

**MINUTES OF THE GROSSE POINTE CITY COUNCIL MEETING HELD IN THE
CITY COUNCIL CHAMBERS, 17145 MAUMEE AVENUE, GROSSE POINTE, MICHIGAN ON
MONDAY, JUNE 21, 2010.**

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

ROLL CALL

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

In Attendance: City Manager Dame, Attorneys Fildew and Kennedy, City Clerk Arthurs, Public Service Director Weitzel, and Public Safety Director Fox.

Motion by Council Member Stempfle second by Council Member Stevens to excuse Council Members Boettcher and Parthum from the meeting for personal reasons.

UNANIMOUSLY ADOPTED.

CONSENT AGENDA

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

1. Minutes of the City Council budget hearing held on May 10, 2010 and the regular City Council meeting held on May 17, 2010.
2. Invoices
 - a. North American Salt Company – Purchase of rock salt \$10,708
 - b. The Verdin Company – Village clock maintenance \$6,440
 - c. Rizzo Services – Curbside recycling, May 2010 - \$5,616
 - d. Grosse Pointes-Clinton Refuse Disposal – Refuse disposal April 2010, \$6,169.25
 - e. Degenhardt & Sons, Inc. – Progress payment, Neff Road Pump Station \$274,960.07
 - f. Aquatic Source – Swimming Pool Maintenance - \$5,500
3. Agreement for financial consultant services and designation of Acting Treasurer authorized and approved.
4. Approval of Resolution for street closure for the Village Association Sidewalk Sale.
5. Approval of Resolution for street closure for Grosse Pointe's Greatest Garage Sale.
6. Approval of Resolution of Appreciation honoring Finance Director Karen Johnson's retirement.

CONSENT AGENDA UNANIMOUSLY ADOPTED.

TEMPORARY RELOCATION OF POLLING PLACE FOR AUGUST 3, 2010 PRIMARY ELECTION

City Clerk Arthurs made the following report:

A parking lot construction project at Maire School, 740 Cadieux, is set to begin after school recesses for the summer. Maire School is the voting location for all City of Grosse Pointe residents. Therefore, it is necessary that the polling location for the upcoming August 3, 2010 Primary Election be temporarily relocated to the Neighborhood Club, 17150 Waterloo.

This project, along with other construction projects in the Maire School area, will affect both pedestrian and vehicular election traffic. Temporarily relocating the voting precincts alleviates traffic congestion, parking issues and ensures ADA requirements are met at the polls. Christian Fenton from the Grosse Pointe Public Schools has indicated that the Maire project will be completed before the beginning of the school year in the Fall.

Notices regarding the temporary change will be mailed to each voter household and a notice will be posted at Maire School directing voters to the new location. Information on the relocation will also be posted on the City website and sent to local newspapers.

Motion by Council Member Weipert second by Council Member Stempfle to temporarily change the polling location for precincts 1 and 2 in the City of Grosse Pointe to the Neighborhood Club, 17150 Waterloo, for the August 3, 2010 Primary Election.

UNANIMOUSLY ADOPTED.

APPROVAL TO PURCHASE PUBLIC SAFETY VEHICLE

Public Safety Director Fox made the following report:

The City Department of Public Safety received three bids for a new 2010 Ford Crown Victoria with a police package. Following is the list of bids:

Oakland County bid:	Jorgensen Ford	\$21,664
Macomb County bid:	Signature Ford	\$20,790
State of Michigan bid:	Gorno Ford	\$20,500

The proposed new vehicle will replace a 2006 Ford Crown Victoria, VIN #2FAFP71W16X151821. The 2009-10 budget included \$25,000 for the purchase and outfitting of one patrol car for the Public Safety Department. Discussion took place regarding how the old vehicle will be utilized and what other models for police vehicles are available.

Motion by Council Stempfle second by Council Member Stevens to approve the purchase of a 2010 Ford Crown Vic (Police Package) for the low bid of \$20,500 through Gorno Ford, Woodhaven, MI. with a total cost of not to exceed \$25,000.

UNANIMOUSLY ADOPTED.

RESOLUTION – IRS SECTION 125 FLEXIBLE BENEFITS PLAN

City Attorney Kennedy made the following report:

Effective July 1, 2010, all eligible non-union employees of the City will receive their health care benefits through a “high deductible” health plan partnered with a Health Savings Account. To implement this new health care plan, the City must adopt a “Section 125 Flexible Benefits Plan” to provide an administrative framework for the Health Savings Account which each individual employee will control.

