

**VILLAGE OF GROSSE POINTE SHORES, A MICHIGAN CITY
MINUTES OF THE JOINT FINANCE/COUNCIL MEETING
THURSDAY, APRIL 18, 2019
(Revised)**

A meeting of the Joint Finance Committee/City Council of the Village of Grosse Pointe Shores, A Michigan City was held on Thursday, April 18, 2019 in the Council Chambers of the Grosse Pointe Shores Municipal Building. The meeting was called to order at 7:00 pm, by Chairman Bisballe.

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

Absent: None

Also Present: Mayor Ted Kedzierski
Council Member Robert Barrette
Council Member Doug Kucyk
Council Member Matt Seely
City Manager Mark Wollenweber
Finance Officer Rhonda Ricketts
DPW Director Brett Smith

All items pertinent to this meeting are either attached or placed on file. The City Manager did the roll call and all members of the Finance Committee were present.

APPROVAL OF MINUTES – APRIL 9, 2019

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

ITEM 4 OLD BUSINESS:

ITEM 4a-. 2018-2019 Existing Budget.

Chairperson Bisballe mentioned that the existing budget is expected to finish the year with a projected fund balance of between \$90,000 to \$100,000.

ITEM 4b-. 2019-2020 Finance Proposed Budget.

The Chair then mentioned that the Finance Committee has prepared two options and that he would discuss each. Option A keeps the overall millage rate the same as in the

current year and Option B that would add ½ mill to fund the OPEB costs as required by the State. OPEB is the post retirement health care costs promised to GP Shores retirees mostly by union contract.

Chair Bisballe went through and mentioned many of the capital items included in the budget including the air tank filling equipment which would be cost shared with GP Woods (and possibly GP Farms) and housed there along with replacement of one patrol car. He also mentioned the Public Works door replacement and the mower replacement. He also mentioned that the software replacement was not just for water billing but for all of the existing software except for assessing, tax and permitting which have already been switched to BS&A. All of our neighboring GP communities use BS&A software exclusively. He also mentioned that staff have experienced delays in dealing with problems and that funds have already been allocated for about ½ of the cost of the conversion in the existing budget which leaves about \$20,000 in the 2019-2020 proposed budget. He also explained that switching both the dispatch and lockup services to GP Woods would result in a savings and that the new GP Woods facilities have just been upgraded. The Finance Committee reviewed a series of cuts suggested from Council and staff and included some in the proposed budget. The usual subsidy of \$50,000 to the Marina Fund was also not needed for the proposed budget. The Committee was waiting for additional information from staff about moving Court from sitting in GP Shores to GP Farms and ultimately to GP Woods which may result in a future cost saving.

Discussion then turned to members of Council and Mayor Kedzierski said he met with the City Manager and suggested staff look for cuts of \$75,000 to \$85,000.

Suggested cuts included:

- Cell phone reimbursement
- Out-of-state trips
- Sale of surplus equipment
- Elimination of take-home vehicles.

He also mentioned that the Mayors and Managers met with Congresswoman Brenda Lawrence and she intended to help with the seawall and Lake Shore Road issue.

Chairperson Bisballe mentioned that the proposed budget included the part time Parks Director and that with the contractual salary increases along with utilities and other proposed budget increase that the budget is balanced without a tax increase.

Council Member Seely suggested that at this time he is in favor of eliminating the part time Park Director position to save funds and allocate them to the City's OPEB obligation.

Other suggested cuts from Council included:

- Consideration of an incentive to retire early
- Outsource payroll
- Justification for the gas/diesel pump replacement
- Review outsourcing garbage pick-up
- Review retiree participation in health care costs.

A member of the audience commented that he did not feel we needed a Park Manager. The Mayor suggested that we charge the Eastside Soccer League for maintenance on the field they use. There were also comments from the audience that in their business, their employees do not receive a cell phone reimbursement. Chair Bisballe asked each member of Council about keeping the Park Director in the proposed budget and the consensus was 5-2 to do so. Other audience members commented that on Wednesday Court dates there was no parking in the regular lot and liked the idea being researched that court be moved to either the Farms or to the Woods. It was also suggested that retired military be considered for Park Ranger positions. The Mayor mentioned that the City has \$24,000,000 in both pension and retiree health funds and that the Pension system pays both custodial fees and pension liability insurance and he feels those are not needed. Chair Bisballe then wrapped up discussion on the Proposed Budget, Option A.

He then moved discussion to the issue of the OPEB and explained that we are currently in compliance but at sometime in the next couple or few years will be out of compliance under the new rules passed by Treasury and implemented in the last couple of years. He continued that proposing the Option B of a ½ mill to address the way the State calculates the local obligations would be the prudent way to proceed. Members of Council pointed out that additional tax revenue would be added by the Deeplands development over the next several years. Council Member Seely and Council Member Ellis both felt that other cuts should be made and that Seely's proposed cuts exceed \$250,000. He mentioned that there should be an additional Option C with further cuts. A member of the audience suggested forcing the ladies upstairs who were going to retire to do so earlier. Others suggested with the School District Bond issue and other Wayne County taxes going up that no tax increase be considered. Chair Bisballe polled the Council and the consensus 4-3 was to keep the proposed budget as is and to definitely not include the extra ½ mill for OPEB. As part of the poll of Council, the Mayor wanted to force the retirement with some sort of severance, but not touch city services and look for additional recurring cuts.

ITEM 5 NEW BUSINESS:

None

ITEM 6 PUBLIC COMMENT

No Additional

ITEM 7 NEXT MEETING DATE:

It was noted that the Public Hearing for the Proposed Budget is for Tuesday, May 21, 2019 at 7pm, the next Finance Meeting is scheduled for Wednesday, May 1, 2019 at 10am to be held in the second floor conference room.

Adjourned at 8:43pm.

Mark Wollenweber
City Manager