

**MINUTES OF THE GROSSE POINTE CITY COUNCIL MEETING HELD IN THE  
CITY COUNCIL CHAMBERS, 17145 MAUMEE AVENUE, GROSSE POINTE, MICHIGAN ON  
MONDAY, MAY 17, 2010.**

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

ROLL CALL

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

In Attendance: City Manager Dame, Attorneys Fildew and Kennedy, City Clerk Arthurs, Public Service Director Weitzel, Finance Director Johnson, Public Safety Director Fox, Public Service Supervisor Huvaere, Parks and Recreation Director Hardenbrook and City Planner Jackson.

SETTING AGENDA

City Manager Dame requested that a resolution of appreciation for Kenneth Matzick, CEO, Beaumont Hospitals be added to the consent agenda. Mayor Scrace noted that the resolution would be added.

RECEIVED AND FILED.

CONSENT AGENDA

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

- a. Minutes of the regular City Council meeting held on April 19, 2010.
- b. Invoices
  - 1) Asphalt Specialists, Inc. - 2009 Resurfacing Program, \$5,469.34
  - 2) McKenna Associates, Inc. - Professional Planning Services, \$5,621
  - 3) Rizzo Services - Curbside Recycling, April, 2010, \$5,616
  - 4) Grosse Pointes-Clinton Refuse Disposal - Refuse Disposal, March, 2010, \$6,338.99
  - 5) Anderson, Eckstein and Westrick, Inc.  
- Professional Services, Neff Road Pumping Station, \$5,342.29
- c. Approval of a Resolution of Appreciation for Kenneth Matzick, CEO, Beaumont Hospitals honoring his retirement after 41 years of service.

CONSENT AGENDA UNANIMOUSLY ADOPTED.

PRESENTATIONS – LIBRARY TRUSTEE APPLICANTS

Mayor Scrace indicated that this was the time set for the applicants for the City of Grosse Pointe trustee position to make a presentation to Council. The following candidates appeared before Council and made a brief presentation regarding their background, qualifications and why each applicant wishes to serve as library trustee: Pauline F. Miriani, Mary Beth Smith and Herbert Sparrow III.

After hearing each presentation, the Council discussed an appointment. A nomination to appoint Mary Beth Smith as the City of Grosse Pointe representative on the Grosse Pointe Library Board was made.

Motion by Council Member Stevens second by Council Member Parthum to appoint Mary Beth Smith as the City of Grosse Pointe representative on the Grosse Pointe Library Board of Trustees for a four-year term beginning July 1, 2010.

UNANIMOUSLY ADOPTED.

The Council then convened as the Planning Commission.

## SITE PLAN REVIEW – SUBWAY – 341 FISHER ROAD

Mayor Scrace called for consideration of a site plan review for outdoor seating at 341 Fisher Road in a C-1 Local Business District. The applicant is proposing three umbrellas, 3 tables and 6 chairs outside the front of the building along Fisher Road. The tables and chairs will be located on the store's own property along Fisher Road.

Mr. Jackson, City Planner presented his May 12, 2010 report, incorporated in these minutes by reference, which recommends approval of the site plan for outdoor seating with the following condition:

1. The applicant shall maintain the outdoor seating area clean and free of any litter and debris. Additional trash cans may be required. Any required trash cans shall be compatible with the proposed outdoor furniture.

Motion by Council Member Stempfle second by Council Member Stevens to approve the site plan for outdoor seating for Subway, 341 Fisher Road, with the condition noted above, and subject to the execution of a license to be drafted by the City Attorney which will incorporate the Planner's report.

UNANIMOUSLY ADOPTED.

## PROPOSED MACK AVENUE DEVELOPMENT IN DETROIT BETWEEN RADNOR AND FISHER RD.

A development of an EZ Storage facility at 18145-47 Mack Avenue is proposed in Detroit between Radnor and Fisher Road. Preliminary elevations, a site plan from Nolan Realty Investments, a history of Nolan Bros. and EZ Storage and photos of the Eastpointe and Southfield EZ Storage locations were distributed to Council.

