

**VILLAGE OF GROSSE POINTE SHORES, A MICHIGAN CITY  
MINUTES OF FINANCE COMMITTEE MEETING  
NOVEMBER 11, 2014**

A meeting of the Finance Committee of the Village of Grosse Pointe Shores, A Michigan City was held on Tuesday, November 11, 2014 in the Council Chambers of the Grosse Pointe Shores Municipal Building. The meeting was called to order at 10:05 am, by Chairman Bisballe.

Present: Council Member Bisballe, Chair  
Council Member Kay Felt  
Council Member Robert Gesell

Also Present: City Manager Mark Wollenweber  
Finance Officer, Rhonda Ricketts  
Brett Smith, Public Works Director  
Chuck Ruifrok, Pension Board Member  
Council Member Robert Barrette, Jr.  
Michael Gormely, HSE & Co.

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

APPROVAL OF MINUTES – OCTOBER 14, 2014

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

HARBOR ISSUES

Council Member Barrette who chairs the Parks and Harbor Committee wanted to brief the Finance Committee members on the finger piers in our harbor. There are 7 locations that are a safety hazard and after walking all of the floating docks/finger piers with the Harbor Master Tom Krolczyk, it is recommended that using the remaining composite material used for the main docks, the finger piers also be replaced. There are enough remaining screws and the contractor who did the main docks has agreed to honor his price from last year to replace the composite dock material which would use 4200 sq. ft. at his original price of \$4 per sq. ft. for an estimated total of \$16,800. Motion by Council Member Felt and seconded by Council Member Gesell to recommend to the City Council that they approve a contract with the previous vendor, Champion Marine at the same unit price of \$4/sq. ft. and not to exceed the \$16,800, with the work to be done over the winter. Passed 3-0. It was also recommended that 2 or 3 agitators be purchased to assist with water flow for a price of \$650 each and be in place by mid April of 2015.

## OLD BUSINESS

Mike Gormely of HSE went through a new analysis of possible refunding of the outstanding marina bonds that are not callable until 10-1-16. His analysis showed a true interest cost for refunding of 3.41% vs. our current average rate of 4.266. Since by law only one advance refunding is allowed the estimated delivery date would be 4-2-15 and would result in a net present value savings of \$71,000 using today's market rates and conditions. If the market improves by 10 basis points or more the usual industry standard of a 3% would be met. Mike indicated that lots of bonds issued in 2005 are most likely to be refunded in 2015 as they meet the minimum time to be classified as a current refunding issue. Since the marina bonds are held by one local family it was suggested that a letter be drafted to see if they are willing to consider allowing an earlier call of the bonds. Mike would draft a letter to be reviewed by the members of the Finance Committee. As you can call bonds 90 days in advance of the call date the earliest time would be July of 2016.

Since the last Finance Committee meeting, staff had been in contact with staff at MERS and is assembling material as to our specific investment returns and costs so MERS can provide a more detailed comparison of costs. Chuck Ruifrok from the Pension Board offered to assist Rhonda with the preparation of that material. There was discussion and the suggestion was made by Chuck Ruifrok of the Pension Board to ask Don Lindow from Azimuth Capital for a cost to take over the equity portion of the pension funds and to get his recommendation on consolidating the other small specialty investments the fund is using. It was the consensus of the Finance Committee to proceed with this. The next Pension Board meeting has tentatively been scheduled for 11-18-14.

## NEW BUSINESS

The GPS Annual Audit will be presented at the November Council meeting. The Finance Officer presented the Actuarial Report from Rodwan Consulting Company. It shows our current funding at 99.8% up from last year's amount of 91.2% and that will result in about a savings to the General Fund of about \$143,000. There was also a brief discussion on the use by boaters at the marina of outside contractors. In response to a question Brett Smith explained that the new leaf pick up program was going well.

The Manager explained that under the contract with DWSD there is a 5 year review of some of the rating factors like annual volume, peaking factor and max day factor that are in the appendix to the contract with DWSD. In order to set rates for the next year they will need action by the GP Shores Council by January 15, 2015. They have suggested lowering in the contract our annual volume from 20,000 mcf to 17,000 mcf. Staff is discussing the changes they have suggested with HRC staff who are assisting us in the negotiations with DWSD. It was pointed out that we are pretty much locked into the contract with DWSD for the next approximately 27 years remaining on the existing contract. The options of giving up being a direct customer of Detroit and becoming a customer of GP Woods is still an option that could be explored further and does not have to be included under these negotiations. GP Shores could also decide to consider

adding storage to get lower wholesale rates from Detroit. It was suggested by Council Member Bisballe that we monitor the declining water sales of our neighbor and see when and if there was enough capacity in the GP Woods tank to accommodate GP Shores. A question was asked about the automatic meter reading program status and the suggestion made to try billing the test customers on a monthly basis. A question was also asked about the cameras and the Committee was told that the bids were in and in the process of being analyzed by staff. It was suggested that they be presented to the Finance Committee for review and a recommendation to Council at the next meeting.

#### OTHER BUSINESS

None

#### PUBLIC COMMENTS

None

#### NEXT MEETING

It was suggested that the December meeting be held at 10:00am on Tuesday, 12-9-14 which is the week before the December Council Meeting that is scheduled for 12 noon on 12-16-14 prior to a 2:00pm Boards and Committees reception.

Meeting was adjourned at 11:41 am.

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Mark Wollenweber  
City Manager