

**MINUTES OF THE GROSSE POINTE CITY COUNCIL MEETING HELD IN THE  
CITY COUNCIL CHAMBERS, 17145 MAUMEE AVENUE, GROSSE POINTE, MICHIGAN  
ON MONDAY, APRIL 20, 2009.**

The meeting was called to order at 7:00 p.m.

ROLL CALL

Present: Mayor Scrace, Council Members Parthum, Pfaehler, Stempfle, Stevens, Walsh and Weipert

In Attendance: City Manager Dame, Attorneys Fildew and Kennedy, City Clerk Arthurs, Public Service Director Weitzel, Assistant City Manager Fincham, Finance Director Johnson, Public Safety Director Fox, Public Works Supervisor Schulte and City Planner Jackson.

SETTING AGENDA

City Manager Dame requested that a request to purchase a Public Safety surveillance vehicle be added to the agenda as Item 5f.

RECEIVED AND FILED.

CONSENT AGENDA

Motion by Council Member Weipert second by Council Member Parthum to approve the Consent Agenda consisting of the following:

- a. Minutes from the regular City Council meeting held on March 16, 2009
- b. Invoices
  - a) Tringali Sanitation - Curbside Recycling, February, 2009, \$5,088.00
  - b) City of Grosse Pointe Farms
    - Radio Service, \$16,097.87
    - Purchase of Water, \$117,170.91
  - c) Bobcat of Motor City - Purchase of Utility Vehicle & Accessories, \$42,780.03
  - d) McKenna Associates, Inc. - Professional Planning Services, \$6,318.55
  - e) City of Detroit, Board of Water Commissioners
    - Sewages Disposal Services, February, 2009, \$45,982.09
  - f) Anderson, Eckstein & Westrick, Inc.
    - Professional Services, SRF Project Plan Preparation, \$10,808.64
    - Professional Services, Neff Road Pumping Station, \$23,760.45
- c. Approved public hearing date of Monday, May 11, 2009 for the proposed 2009-10 budget.
- d. Approval of Resolution proclaiming the last week of April 2009 as Arbor Week with April 24, 2009 marking the celebration of Arbor Day.
- e. Approval of license to Delta Consultants for the placement of one monitoring well and to use a portion of the public right-of-way adjacent to and east of the property known as 17800 Mack Avenue.

CONSENT AGENDA UNANIMOUSLY ADOPTED.

The City Council now convened as the Zoning Board of Appeals.

PUBLIC HEARING – ZONING BOARD OF APPEALS – KENNISS ACADEMICS – 17200 MACK AVENUE

Mayor Scrace called to order the Zoning Board of Appeals to consider a variance request for 17200 Mack Avenue. The Zoning Board of Appeals will consider the request for the location of a Learning Center within the RO-1 District, with the following determination to be made:

1. The Zoning Board of Appeals will make a determination as to whether a Learning Center is compatible with the uses allowed in the RO-1 District.

City Clerk Arthurs informed the Board that notice of public hearing had been given as required by PA 110 of the State of Michigan and Grosse Pointe City Ordinance, proof of which is on file in the official records of the City of Grosse Pointe.

City Planner Jackson made the following report:

The applicant has requested that a supplemental learning center for school-aged children be located in a building between Loraine and Notre Dame at 17200 Mack Avenue in the RO-1 zoning district. Learning Centers are not listed in any of the City's zoning districts. The City previously made a determination that this use could be permitted in the C-1 District (for the Sylvan Learning Center located at 17860 Mack Avenue). The applicant is requesting that the ZBA make a determination that a learning center is consistent with the uses permitted by right in the RO-1 district. Kenniss Academics offers tutoring and accelerated learning programs for reading and mathematics. The regular hours of operation will be 3:00 pm to 7:00 pm Monday through Thursday during the school year and 9:00 am to 6:00 pm Monday through Friday during the summer. The applicant has stated that Kenniss Academics will have a maximum of 8 students with 3 to 4 employees at peak time.

