

Special Finance Edition

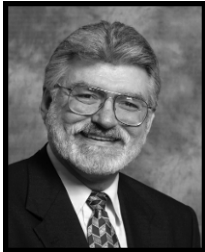
Grosse Pointe NOW

Important Survey Enclosed - Return by January 31, 2010

Volume 10 Issue 1

www.grossepointecity.org

Winter 2010



Mayor Dale Scrace

City Council Members

Christopher Boettcher
Donald Parthum Jr.
John Stempfle
G. John Stevens
Christopher Walsh
Jean Weipert

City Personnel

- Peter Dame
City Manager
- Alfred Fincham
Asst. City Manager
- Julie Arthurs
City Clerk
- Karen Johnson
Finance Director
- James Fox
Public Safety Director
- Paul Weitzel
Public Service Director
- Gary Huvaere
Public Service Supervisor
- Frank Schulte
Public Service Supervisor
- Christopher Hardenbrook
Recreation Director

Municipal Judge

- Russell Ethridge

Phone Numbers

City Hall 885-5800
Public Safety 886-3200
Municipal Court 343-5262
Neff Park Office 343-5257

2010 State of the City - The New Fiscal Reality

Happy New Year! As our community enters a new year, we must all face the new fiscal reality facing the City. To address this challenge, your assistance is needed. I ask that you please take the time to read through following summary of the financial challenges ahead, and return the enclosed survey before the end of January to City Hall at 17147 Maumee.

Just as the State of Michigan has had serious budget challenges over the past several years, the City is now facing major financial challenges that threaten the level of services we have long enjoyed. The City has absorbed cuts to state revenue sharing since 2002 and a 10% cut in residential property tax revenue this current year. Due to the City's prudent fiscal decisions historically, a flat level of expenditures over the last several years, and efficiencies undertaken, this has had little impact on City services. However, due to the severity of southeastern Michigan's economic recession, the City is now facing a projected deficit of approximately \$1 million just for the upcoming fiscal year starting July 1 – with higher deficits coming in future years if adjustments are not made. This problem is attributable almost entirely to the decline of the City's residential tax assessments with the added costs of health care inflation and retiree legacy in upcoming years. Property taxes have generated approximately three-quarters of the revenue for City's General Fund, ninety percent of which is from residences. By the time the continued residential property value decline ends, the City's independent auditing firm projects an ultimate decline of one-third in property taxes from the peak a few years ago.

During this current fiscal year, the City was able to manage the approximately half a million dollar reduction in property tax revenues through cutbacks and efficiencies in every City Department. The changes ranged from savings in health care plans to elimination of non-emergency and non-Public Safety overtime, to stretching out replacement cycles for City vehicles, to a more efficient method of leaf collection, a hiring freeze, and elimination of part-time and seasonal staff. The City has also been successful in securing one-time sources of temporary relief through federal/state grants for road projects, for example. This was done without a change in the tax rate, and, combined with the lower assessments, resulted in property tax reductions for 80% of City property owners. The City has been doing more with less for several years now with little noticeable affects on services, but now the City must confront more fundamental choices.

What makes this revenue shortfall a long term issue is the nature of the state's property tax system. Even if all of our home values were to recover tomorrow, the City's property tax assessments are capped to increase by the rate of inflation and even then cannot exceed 5%. Michigan's property tax limitations never contemplated *declining* property value, which has resulted in the City's current fiscal challenge. Even in good times, municipal budgets can be hard to balance as some expenditures are difficult to control. Collective bargaining contracts are locked in as are retiree legacy costs. Costs rise faster than inflation such as health care, gas, and even road salt. Even with a normally healthy 20% fund balance the City has conserved, note how rapidly the reserves will dissipate in the chart displaying the City's five year projections if revenues and expenditure patterns remain unchanged -- leaving the City in the untenable position of having no reserves.