City Planner Jackson discussed the public hearing notice regarding a proposed project in Detroit on Mack Avenue and how the proposed project relates to the City's side of Mack Avenue. Discussion took place regarding the size and scale of the project, possible traffic implications, the developer, and the character of the neighborhood. It was noted that it is a positive improvement to the area but concern was expressed regarding the height of the building.

Council requested that a representative of the City attend the Planning Commission hearing set for May 20 and a letter be written for submittal to the Planning Commission advising that the City of Grosse Pointe encourages development in the City of Detroit but requests that the Planning Commission consider the scale and architectural design of the building and how it relates to the surrounding neighborhood, softening of the façade with landscaping and traffic concerns.

RECEIVED AND FILED.

## DISCUSSION – POSSIBLE ZONING AMENDMENTS ON MACK AVENUE

City Planner Jackson stated that vacancies have significantly increased on Mack Avenue in the City over the last year. It was noted that zoning amendments to ensure that this major border street is able to adjust to the changing economic environment may be worth pursuing. The zoning on Mack Avenue alternates between Restricted Office and Commercial, depending on the block. It was suggested that a review of the Restricted Office regulations be undertaken. Various suggestions for amendments were discussed and Council agreed that the Planner would move forward with a proposed zoning text amendment for Restricted Office. A draft ordinance would be presented at a future meeting.

RECEIVED AND FILED.

The Planning Commission reconvened as the City Council

ADOPTION OF 2010-2011 BUDGET AND 2010 TAX RATE

Finance Director Johnson made the following report:

The proposed budget resolution adopts the City budget for the fiscal year July 1, 2010 – June 30, 2011, sets the tax rate and establishes tax administration requirements. It sets forth a summary of each fund in the proposed

budget and the estimated taxable value of \$336,856,106, a decrease in taxable value of \$28,632,314 over fiscal year 2009-10. The City’s property tax millage for this budget is 11.8391 mills for City operations, .6476 mills for debt retirement and 1.7755 for rubbish.

Finance Director Johnson read the following budget message:

**Proposed 2010-2011 City of Grosse Pointe Budget Summary**

All departments have reduced expenditures, many in the double digits. All administrative divisions are proposed to be reduced by 20% or more including Legislative, City Administration, and Human Resources. Three managerial positions are being eliminated (Assistant Manager, Recreation Coordinator and Public Works Supervisor), along with several part time seasonal workers for an overall reduction of 4.25 employees or Full Time Equivalents.

The budget assumes no salary increases for City employees, and a reduction in benefits. The City will introduce a new health plan that reduces costs. Contracted consultants are reduced for the third year in a row.

Overall, the City’s General Fund budget is proposed to be \$5.6 million, down from \$6.6 million in 2009-10. Per the residential survey, service reductions have been made in the Parks Department, reducing some recreational services and special events. The City is not purchasing any new Public Works or Public Safety vehicles, or undertaking any major building projects. On the other hand, all existing Public Safety staff are proposed to be retained [personnel costs comprise 93% of that Department’s operational costs].

The City’s major property tax generator is the general operations levy. The 11.8391 levy is proposed to remain at the same rate.

Due to the reduced property values, neither the solid waste levy nor the debt retirement levy covers related costs. To address this problem, the City is creating a Solid Waste Fund to account for all revenue and expenses related to garbage, recycling, and yard waste services. An increase in the solid waste tax rate is proposed from the current 1.1609 mills to 1.7755 mills. The debt retirement levy for the pool construction bond that the voters overwhelmingly approved in 2001 no longer covers the principal and interest payments and is proposed to increase from .5 mills to .6476 mills. Without these rate increases, the General Fund would be required to subsidize these expenses. Funds would be taken away from the operational budget, in particular, the funds available to support critical Public Safety needs.

The City’s residential properties declined in value an average of 9% this year. The total levy amount of 14.2622 mills would still generate less property tax than this past year, even though the combined RATE would increase by approximately 5.5%.

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Mr. Dame thanked Finance Director Johnson and other department heads for their hard work on creating a balanced budget for the City.

Mayor Scrace asked for any comments regarding the budget. The following comments were made:

- Joseph Kanan – 507 Notre Dame expressed concern regarding reduction in public safety personnel.
- Chris Lee – 595 Lakeland thanked the Council for creating a budget that did not change the current public safety personnel.