City Planner Jackson discussed the following issues:

- Use: Permitted uses in the RO-1 district include uses related to the occupations of executive, administrative, professional accounting, banking clerical, stenographic, and drafting. Further, medical offices, professional offices, and public buildings are permitted in the RO-1. These uses are generally daytime uses, with patrons coming and going at different times of the day for short periods of time. The intent of the RO-1 district is to permit office and restricted business uses which will provide opportunities for local employment close to residential areas.
- Parking: Addressing parking in the Mack Avenue business district is an ongoing objective of the Master Plan. The subject site does have private on-site parking. The use was developed originally as an office, and the parking required for the proposed learning center is consistent with the original office use. Further, the adjacent business is a dentist office, which has a peak parking demand during the morning and early afternoon.

The applicant has indicated that there will be a maximum of 3 to 4 staff members at full capacity from approximately 3:00 pm to 7:00 pm during the school year and 9:00 am to 6:00 pm during the summer. During that time there will be a combination of tutoring and special programs with up to 8 children who are dropped-off. Therefore parking for the learning center and dentist's office is adequate. The applicant has stated that all drop-off and pick-up activity would be in the parking lot adjacent to Loraine Street. The timing of activities will be consistent with their existing use on Mack Avenue.

The City Planner recommended that the ZBA make the determination that the proposed learning center is consistent with those uses permitted in the RO-1 district.

Mayor Scrace opened the public hearing regarding the ZBA request. After hearing no comment, he closed the public hearing.

Motion by Council Member Weipert second by Council Member Stempfle that the Zoning Board of Appeals hereby determines that the proposed Learning Center, 17200 Mack Avenue, is consistent with the uses permitted in the RO-1 District.

UNANIMOUSLY ADOPTED.

The Zoning Board of Appeals reconvened as the City Council.

#### PUBLIC HEARING – 2009 SINGLE LOT ASSESSMENT ROLL

Mayor Scrace announced that this was the time set for a public hearing by the City Council to review the 2009 Single Lot Special Assessment Roll for unpaid invoices for City services. City Treasurer Johnson reported that the special assessment roll is prepared in accordance with Section 1.15, of the Grosse Pointe City Code.

Affected property owners were notified by first-class mail. The total amounts of the Special Assessments are \$99,949.95. The assessments will become a lien on the July 2009 City tax bills.

Mayor Scrace asked for any comments from citizens or Council members. After those persons present were afforded the opportunity to comment, Mayor Scrace declared the hearing closed.

Motion by Council Member Stempfle second by Council Member Pfaehler to approve the 2009 single lot special assessment roll as submitted.

UNANIMOUSLY ADOPTED.

#### EXTENSION OF TREE TRIMMING CONTRACT

Public Works Supervisor Schulte made the following report:

The City contracts for the provision of major tree limb trimming, as well as tree and stump removal services. For the last six years, Arbor Pro Tree Service has held the contract of these services with Grosse Pointe City. Over the years, Arbor Pro has worked closely and effectively with city staff when performing scheduled trimming, removals and responding to emergency storm damage situations. The original contract was bid out with a term of three years and has been extended annually since then with no price increases. In exchange for a three year extension of the City's tree contract, covering contract years of 2009-2012, Arbor Pro has agreed to lower existing contract prices by 6%. The City has the right to terminate the contract on 30-day notice if deemed necessary.

Council discussion took place regarding the proposed contract extension and allowed bidding procedures. It was noted that bidding procedures can be waived if Council deems the extension financially appropriate. It was further noted that the extended contract prices are similar to prices charged in 2003.

Motion by Council Member Weipert second by Council Member Parthum that tree trimming contract with Arbor Pro Tree Service is extended for three years, including a 6% price reduction, until May 1, 2012, pursuant to Section 2-99(5) of the Grosse Pointe City Code.

UNANIMOUSLY ADOPTED.