Article continued on page 2

City News

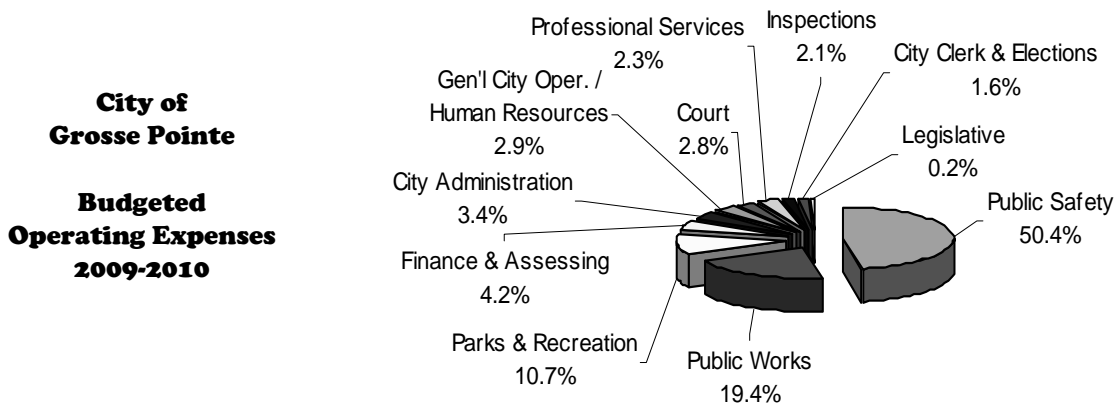
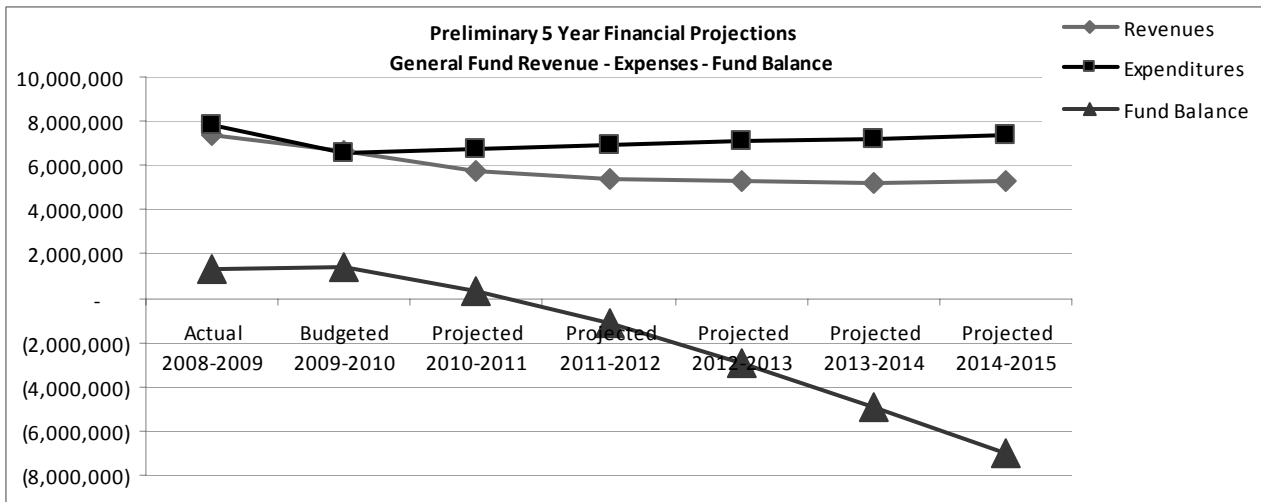
The New Fiscal Reality continued

To help address this new fiscal reality, the City has asked a blue ribbon committee consisting of residents with financial and governmental backgrounds for their expertise and counsel. Annually, the City, by law, must have a balanced budget. If, for example, all departments were to cut their budgets by 20%, the amount needed to address the revenue shortfall next year, producing a balanced budget could not be done without major reduction of employees in all departments and severe cuts or the elimination of existing city services provided by those employees. To put this situation in perspective, a 20% cut in the Public Safety Department would mean the loss of 7 of the City's 24 police and fire fighters. See the attached chart of expenditures by department, which illustrates the fact that if Public Safety, comprising more than half the City's operations, is spared from budget reductions, other departments' services budgets like parks and recreation would be unsustainable. It is clear that this level of expenditure reductions cannot be done without affecting service levels that have traditionally been the pride of Grosse Pointe, and which contribute to our community's reputation and desirability as a place to live.

It is vital that the citizens of Grosse Pointe are informed, involved, and pro-active in this priority setting process, as the decisions that follow will affect how our community operates for decades to come. For this reason, the Citizen Committee has put together the enclosed survey to obtain your input and suggestions for what you believe are priorities for the citizen committee volunteers and the City Council to consider in addressing this problem. I ask that each household please fill out this questionnaire and return it to City Hall. By doing so, your voice be added to the discussions that will help shape our community's future. Our task ahead is significant but with all of us working collectively, I know we can achieve the necessary results and continue to be a great City into the future.

Respectfully,

Dale N. Scrace, Mayor
City of Grosse Pointe



City News

Rubbish Pickup & Winter Holidays

Rubbish pickup will be delayed one day the week of January 18 for MLK Jr. Day holiday

Rubbish pickup will be delayed one day the week of February 15 for President's Day holiday.

Recycling Pickup & Winter Holidays

Recycling pickup will be on schedule the weeks of January 18 and February 15, 2010.

