

**VILLAGE OF GROSSE POINTE SHORES, A MICHIGAN CITY
MINUTES OF THE FINANCE COMMITTEE MEETING
WEDNESDAY, MAY 1, 2019**

A meeting of the Finance Committee of the Village of Grosse Pointe Shores, A Michigan City was held on Wednesday, May 1, 2019 in the second-floor conference room of the Grosse Pointe Shores Municipal Building. The meeting was called to order at 10:00 am by Chairman Bisballe.

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

Absent: None

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

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 18, 2019

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

ITEM 4 OLD BUSINESS:

ITEM 4 2019-2020 Proposed Budget.

Chairperson Bisballe mentioned that the handout about additional staff proposed cuts and asked the Manager to go over them. He mentioned that the existing cuts included in the Proposed Budget total \$72,660 primarily including the \$50,000 that was not needed to contribute to the Marina Fund in the new budget. After the explanation of the additional staff proposed cuts it was the unanimous agreement of the Finance Committee to keep in the \$2,000 and do the smaller calendar version that residents could pick up at City Offices. The wi-fi for the Park was discussed as it is in the existing budget and it was the recommendation of the Finance Committee that staff place on the May Council Agenda the contract to proceed with the wi-fi system for the park and boat wells. Rhonda discussed the value of conferences and the Committee agreed that the

Manager would apply for reimbursement for the ICMA Conference. They also agreed with the deferral of the DPW Pickup for one year and with the planned delay of the replacement of the retiring DPW employee which is worth combined \$66,676 and that those items would be reviewed at the end of the current year toward reallocation between fund balance and OPEB liabilities. It was the recommendation of the entire Finance Committee that the Proposed Budget be approved by City Council after the May Public Hearing leaving the millage rate the same as in 2018-2019.

ITEM 5a. NEW BUSINESS, WATER RATES

Chair Bisballe then asked about Water and Sewer rates and the projected increases. Rhonda handed out a projected sheet on revenue and expenses for that budget (See attached sheets including the Proposed Marina sheet). On the water side the projected increase on the GLWA Monthly Fixed goes from \$31,600 to \$33,600 and the rate goes from \$12.50 to \$12.79 per 1000 cubic feet. Combined that is an increase of 2.5%. On the sewer side the rates are expected to be set by the SEMSD next week but are proposed to increase by 25.293%. With leaving all local maintenance and operating expenses the same as our current budget our combined rate would go up to \$14.79 per hundred cubic feet and the minimum water bill would be \$221.85/ quarter. It was mentioned by staff that these increases do not include our 3-5 year corrective action plan required by the SEMSD based upon our overage of the assigned 3cfs sewer capacity. It was suggested that the Finance Committee will review the projects proposed by HRC as the City Engineers to comply with the Memorandum of Understanding. It was mentioned that both the water/sewer fund and marina fund are not required under the Public Hearing requirement as it is not part of the General Operating Fund. The Committee discussed the new billing format and will look at samples of the more detailed bills used by our neighboring cities, especially like the detailed bill used by GP Farms. at a future meeting. A MOTION was made by Chair Bisballe SECONDED by Member Ruifrok to recommend to Council an increase of 12.73% to the combined water/sewer utility rate including raising the minimum bill to \$221.85/quarter. PASSED 4-0.

ITEM 5b. MARINA RATES

Rhonda handed out the budget sheet for the Proposed Marina Fund for 2019-2020. Council previously adopted a 3 year recommendation from the Harbor Committee to raise rental rates by 3% each year starting with the existing budget and that increase is included in the budget for next year. It was the consensus of the entire Finance Committee to go with the 3% increase as proposed and ask the Harbor Committee to consider a 4% increase in 2020-2021 along with a possible surcharge to help offset the wi-fi installation costs. Member Ellis asked if any staff person was charged to the Marina Fund and Rhonda indicated no. It was also pointed out that the outstanding bonds for the marina were refinanced to reduce the overall costs and setup with roughly the same annual payments instead of being rear loaded as they were originally sold. The Committee asked about the overall rental numbers and of the 133 wells 18 were rented to non-residents and 113 for local residents with only 2 wells not currently rented. It was pointed out that this was the highest occupancy. It was also mentioned that the GPYC

were not interested in the 2 remaining wells based upon their size.

ITEM 6. OTHER

None

ITEM 7. PUBLIC COMMENT

A question was asked by resident John Giesekeing about on harbor and lake levels.

ITEM 8. NEXT MEETING DATE

It was suggested that the next meeting be held on Tuesday, June 11, 2019 at 10am to go over current year budget amendments to be recommended to Council.

ITEM 9. ADJOURNMENT

The meeting adjourned at 10:37am.

Mark Wollenweber
City Manager