- Heidi Kanan – 507 Notre Dame expressed concern regarding the elimination of public safety equipment and how that will affect fire response.
- Sergeant John Alcorn expressed concern about public safety consolidation and its affect on personnel in the future.

The City Council made the following comments:

- Appreciation was expressed to the Ad Hoc Citizen Budget Committee, City Manager Dame and Finance Director Johnson for the extraordinary effort put in to developing and balancing the 2010-11 budget.

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

WHEREAS, the budget has been reviewed by the City Council and a public hearing thereon was held Monday, May 10, 2010; and

WHEREAS, the taxable valuation of real and personal property in the City has been established to be \$336,856,106; now therefore be it

RESOLVED, that the budget of the City of Grosse Pointe for the fiscal year beginning July 1, 2010 and ending June 30, 2011 is hereby determined and adopted as follows:

<u>GENERAL FUND</u>	<u>Actual 2008-2009</u>	<u>Budget 2009-2010</u>	<u>Proposed Budget 2010-2011</u>
<b>REVENUES &amp; FEES</b>			
Property tax	5,437,430	4,927,841	4,180,571
State Shared Revenues	480,848	464,000	388,350
Charges for Svc & Svc to Other Funds	788,768	726,795	591,345
Use of Money & Prop (other rev)	571,979	458,600	436,600
Licenses and Permits	73,443	79,050	78,755
<b>Total Revenues &amp; Fees</b>	<b>7,350,468</b>	<b>6,656,086</b>	<b>5,675,621</b>
<b>EXPENDITURES</b>			
<b>Departmental Operating Costs</b>			
Public Safety	2,928,580	3,012,076	2,976,002
Public Works	1,205,402	1,153,528	494,939
Parks & Recreation	624,711	632,939	559,935
Finance & Assessing	264,543	251,970	238,357
City Administration	208,982	202,298	153,495
Gen'l City Oper./Human Resources	189,120	175,156	151,177
Court	188,815	189,018	181,879
Professional Services	128,668	137,500	121,250
Inspections	125,918	128,400	108,149
City Clerk & Elections	93,387	96,213	86,051
Legislative	15,116	13,100	10,500
<b>Total Departmental Operating Costs</b>	<b>5,953,242</b>	<b>5,972,197</b>	<b>5,059,733</b>
<b>Transfers to Other Funds</b>			
Capital Projects Fund	1,040,482	-	-
Public Improvements/Other	153,500	100,000	80,000
Highway Fund	470,000	277,829	257,812
General Debt Fund	188,565	215,268	192,478
Downtown Development Authority	-	38,817	13,605
Solid Waste Fund	-	-	29,785
Pension Contribution	-	-	33,431
<b>Total Transfers to Other Funds</b>	<b>1,852,547</b>	<b>631,714</b>	<b>607,111</b>
<b>Total Cash Outlays</b>	<b>7,805,789</b>	<b>6,603,911</b>	<b>5,666,844</b>
<b>Operating Effect General Fund Balance</b>	<b>(455,323)</b>	<b>52,175</b>	<b>8,777</b>
<b>Reappropriations</b>			
Projected Fund Balance - Beginning of year	4,921,320	4,465,997	4,687,084

