

**VILLAGE OF GROSSE POINTE SHORES, A MICHIGAN CITY**  
**MINUTES OF FINANCE COMMITTEE MEETING**  
**January 24, 2012**

A meeting of the Finance Committee of the Village of Grosse Pointe Shores, A Michigan City was held on Tuesday, January 24, 2012 in the Council Chambers of the Grosse Pointe Shores Municipal Building. The meeting was called to order at 7:00 p.m.

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

Also Present: City Manager Brian P. Vick  
Finance Director Rhonda Ricketts

**DRAFT**

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

APPROVAL OF MINUTES – NOVEMBER 29, 2011

Motion by Council Member Gesell, Seconded by Council Member Felt, to approve the minutes from the November 29, 2011 Finance Committee Meeting. Unanimously Approved.

PRESENTATION OF THE DRAFT FY 2012-13 BUDGET FORECAST

City Manager Vick distributed a budget entitled "January 2012 Draft" and a document entitled "Taxable Value Reduction Scenarios". The Committee had requested an analysis based upon various taxable value reductions (e.g. -3%, -6%, -9% and -12%) for FY2012-13.

The committee discussed revenue and expenditure scenarios and directed staff to generate a list of the twenty vendors with whom the city has the largest recurring expenditures. The committee discussed the need to rebid various services and contracts prior to the next fiscal year. Department heads should focus on savings through decreasing the number of vendors where possible, investigate possible discounts for making cash payment, and stressing the reliable payment history with vendors when seeking cost savings.

WATER AND SEWER RATES

Mr. Vick provided the committee with information from the FY 2010-11 audit relating to the Water and Sewer Fund such as net asset trends and unrestricted funds. The committee was also provided with the minutes from the June 2011 City Council meeting at which the council voted to approve the water and sewer rates for FY 2011-12. Lastly, the committee was provided a copy of the Five Year Financial Forecast for the Water and Sewer Fund dated August 2008. This material was discussed in relation to how the city set the current water rates.

WATER BILLING POLICIES

Mr. Vick informed the Committee of two scenarios which recently were raised by citizens with regards to water billing appeals for customers with hardships and/or plumbing problems on private property.

1. Hardship – The finance department was approached by a resident, with the assistance of city council member, requesting that the city forego shutting off the water to the property due to financial issues by the resident even though payment was overdue and the standard operating procedure at this stage of delinquency was notice to the resident of impending water shut off.
2. Plumbing Problem on Private Property – The finance department was approached by a resident who experienced a large water bill due to a malfunction of their private water ejector sump pump. Following a power outage at the home, the ejector pump continued to run unchecked for an extended period during a particular billing quarter. Staff suggested the resident check for (and ultimately confirmed) the problem following the scheduled quarterly meter reading.

The committee discussed the elements of the city utility billing procedures including protocol for large water bills and the basis for equitable treatment of all customers. No changes in the current billing or utility bill collection protocol were recommended by the committee at this time.

**DRAFT**

#### PUBLIC COMMENTS

Vito Cusenza commented regarding the three year budget and fund balance.

Janice Pemberton commented regarding accuracy of water meters.

#### CLOSED SESSION

The Finance Committee will meet in closed session to discuss collective bargaining strategy as permitted by the Open Meetings Act. Roll Call Vote:

AYES: Council Members Bisballe, Felt, and Gesell

NAYS: None

Motion passes 3-0.

Committee entered into Closed Session at 8:04 PM

Committee returned from Closed Session at 9:12 PM

#### ADJOURNMENT

There being no further business, the meeting was adjourned at 9:12 p.m. on motion duly supported and carried by unanimous vote.

---

Brian P. Vick  
City Manager