$150,000 in similar cut and re-pave repairs as well as joint sealing. Under Water and Sewer budget it was suggested by Council Member Seely that we look at bi-monthly bills in the new fiscal

year, the committee discussed possibly increasing the minimum bill as well as looking at options from nearby cities which would be implemented once the new BS&A software is installed.

NEW BUSINESS:

ITEM 5a- Rhonda presented a list of additional line items which she felt would better explain some of the details in the budget. It was the consensus of the committee to proceed. She also mentioned the changes to the state requirements of the paid medical leave act that affects three part time employees and staff would comply with providing 3 1/3 hours per month to those affected employees.

ITEM 6 OTHER

None

ITEM 7 PUBLIC COMMENT:

Harry Kurtz suggested that Brian Geraghty speak on park safety and that the Public Safety Director may want to contact him concerning the gate arm and pedestrian and bicycle safety issues at the new gate house entrance. He also inquired about the outdoor concert to be scheduled on July 4th at Vernier Hill.

Committee member Ruifrok stated that the Grosse Pointe Farms park has a stop sign at the pedestrian crossing entrance at their park.

ITEM 8 NEXT MEETING:

The next Finance Committee meeting will be scheduled for Tuesday April 9, 2019 at 10 am and a Joint meeting with City Council will be held on Thursday, April 18th at 7pm. Staff will provide updated drafts of the proposed budget for those meetings and that the usual schedule for adoption would be at the May City Council meeting as in the past.

The meeting was adjourned at 12:18 P.M.

Mark Wollenweber
City Manager