

**VILLAGE OF GROSSE POINTE SHORES, A MICHIGAN CITY  
MINUTES OF FINANCE COMMITTEE MEETING  
AUGUST 27, 2013**

A meeting of the Finance Committee of the Village of Grosse Pointe Shores, A Michigan City was held on Tuesday, August 27, 2013 in the Council Chambers of the Grosse Pointe Shores Municipal Building. The meeting was called to order at 6:05 pm, by Chairman Bisballe.

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

Also Present:

City Manager Mark Wollenweber  
Public Works Director, Brett Smith  
Finance Officer, Rhonda Ricketts  
Bruce Campbell, GP Shores Retirement Board  
Chuck Ruifrok, GP Shores Retirement Board

All items pertinent to this meeting are either attached or placed on file. It was noted that the Chief was not able to be present tonight.

APPROVAL OF MINUTES – JULY 2, 2013

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

OLD BUSINESS

It was decided by the committee to move to New Business first.

NEW BUSINESS

The manager mentioned that staff is proceeding with filling the DPW position and that they may look toward a part time person for 2 or 3 days as well. The open position is expected to be filled with someone that has been a seasonal employee for the last couple of years and has mechanic experience as well as the appropriate license to drive our trucks. Brett Smith explained the problems that have recently arisen with the 58 year old roof. In order to save costs we have had various commercial roofers look at and propose solutions and expects a few more to come in and then he can compare pricing. We may then ask a roofing expert from HRC to assist us in reviewing the proposals prior to recommending an approval to Council. It was mentioned that staff is not recommending to proceed with the bond refunding until more dust settles on the Detroit bankruptcy even though in the current market there is still a net present value savings.

Brett and Mark mentioned that the S-2 sewer grant was not worth pursuing but they are proceeding with a SAW grant that would accomplish much of the same infrastructure work. Staff indicated that they are proceeding with HRC to develop the grant application for submittal and this would likely be an agenda item in October or November to get both Finance Committee and City Council approval. The manager also mentioned Brett's work with Wayne county to upgrade the traffic signal at Vernier and the park crossing just north of it. Staff is proceeding with AEW to do the grant application and that funding may be possible in either 2014 or 2015. It is a 90% grant and the application and design costs are eligible as part of the grant and are estimated at \$18,000. Brett is on the committee to allocate those grant monies. Rhonda mentioned that year end numbers were better than originally anticipated and that we finished with about \$181,000 instead of the anticipated \$110,000 to \$120,000 and that she allocated an additional \$65,000 into the retiree health care fund. She also mentioned that we had an increase of about 12% in the retiree medical advantage program and that the per person per month rate went from \$228.03 to \$260.

### OTHER BUSINESS

Discussion then moved to pensions and Chair Bruce Bisballe indicated that he had attended the last pension meeting and he had suggested a joint study committee to look at our plan costs, the costs for investment advisors and alternatives like MERS or perhaps having them just do our investments. That is why the two members of the Pension Board are here tonight. He noted that the MERS has consistently exceeded an 8% return and that their costs were .83% vs. our costs of over 3%. It was also mentioned by Kay Felt that Consumer Reports says costs should be + or - 1%. Rhonda was asked to put together a list of all of our expenses associated with the pension system. Staff was asked to talk to similar cities like Bloomfield Hills, Franklin and other Grosse Pointes like the Park who participate in MERS also GP City. As part of the study what benchmarks should be set and that the committee would take its time to collect information and share it with the employees. It was suggested that contact be made with MERS as they previously made the comment that we have too many options for the existing 30 plus retirees. Bruce said the review is to look at the value received for the dollars spent and that the dollar benefit should be to the affected employees.

### PUBLIC COMMENTS

None

### NEXT MEETING

To be determined in September

Meeting was adjourned at 7:20 pm.

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Mark Wollenweber  
City Manager