

**VILLAGE OF GROSSE POINTE SHORES, A MICHIGAN CITY
MINUTES OF FINANCE COMMITTEE MEETING
WEDNESDAY, MARCH 22, 2017**

A meeting of the Finance Committee of the Village of Grosse Pointe Shores, A Michigan City was held on Wednesday, March 22, 2017 in the 2nd Floor Conference Room of the Grosse Pointe Shores Municipal Building. The meeting was called to order at 10:30 am, by Chairman Bisballe.

Present: Council Member Bisballe, Chair
Council Mayor Pro-Tem Robert Gesell
Citizen Representative, Kay Felt
Council Member Doug Kucyk

Also Present: City Manager Mark Wollenweber
Finance Officer, Rhonda Ricketts
Pension Board Chair Bruce Campbell
Public Safety Director John Schulte
Public Works Director Brett Smith

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

APPROVAL OF MINUTES – JANUARY 10, 2017

Motion by Committee Member Felt to approve with one correction on the first page the addition of “this” in the final paragraph of Item 4 Old Business, Seconded by Council Member Kucyk. Passed 4-0.

ITEM 4. OLD BUSINESS

None

ITEM 5. NEW BUSINESS

A. Change in Pension Actuarial Assumptions

Since Pension Board Chair, Bruce Campbell was in attendance it was decided to move up this item. He pointed out that the Pension Board who has authority over making changes in the pension assumptions has reviewed a couple of other changes but understood that if changes were made that the employer contribution to the system would have to be increased. Bruce pointed out that the last valuation of pension assets was done right after the Brexit vote when markets were in decline. He indicated that the Pension Board wanted to work with the Finance Committee and would like to phase in other changes in assumptions over time when there was better financial news so it would not be as costly to the budget. The Finance Committee reviewed the material that was previously presented to the Pension Board by the Actuary on changing the mortality

tables and going to a level dollar amortization. The Committee discussed that recent trends show people dying younger so that members felt that may soon be reflected in revising the mortality tables again. It was suggested that the Finance Committee consider the cost of using the 2014 Mortality Tables as it reviews the 2017-2018 FY Budget. It was decided by the Committee to put some additional dollars to the pension contribution without changing the assumptions perhaps as much as ½ the cost of changing to the newer mortality tables and allocating \$35,000 more to pension costs. Bruce Campbell asked that some additional material he brought would be copied for the Finance Committee and thanked them for allowing him to appear and discuss his long-term pension issues.

B. 2017-18FY Budget

Rhonda handed out a 14 page budget summary including early year end estimates. Members discussed reinstating a Park Director position which might be full time from April to the end of October. Staff was asked to put additional information on options for this type of position. The Committee reviewed the Public Safety requests for 2 replacement vehicles, 3 replacement radios, and 2 replacement radar units as the existing 2 owned by the city are inoperable and not able to be repaired. It was decided to go ahead and replace the 2 radar units now at a cost of approximately \$5200 and that the other items are approved to keep in the budget for replacement after Council approves the budget for next year. The Committee also reviewed the Public Works requests and suggested that ½ of the replacement dump truck in the current budget be allocated to the Water/Sewer fund. Brett discussed his plan to replace bad sections on Duval by using unit prices from an existing contractor and the Committee agreed it made sense to do so by having City Council waive the bidding process as the engineer estimate was near \$400,000 versus heavy patching without formal engineering at a cost not to exceed \$130,000. It was recommended by the Committee to annually spend \$250,000 on local road repair. He also mentioned that they have proceeded with the mower in the current budget and also replacing 2 pickup truck beds that will extend the life of both trucks by an additional 3 years. Brett and Rhonda updated the Committee on significant progress in the water meter replacement program and it was suggested that consideration be given to billing every 2 months. The Committee also discussed replacement of the 1935 Vintage Generator at the North Pump Stations which has been estimated at \$35,000. Brett also discussed possible carry-over of the City Hall elevator electronic upgrade.

C. WCA Assessing-Quote for Sketching Project

It was unanimously approved to approve the quote of \$7,500 presented by WCA Assessing for the proposed sketching project as it is already included in the budget.

ITEM 6. OTHER

None

ITEM 7. PUBLIC COMMENTS

None

NEXT MEETING

It was decided that the Committee would meet Monday, April 10, 2017 at 10:30 a.m.

Meeting was adjourned at 12:18 p.m.

Mark Wollenweber
City Manager