#### PRESENTATION BY CITY PLANNER – VILLAGE ZONING

City Manager Dame stated that as one of the Council goals for this year, a review of C-2 zoning regulations was conducted by staff and the City Planner. The purpose of the presentation is to show what ideas and suggestions were developed for consideration in the C-2 district and to gather Council input for future discussion and/or action.

City Planner John Jackson gave a PowerPoint presentation regarding zoning options in the Village. He discussed the context of the Village, the development of Master Plan, the market study survey and strategies, the Future Land Use map, and C-2 zoning options.

Council discussion took place regarding the proposed expansion of permitted first floor uses. The list of prohibited uses, uses permitted with special use approval, the Office/Service first Floor option of 80 ft. and other zoning options were discussed. The City Planner answered various Council questions regarding his presentation.

RECEIVED AND FILED.

#### EXTENSION OF AGREEMENT WITH VILLAGE INN

City Manager Dame made the following report:

At the beginning of 2008, the City sent out an RFP/Q to approximately 20 hotel developers, hotel operators, and hospitality industry consultants. On March 31, 2008, the City received a response to the RFP/Q from a group of partners who had formed The Village Inn of Grosse Pointe, LLC. This group proposes to build a 50-60 room

boutique hotel on the Notre Dame side of City owned parking Lot 2 which would be next to the parking structure which is currently in the early planning stages on the St. Clair side of Lot 2.

In April 2008, the City and The Village Inn entered into a pre-development agreement providing for a six month period for the City and the development team to review the feasibility of the proposed boutique hotel. A significant amount of work was conducted. In October, the agreement was extended for six months. The developers have requested an additional six months to meet the terms of the pre-development agreement. The developers have indicated that in excess of \$100,000 has been spent to date by the development team toward this project. It was noted that discussions have been ongoing and progressing, albeit slowly. Given the economic and credit climate, there is justification for further extension as requested to put together a financing package.

Motion by Council Member Stevens second by Council Member Stempfle to extend the pre-development agreement with The Village Inn of Grosse Pointe, LLC for six months.

UNANIMOUSLY ADOPTED.

RESOLUTION – NOTICE OF INTENT – 2009 CAPITAL IMPROVEMENT BONDS (STATE REVOLVING FUND PROJECT)

City Attorney Kennedy made the following report:

As previously discussed, the City is in the engineering phase of an \$800,000 renovation and upgrade to our sewage pump station. Renovation and replacement of specified portions of the facility is immediately necessary because of deterioration and decay in the 80 year old facility. To pay for this upgrade and renovation, the City has applied for and received authorization to participate in the State Revolving Fund (“SRF”) loan program. The SRF program allows the City to borrow the upgrade money at 2.5% interest and pay back principal over 20 years. In addition, current projections indicate that the recently passed federal stimulus bill will allow the State to forgive approximately 23% of the principal. The loan will be repaid with sewer and water revenue.

To effectuate the loan from the State, it is necessary to go through the Constitutional and statutory borrowing process of issuing Capital Improvement Bonds. Although the buyer of the bonds will be the State, the City must go through much of the same statutory process required for an open market sale. Thus, the Council must approve the attached Notice of Intent Resolution to further the loan application process.

An amount of \$1,000,000 is specified in the Notice to provide flexibility to the City to obtain an appropriate amount of money on the best possible financial terms from the State. Only the amount necessary for the project as approved by Council will actually be borrowed. Please note that the issuance of the bonds is subject to a 45 day referendum right.

