

**VILLAGE OF GROSSE POINTE SHORES, A MICHIGAN CITY
MINUTES OF FINANCE COMMITTEE MEETING
JANUARY 17, 2013**

A meeting of the Finance Committee of the Village of Grosse Pointe Shores, A Michigan City was held on Wednesday, January 17, 2013 in the Council Chambers of the Grosse Pointe Shores Municipal Building. The meeting was called to order at 6:00 p.m, by Chairman Bisballe.

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

Excused: None

Also Present: City Manager Mark Wollenweber
Public Works Director, Brett Smith
Finance Officer, Rhonda Ricketts
Public Safety Director, John Schulte
Mike Gormley, Hutchinson, Shockey, Erley & Co.
Charles Ruifrok

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

APPROVAL OF MINUTES – NOVEMBER 14, 2012

Motion by Council Member Gesell, Seconded by Council Member Felt, to approve the minutes from the November 14, 2012 Finance Committee Meeting. Unanimously approved.

OLD BUSINESS

The manager discussed with the Committee the contract with the POAM who represent the Public Safety Officers. Agreement was reached on all items except possible retiree medical coverage for the officer hired last June, and the officers have signed up for the new health care program. It was agreed that the City and Union would arbitrate that one issue and agree on an arbitrator. The manager would discuss the AFSCME negotiations later in the meeting.

Approval of the letter agreement with Honeywell by City Council was discussed and it was mentioned that additional information would be needed to decide upon including both underground wiring and replacement street light fixtures. Council Member Barrette and Brett Smith will be meeting with both Honeywell and Edison in order to collect that information.

NEW BUSINESS

Brett Smith presented the equipment summary and rationale for replacing the water meters and upgrading the software to eliminate the need to climb down into the pits to read those meters. It was the consensus of the Committee to recommend to Council that the City proceed with the purchase of the software and installation of the hardware, meters and antennas for the approximately 12 underground enclosures. Motion by Gesell, seconded by Felt to make this recommendation at the next Council meeting. Passed 3-0. It was noted that the cost to do so was \$32,257.50 and included in the current water budget. It was also discussed that a Capital Projects list be developed for the other water and sewer needs like the pump stations and other needed repairs. Staff mentioned that plans were underway with AEW for the S-2 sewer grant application.

Mike Gormley went through his letter and handouts as to possible refunding of the 2004 UTGO bonds. Staff also presented the price information from two law firms to act as Bond Counsel and Pat McGow from Miller Canfield was to be recommended to Council based upon his expertise and proposed rates. The Committee after some discussion was inclined not to recommend use of a Financial Advisor as the current one had not filed the Continuing Disclosure documents. It was noted by staff that they would discuss the need for a Financial Advisor with the new Bond Counsel and further discuss it with the entire City Council. The Finance Officer did file all of the necessary continuing disclosure documents to be up to date with the assistance of Mike Gormley. It was also noted that Rhonda also filed the notice of downgrade from 2009 so that all items required under the continuing disclosure have now been properly filed. She had also made arrangements with the auditor to have the required forms include in our annual audit at no additional charge. The Committee discussed requesting a possible bond rating upgrade and Mike Gormley agreed to assist with that process. He also indicated his willingness to assist the City with refunding the bond issue at the reduced rate of .9% not the 1% quoted in his presentation. It was the consensus of the Committee to have Mike make a presentation at the next Council meeting and have Pat McGow prepare a parameters resolution for consideration by City Council to proceed with the bond refunding as it will provide a net present value savings of over 7%. It would be set up for the Manager and Finance Officer to proceed should market conditions change but likely to proceed with a June closing date. Mike would serve as underwriter for the bond refunding, with Pat McGow from Miller Canfield being named as Bond Counsel. They would prepare a short summary for Council. Motion to recommend to Council made by Gesell seconded by Felt. Approved 3-0.

The Finance officer discussed the allocation of costs to the current Sanitation fund and mentioned the need to update the allocations there for a more equitable distribution. It was mentioned by the Committee to ask the Court to review and compare our court costs and fines. The public Safety Director mentioned a possible waiver of penalty for outstanding fines program and the committee thought it would be a good idea. The Committee also asked for a copy of the boat well price survey given to the Parks and Harbor Committee. Staff also mentioned that they have had continuing discussions with GP Woods about moving dispatch there because of some issues with GP Farms.

Rhonda also mentioned the proposed increase in assessed value and that it would only result in the taxable value going up by 2.4%. The proposed budget for FY2013-14 would provide for the 1.5 mill reduction for the roads but would include the new construction additions which would generate an additional \$100,000.

OTHER BUSINESS

The Manager mentioned that the catch up adjustment for the three non union employees and the Committee agreed that it was within his authority to proceed. The committee had suggested that ½ be given last July and the other half this January. The manager also mentioned standardizing at 6% the amount given to the three retirees who returned to work for the City and the Public Safety Director. While a separate issue, the committee agreed that this was also within the manager's authority to proceed with. The committee thanked the Public Safety Director for his productive first year of service. The settlement by Wayne County on a couple of tax tribunal issues was mentioned as their replacing the private vendor has proceeded smoothly. The committee asked for a summary of the remaining pending tribunals.

PUBLIC COMMENTS

None

NEXT MEETING

The next Finance Committee meeting is to be scheduled at 5:00 pm on Tuesday, February 19, 2013 in advance of the next Council meeting.

Meeting was adjourned at 8:15 pm.

Mark Wollenweber
City Manager