Transfer to Capital Projects Fund	-	-	
Projected Net General Fund Balance Effect	<u>(485,323)</u>	<u>52,175</u>	<u>8,777</u>
Projected General Fund Balance	4,465,997	4,518,172	4,695,871
<b>ALL FUNDS SUMMARY</b>			<b>Proposed</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
	<b>2008-2009</b>	<b>2009-2010</b>	<b>2010-2011</b>
<b>REVENUES &amp; FEES</b>			
General Fund	7,350,466	6,656,086	5,675,621
Water & Sewer	2,315,488	2,654,807	2,264,200
Major & Local Streets	774,415	580,809	822,312
Solid Waste	-	-	760,872
Parking	869,310	602,000	615,000
Marina	164,653	167,640	158,340
General Debt Fund	388,225	398,012	410,653
Capital Projects	1,081,614	49,890	56,000
Drug Forfeiture	-	12,000	11,500
Downtown Development Authority	-	38,617	41,000
<b>Total Revenues &amp; Fees</b>	<u>12,944,171</u>	<u>11,159,861</u>	<u>10,815,498</u>
<b>EXPENDITURES</b>			
<b><u>Operating Expenditures</u></b>			
General Fund	7,805,789	6,603,911	5,666,844
Water & Sewer	1,611,415	1,971,872	1,934,145
Solid Waste		# -	760,872
Major & Local Streets	494,706	540,809	520,312
Parking	525,538	561,804	343,815
Marina	142,266	167,999	158,037
Drug Forfeiture	-	11,950	10,990
<b>Total Operating Expenditures</b>	<u>10,579,714</u>	<u>9,858,345</u>	<u>9,395,015</u>
<b><u>Capital Expenditures</u></b>			
Capital Projects	149,653	303,228	350,000
Water & Sewer	135,384	458,000	965,000
Debt Repayment	388,225	398,012	410,653
Major & Local Streets	289,471	159,338	302,000
Parking	-	-	400,000
Drug Forfeiture Fund	-	-	4,813
<b>Total Capital Expenditures</b>	<u>962,733</u>	<u>1,318,578</u>	<u>2,432,466</u>
<b>Total Expenditures</b>	<u>11,542,447</u>	<u>11,176,923</u>	<u>11,827,481</u>
<b>Net Effect to All Funds</b>	<u>1,401,724</u>	<u>(17,062)</u>	<u>(1,011,983)</u>

RESOLVED FURTHER, that there is hereby levied a general tax as herein fixed in the amount of 14.2622 mills on the taxable valuation for the purpose of meeting operating, debt and rubbish requirements for said fiscal year. The total tax rate of \$14.2622 mills (11.8391 for operating and .6476 for debt retirement and 1.7755 for rubbish) shall be applied on all the taxable, real and personal property in the City of Grosse Pointe as set forth on the assessment roll for 2010, and that the City Clerk shall certify said levy to the City Treasurer.

RESOLVED FURTHER, that a 1% property tax administration fee be added to the State Education Tax and County Tax which will be billed with the 2010 Summer Tax billing and the 1% administration fee should also be added to the December tax roll to offset costs incurred by the City in assessing property values, collecting property tax levies, and in the review and appeal process.

RESOLVED FURTHER, that the Director of Finance is hereby authorized to transfer appropriations between the above Funds in compliance with Act No. 621, Michigan Public Acts of 1978.

UNANIMOUSLY ADOPTED.

#### PROPOSED CITY FEE SCHEDULE FOR 2010-11

City Clerk Arthurs made the following report:

A review of the current fees that the City of Grosse Pointe charges for various services, registrations, permits, and regulations was recently undertaken. Attached you will find a list of the fees for the following departments: Construction (Building, Mechanical, Plumbing/Sewer, and Electrical), Parks and Recreation, Zoning, Parking, City Clerk's Office, and the Finance Department. The annual review is undertaken to ensure that specific users are paying unit, administrative, and inspection costs in lieu of being subsidized by the general citizenry. At this time, we are proposing adjustments in the following departments: Finance, Building, Electrical, Mechanical, Plumbing and Parks and Recreation. Listed below is a brief overview of those proposed changes.

Finance: Fee will be charged for a run for a false alarm on security systems and an amendment to the fee structure within the business license ordinance is proposed. (Neither will take effect until ordinances are developed and approved)

Building: Fee increases for various permits such as building, right of way obstructions, block parties, and certificate of occupancy inspections.

Electrical, Mechanical & Plumbing: Miscellaneous fee increases.

Parks & Recreation: Fees will be charged for various events, morning lap swim, premium membership for platform tennis and park group permits.

A review of City fee structures is conducted annually and adjustments are proposed to ensure that the revenues are sufficient to cover our operating expenses. The fees proposed are in line with the recommendations of the Ad Hoc Citizen Budget Committee, as reviewed by the City Council during budget meetings.

Motion by Council Member Parthum second by Council Member Stevens that the proposed fee schedule submitted be adopted with an effective date of July 1, 2010.