Motion by Council Member Parthum second by Council Member Pfaehler that the following resolution be adopted:

WHEREAS, the City of Grosse Pointe, County of Wayne, State of Michigan (the “City”) intends to issue general obligation limited tax bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), in an aggregate principal amount of not to exceed One Million Dollars (\$1,000,000) (the “Bonds”), in one or more series, for the purpose of paying part of the costs of acquiring, constructing, furnishing and equipping sanitary sewage system improvements, including pump station improvements together with all appurtenances and attachments (the “Project”); and

WHEREAS, the City has been advised by the Michigan Department of Environmental Quality that financial assistance to accomplish the acquisition and construction of all or a portion of the Project is available through the State Revolving Fund (“SRF”) loan program administered by the Michigan Municipal Bond Authority; and

WHEREAS, the City has made application for participation in the SRF loan program; and

WHEREAS, a notice of intent to issue the Bonds must be published before the issuance of the Bonds in order to comply with the requirements of Section 517 of Act 34; and

WHEREAS, the City intends at this time to state its intentions to be reimbursed from proceeds of the Bonds for any expenditures undertaken by the City for the Project prior to issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is authorized and directed to publish a notice of intent to issue bonds in the *Grosse Pointe News*, a newspaper of general circulation in the City.

2. The notice of intent shall be published as a display advertisement not less than one-quarter (1/4) page in size in substantially the form attached to this resolution as Exhibit A.

3. The City Council does hereby determine that the foregoing form of Notice of Intent to Issue Bonds and the manner of publication directed is the method best calculated to give notice to the City's electors and taxpayers residing in the boundaries of the City of the City's intent to issue the Bonds, the maximum amount of the Bonds, the purpose of the Bonds, the source of payment for the Bonds and the right of referendum relating thereto, and the newspaper named for publication is hereby determined to reach the largest number of persons to whom the notice is directed.

4. The City makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

- (a) As of the date hereof, the City reasonably expects to reimburse itself for the expenditures described in (b) below with proceeds of debt to be incurred by the City.
- (b) The expenditures described in this paragraph (b) are for the costs of acquiring the Project which were paid or will be paid subsequent to sixty (60) days prior to the date hereof from the general funds of the City.
- (c) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$1,000,000.
- (d) A reimbursement allocation of the expenditures described in (b) above with the proceeds of the borrowing described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the related Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City's use of the proceeds of the debt to be issued for the Project to reimburse the City for a capital expenditure made pursuant to this resolution.
- (e) The expenditures described in (b) above are "capital expenditures" as defined in Treas. Reg. § 1.150-1(b), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Treas. Reg. § 1.150-2(c)) under general Federal income tax principles (as determined at the time the expenditure is paid).
- (f) No proceeds of the borrowing paid to the City in reimbursement pursuant to this resolution will be used in a manner described in Treas. Reg. § 1.150-2(h) with respect to abusive uses of such proceeds, including, but not limited to, using funds corresponding to the proceeds of the borrowing in a manner that results in the creation of replacement proceeds (within Treas. Reg. § 1.148-1) within one year of the reimbursement allocation described in (d) above.

5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

EXHIBIT A

NOTICE TO TAXPAYERS AND ELECTORS  
OF THE CITY OF GROSSE POINTE  
OF INTENT TO ISSUE BONDS  
AND THE RIGHT OF REFERENDUM RELATING THERETO

PLEASE TAKE NOTICE that the City of Grosse Pointe, County of Wayne, State of Michigan (the "City"), intends to issue and sell its general obligation limited tax bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended, in an aggregate principal amount of not to exceed One Million Dollars (\$1,000,000), in one or more series, for the purpose of paying part of the costs of acquiring, constructing, furnishing and equipping sewage system improvements, including pump station improvements together with all appurtenances and attachments.

SOURCE OF PAYMENT OF BONDS

THE PRINCIPAL OF AND INTEREST ON SAID BONDS SHALL BE PAYABLE from the general funds of the City lawfully available for such purposes including property taxes levied within applicable constitutional, statutory and charter tax rate limitations. The City expects to pay principal of and interest on the bonds primarily from the revenues of the City's sewage disposal system.

BOND DETAILS

SAID BONDS will be payable in annual installments not to exceed twenty (20) in number and will bear interest at the rate or rates to be determined at a public or private sale but in no event to exceed the maximum rate permitted by law on the balance of the bonds from time to time remaining unpaid.