Motion by Council Member Weipert second by Council Member Stevens that the following resolution be approved:

WHEREAS, the City of Grosse Pointe has determined that it would be in the best interests of the City of Grosse Pointe and its employees to adopt a “Section 125 Flexible Benefits Plan” allowing for pre-tax health insurance and dependent care expenses,

RESOLVED, that City of Grosse Pointe adopts its “Section 125 Flexible Benefits Plan”, all in accordance with the specifications approved by the City Manager; and, that the City Manager, or his designate, is authorized to execute the Grosse Pointe Section 125 Flexible Benefits Plan Document as of July 1, 2010.

RESOLVED FURTHER, that the City Manager may undertake all actions necessary to implement and administer said plan.

UNANIMOUSLY ADOPTED.

DISCUSSION OF PRE-TAX PENSION CONTRIBUTIONS

City Manager Dame made the following report:

Pursuant to Section 56-47 of the Pension Ordinance, full time City employees that are eligible for pension benefits are required to pay 5% of their gross salary to the City pension plan. This money has historically been paid into the plan on a post tax basis. As a current benefit to City staff, the City Manager recommends that Council pass a motion directing the City, to “pick up” the employee contributions pursuant to §414(h)(2) of the Internal Revenue Code. By passing this motion, employee contributions will be deductible from the employees’ gross income. There is no cost to the City. (This motion will not apply to public safety employees whose terms of compensation and benefits are subject to collective bargaining.)

Motion by Council Member Stempfle second by Council Member Stevens that the following resolution be adopted:

Pursuant to §414(h)(2) of the Internal Revenue Code, it is moved that the 5% pension plan contributions of the non-union employees of the City, although designated as employee contributions, will be deducted from the employees’ gross pay and paid by the City to the pension plan in lieu of contributions by the employee. The non-union employees shall not receive the contributed amounts directly as such amounts must be paid by the City to the pension plan. It was further moved that this policy shall apply with respect to salary earned July 1, 2010 and thereafter.

UNANIMOUSLY ADOPTED.

APPROVAL OF AGREEMENT WITH RDS SERVICES – RETIREE REINSURANCE SERVICES

City Manager Dame made the following report:

Included in the new federal health reform act approved by Congress and signed into law by the President, is a new program intended to temporarily cover some higher end costs of employers providing health care to retirees between ages 55 and 65. Under this new Retiree Reinsurance Program, documented high cost expenditures of providing health insurance to these retirees are eligible for reimbursement under a pool of funds made available. These funds were intended by Congress to last for three years, but are not expected to actually last that long.

RDS Services is an affiliate of the Grosse Pointe municipalities’ health care benefits provider. Under the agreement, RDS will review the City of Grosse Pointe’s employee claims data for the eligible period and submit an application for reimbursement under this program. Blue Cross/Blue Shield also would provide the same service but at a much higher cost. BCBS’s proposal would require a minimum payment to BCBS for these services of \$50,000. RDS’s fee would be based on whatever funds are ultimately recovered from the federal government. There are nine former employees currently in the eligible age range and for whom claims costs may be eligible for reimbursement. RDS estimates that the potential reimbursement into the City’s retiree health care program would be about \$26,000, based on the program criteria and using an average dollar figure for employee claims. RDS’s fee would be 20% of the federal subsidy, approximately \$5,200, plus the \$3,000 fee BCBS will charge to provide the data to the City. Discussion took place regarding the proposed agreement and how high cost claims would be reviewed.

Motion by Council Member Weipert second by Council Member Stevens to approve the agreement with RDS Services, subject to review and approval by the City Attorney.

UNANIMOUSLY ADOPTED.

PUBLIC COMMENT

- Resident comment in support of the hotel project and suggestion for location of the hotel on the vacant property on St. Clair. Mayor Scrace advised that the St. Clair property was owned by Sunrise and that the property is for sale.
- Resident question about traffic patterns relating to the parking lot construction project at Maire School and its affect on Loraine St.

STAFF REPORTS

Public Safety Director Fox updated Council on the arrest made in the recent armed robbery case. He reported on the training sessions for officers for new handguns. He further reported on recent graduations and Village concerts. Public Service Director Weitzel reported on upcoming street resurfacing projects on Fisher Road. City Clerk Arthurs reported on preparations for the August primary election. City Manager Dame reported on the Kroger reconstruction project and discussed alley traffic and parking.

COUNCIL COMMENT

The City Council commented on the following topics:

- The Public Safety officers involved in a recent incident on Mack Avenue were commended.
- Kroger project is progressing and the new building will be a great asset to the Village.
- Grosse Pointe Woods fireworks are this weekend.
- A thank you letter was received from the St. John Guild for the proclamation honoring their anniversary celebration.

On Motion, the meeting was adjourned at 7:40 p.m.

Julie E. Arthurs, City Clerk
City of Grosse Pointe