Items to Remember

- *County & School tax bills are payable without penalty until February 14*
- *Parks and Rec Winter Fest - see page 4*
- *City Offices closed on January 18 for the Martin Luther King Jr. Day holiday*
- *City Offices closed on February 15 for President's Day holiday*

UPCOMING

MEETINGS

February 22 City Council
7:00 pm
(4th Monday)

March 15 City Council
7:00 pm

April 19 City Council
7:00 pm

Second Phase of Neighborhood Inspection Program set to Begin

In a continuing effort to maintain and improve property values and to ensure the attractive appearance of the City's housing, the City will begin phase two of the housing inspection program this spring. This Neighborhood Beautification Inspection program began last year and establishes a regular exterior review of all residential properties. One of the greatest assets of the City is its attractive neighborhoods and fine housing stock. This inspection of basic housing and property maintenance codes (not the color of paint or flowers) supports the upkeep of buildings, thereby promoting attractive neighborhoods and preserving neighborhood property values. Prior to the start of the program, notifications will be sent in advance to the residences in the designated inspection area. If you have any questions regarding the new Neighborhood Beautification Inspection program, please contact the City's Code Enforcement Officer at 885-5800.

CAUTION! Coyote sightings

Although very good at staying hidden, urban and suburban coyotes often seem less concerned about being sighted than their wilderness counterparts as noted by recent encounters in the Grosse Pointe area. The coyote population in the Grosse Pointes and surrounding areas has surged in the past few years in spite of several attempts to trap these animals. Please be aware that wild coyotes will attack dogs and cats as prey, don't let pets run loose. Never leave food out for coyotes. Keep anything that could be used as a food source safely stored away. All residents are urged to use caution and common sense when dealing with wild animals, especially coyotes who have developed unique survival strategies. For more information on coyotes, please visit the City website at www.grossepointecity.org, under Public Safety, Resources, then Downloads.

To report a coyote sighting, immediately contact the Grosse Pointe Public Safety Department at 886-3200.

CENSUS 2010 - - - When will it happen? What is the process?

In February or March 2010, the Census Bureau will mail or deliver more than 130 million questionnaires to households across the United States. The U.S. Constitution mandates a headcount of everyone residing in the US and the census is conducted every ten years to acquire that count. The census numbers acquired affect population totals which determine each state's Congressional representation. Further, census data directly affects how more than \$300 billion per year in federal and state funding is allocated to communities for neighborhood improvements, public health, education, transportation and much more.

When residents receive their 2010 Census questionnaire, please fill it out to reflect household composition as of April 1, 2010. The census questionnaire is easy to fill out and requires only about 10 minutes to complete. Once complete, mail it back in the postage-paid envelope provided in the package as close to April 1 as possible. The questionnaire package will also contain a privacy letter describing the confidentiality of census data and the protection of the respondent's privacy. Your responses are protected by law (Title 13, U.S. Code, Section 9). All Census Bureau employees have taken an oath to protect confidentiality and are subject to a jail term, a fine, or both, for disclosing any information that could identify a respondent or household. For more information on the 2010 Census, please contact the Grosse Pointe Chamber of Commerce at 881-4722 or visit www.2010census.gov.

More News



Sixth Annual

Winter Fest and Pig Roast

Our Winter Fest is in its sixth year and is a wonderful opportunity to take pleasure in the winter weather. You will be able to experience various activities like dog sledding, curling, ice sculpting and broomball. The City will also bring in a catered meal for your enjoyment. Let it snow!

Neff Park Winter Fest

Saturday, January 30 - Activities begin at 1:00 p.m.

Ice Rink and Warming Room

What would winter be without outdoor ice skating? For those who don't take to the cold, the warming room will be available. The warming room will be closed on holidays.

Neff Park Ice Rink

December 2009 – March 2010

Everyday from 12:00 – 9:00 pm

Used Ice Skate Donation

This winter, we will be collecting used ice skates and making them available for residents to use. All sizes and types in good condition will be accepted. Please bring your skates to the park office, located next to the pool in Neff Park.



Grosse Pointe Library Trustee City Representative

Every four years, the Mayor and City Council appoint a Grosse Pointe Library Trustee representative for the City, for a term starting in July. If you are a Grosse Pointe City resident who is interested in serving as a Grosse Pointe Library Trustee, please submit a Letter of Interest to the City. The Letter of Interest should include: 1) How many years living in the community? 2) Why you want to serve on the Library Board? 3) State what skills you would bring to the Library Board? 4) Have you had experience working with or in a library? If yes, please state which library; and 5) What do you feel is the most important issue facing the Grosse Pointe Public Library?

Please submit your Letter of Interest by February 26, 2010 to Julie Arthurs, City Clerk, City of Grosse Pointe, 17147 Maumee Avenue, Grosse Pointe, MI 48230.

GP Historical Society will Launch Survey Project

Starting in early 2010, the Grosse Pointe Historical Society will begin documenting the architectural significance of homes in the City. The survey project involves photographing the exterior of homes and creating a data base of those representing significant architectural styles. The data base will eventually become an informational resource for the community. The survey will be done by two Eastern Michigan University students who are scheduled to work throughout the spring and summer. For more information, go to www.gphistorical.org.