RIGHT OF REFERENDUM

THE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING SUCH A VOTE SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS RESIDING WITHIN THE BOUNDARIES OF THE CITY IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. IF SUCH PETITION IS FILED, THE BONDS MAY NOT BE ISSUED WITHOUT AN APPROVING VOTE OF A MAJORITY OF THE QUALIFIED ELECTORS RESIDING WITHIN THE BOUNDARIES OF THE CITY VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 517, Act 34, Public Acts of Michigan, 2001, as amended.

Julie Arthurs  
City Clerk, City of Grosse Pointe

RESOLUTION DECLARED ADOPTED.

PURCHASE OF PUBLIC SAFETY SURVEILLANCE VEHICLE

Chief Fox made the following report:

For several years the Public Safety Department has been utilizing a 1993 Lexus for undercover/surveillance work. This vehicle was obtained through a forfeiture case. It has become mechanically unreliable and would cost more for repairs than the vehicle is worth. In the 2008-09 budget, \$15,000 has been allocated from the drug forfeiture fund for the purchase of a vehicle to replace the Lexus. The intent is to purchase a late model used vehicle with low mileage. The Department has received bids ranging from \$10,997 to \$16,089. Staff has looked at a small SUV or possibly a mini-van type of vehicle to carry surveillance equipment and extra weapons if needed. The following bids have been received:

- |   |          |                     |
|---|----------|---------------------|
| 1. 2008 Dodge Caravan with 50,145 miles     | \$16,089 | Meade Dodge         |
| 2. 2005 Pontiac Montana with 48,000 miles   | \$12,995 | Ray Laethem Pontiac |
| 3. 2005 Chevrolet Venture with 24,000 miles | \$10,997 | Ray Laethem Pontiac |

Once a replacement vehicle is purchased, the Lexus will be auctioned off through our regular process with those funds being recaptured and allocated to the Drug Forfeiture Fund.

Motion by Council Member Stempfle second by Council Member Parthum to authorize the purchase of a 2005 Chevrolet Venture to be used by the Public Safety Department at a cost of \$10,997 from Ray Laethem Pontiac.

UNANIMOUSLY ADOPTED.

#### STAFF REPORTS

Chief Fox submitted and summarized the annual Public Safety report. Public Service Director Weitzel reported that the Cadieux Road repaving project will begin May 4. City Manager Dame stated that the draft budget was submitted to Council and the proposed hearing date is set for May 11.

#### COUNCIL COMMENT

The City Council commented on the following issues:

- Mayor's Prayer Breakfast is set for Thursday, May 7, 2009 at the Grosse Pointe Yacht Club beginning at 7:30 a.m. Tickets are available at City Hall and Council Members are requested to coordinate their attendance with the City Clerk.
- Appreciation was expressed to the Public Safety Department for their hard work in reducing crime in the City in 2008.
- Appreciation was expressed to the City Manager, Finance Director and department heads involved in preparing the 2009-10 draft budget.

#### CLOSED SESSION

Motion by Council Member Weipert second by Council Member Stempfle that the Council go into closed session to review a written memorandum prepared by Counsel and subject to attorney-client privilege.

#### ROLL CALL

Ayes: Parthum, Pfaehler, Stempfle, Stevens, Walsh, Weipert, Mayor Scrace

Nays: None.

UNANIMOUSLY ADOPTED.

The City Council met in closed session from 8:52 p.m. until 9:45 p.m.

#### COMCAST FRANCHISE

Motion by Council Member Stevens second by Council Member Parthum to authorize the City Manager to initiate appropriate litigation against Comcast Corporation to enforce the City's cable franchise rights contingent on all the other Grosse Pointe communities, Harper Woods, and the War Memorial, agreeing to equitably share the litigation costs.

#### ROLL CALL

Ayes: Parthum, Pfaehler, Stevens, Walsh, Weipert, Mayor Scrace

Nays: Stempfle

Motion Carries 6 votes Aye to 1 vote Nay.

On Motion, the meeting was adjourned at 9:47 p.m.

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Julie E. Arthurs, City Clerk  
City of Grosse Pointe