

**VILLAGE OF GROSSE POINTE SHORES, A MICHIGAN CITY
MINUTES OF FINANCE COMMITTEE MEETING
TUESDAY, NOVEMBER 13, 2018**

A meeting of the Finance Committee of the Village of Grosse Pointe Shores, A Michigan City was held on Tuesday, November 13, 2018 in the Council Chambers of the Grosse Pointe Shores Municipal Building. The meeting was called to order at 10:01 am, by Chairman Bisballe.

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

Also Present: City Manager Mark Wollenweber
Finance Officer Rhonda Ricketts
DPS Director John Schulte
DPW Director Brett Smith

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

APPROVAL OF MINUTES – OCTOBER 9, 2018

Motion by Council Member Ellis to approve, seconded by Council Member Gesell
Passed 4-0.

OLD BUSINESS:

Item 4a-Revised SEMSD MOU Exhibit A - The revised Memorandum of Understanding between GP Shores and the SEMSD was discussed and staff pointed out that engineers for SEMSD have reduced the amount for sewage exceedances to around \$100,000.

Item 4b-BS&A Software - The Committee went over the additional information on the needed replacement software. Rhonda indicated that the best time for the conversion would be in the fall of 2019. It was the consensus of the Committee to recommend that Council proceed with the purchase and that the only effect in the current year budget would be the initial deposit of \$17,000. It is being recommended based upon the overwhelming utilization by communities in Michigan, the costs that are reduced for Michigan cities and that GP Shores already uses BS&A software for assessing and tax functions along with all of the assessing functions. It was also discussed that staff should try to get the rest of the city water meter conversion done so that bills could be issued every 2 months instead of quarterly.

Item 4c-Water/Sewer Rates and Bills - There was continued discussion about being more detailed on the water bills but based upon the current software and the potential upcoming replacement that breaking down the water and sewer costs on the bills be deferred until the software is replaced. It was pointed out that nearly 70% of our billing at different times of the year are minimum bills. As part of the software replacement process it was suggested that new employee time reporting process also be explored.

NEW BUSINESS:

Item 5a-Draft Audit Report - Rhonda handed out the draft audit report that was just received and that will be presented formally to City Council next Tuesday. It was pointed out that the General Fund fund balance grew from last year by nearly \$224,000 to \$2,079,091. It was also mentioned that out of 1773 cities, villages, and townships in the State of Michigan that we are 1 of only 14 AAA S&P bond rated communities. The Chair reviewed that year end closing journal entries recommended by the auditor and made several comments as to the wording in the auditor's transmittal letters. The Chair reminded the Committee that the reductions in taxable value during the recession cost the city over \$1,200,000. It was the consensus of the Committee to allocate to the pension the budgeted amount not the lower amount based upon the most recent actuarial report along with allocating ½ of the unassigned fund balance increase generated last fiscal year.

Item 5b-2019/2020 Budget - The Chair pointed out that the Finance Committee will have to recommend allocating 1 mill just to the retiree health care fund based upon the requirements of the State Department of Treasury. Chief Schulte talked about the necessary 1 or 2 car replacements and the consolidated purchase of the new O2 filling system and the timing of purchase to after July of 2019 along with some radio replacements. Brett Smith provided a listing of both equipment and other projects that he felt needed to be in the Fiscal Year 2019-2020 budget (see attached). The list included complete replacement of the water, sewer and road surface on Oxford. It was noted that would be included in a possible bond issue of other sewer upgrades required by SEMSD to our system.

Item 5c-OPEB Actuarial Report - The Committee discussed the latest OPEB report and the need to comply with the State Department of Treasury requirements for funding.

Item 5d-Draft Bond reimbursement Resolution - As part of the discussion the Committee reviewed the draft bond reimbursement resolution. A MOTION was made by Council Member Gesell and SECONDED by the Chair and Mayor Pro Tem Bisballe to recommend that City Council adopt the Bond Reimbursement Resolution. PASSED 4-0.

Item 5e-Cell Tower Proposal - Staff presented information about a possible cell tower proposal for behind the DPW and it was the consensus of the Committee that it was not worth exploring further discussions.

ITEM 6 OTHER-None

ITEM 7 PUBLIC COMMENT-None

ITEM 8 NEXT MEETING:

The next Finance Committee meeting will be scheduled for December 11, 2018, at 10am a week prior to the Council meeting.

The meeting was adjourned at 11:48 am.

Mark Wollenweber
City Manager