UNANIMOUSLY ADOPTED.

#### APPROVAL OF REVISED EMPLOYEE MANUAL FOR NON-UNION PERSONNEL

City Manager Dame made the following report:

An Employee Manual for non-union personnel was developed and approved by City Council in 2007. This manual is a resource guide for new and current employees, as well as the operating framework for human resource policies for the City. This manual covers topics such as hiring, employment practices, employment policies and procedures, classification and compensation benefits, health and general benefits and paid and unpaid leaves. The manual covers all non-union employees including supervisory personnel, City Hall office staff, Court employees, Parks and Recreation and Public Works employees.

Attached is a revised employee manual that implements the benefit changes that are part of the 2010-11 budget. The changes for non-union personnel are summarized below:

- No annual vacation day cash out option.
- Discontinuation of paid wellness program
- No tuition reimbursement.
- No COLA (Cost of Living Allowance) payment.
- No salary increases for 2010-11. In addition, the non-union employee health insurance plan will be changed to a high deductible plan along with a health savings account, effective July 1, 2010. The opt-out payment has been increased to \$3,000 as a means of encouraging employees to accept a spouse's coverage.

Significant benefit changes and cost saving measures have been made that affect non-union personnel. The changes are consistent with the recommendations made by the Ad Hoc Citizen Budget committee, and cost savings are reflected in the 2010-11 budget.

Motion by Council Member Weipert second by Council Member Walsh to approve the 2010 revision to the Employee Manual effective July 1, 2010.

UNANIMOUSLY ADOPTED.

#### PRESENTATION – RETIREE MEDICAL BENEFITS

Mayor Scrace introduced Sandy Rodwan of Rodwan Consulting who presented the actuarial valuation of the Retiree Medical Plan as of June 30, 2009. The report contains the results of an actuarial valuation of the liabilities associated with retiree health benefits together with computed contributions to systematically finance these benefits. The valuation was conducted in accordance with generally accepted actuarial principles and practices. Ms. Rodwan discussed the purpose of the valuation; assumptions used, accrued liabilities and funding value of the assets, computed annual required contribution rates, participants and post-retirement health care rates. Ms. Rodwan further discussed the Governmental Accounting Standards Board requirements for financial reporting and actuarial accrued liabilities and investment return rates. Benefit provisions and assumptions and methods were also discussed. The City Council thanked Ms. Rodwan for the report.

RECEIVED AND FILED.

#### STAFF REPORTS

Chief Fox updated Council on the recent fire involving four garages on Neff. Finance Director Johnson stated she hoped Council would honor its promise of health care benefits for current and future retirees. Parks and Recreation Director Hardenbrook updated Council on the park and pool opening preparations. City Clerk Arthurs reported that the Beautification Commission will be planted flowers at Neff Park on May 26.

City Manager Dame thanked the members of the Ad Hoc Citizen Budget Committee for their hard work during the budget preparation process. He also thanked the City residents who participated in the citizen survey which helped prioritize services and stated that the 2010-11 budget was a community effort. Mr. Dame thanked department heads for their participation in the budget process. Mr. Dame especially thanked Finance Director Johnson, who recently announced her retirement, for working closely with him for the past four years during budget preparations as well as throughout the years. Mrs. Johnson consistently does an excellent job and is always professional.

#### COUNCIL COMMENT

The City Council commented on the following topics:

- Appreciation was expressed to all those involved in preparing the budget. The collaboration between staff and management to create innovative solutions to difficult issues is evident.
- The Council thanked Karen Johnson for her hard work during the budget process. Mrs. Johnson was also commended for her dedication to the City for the past 34 years. Mrs. Johnson will be missed but Council wishes her well in retirement.
- Appreciation was expressed to the non-union personnel for the significant benefit changes and cost saving measures proposed in the 2010-11 budget.
- It was noted that the clock in the Village would be fixed this week.
- Concern was expressed regarding the unfunded pension liability and how it affects the future of the community.

On Motion, the meeting was adjourned at 8:40 p.m.

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Julie E. Arthurs, City Clerk  
City of Grosse Pointe