

**MINUTES OF THE GROSSE POINTE CITY COUNCIL MEETING HELD IN THE CITY COUNCIL  
CHAMBERS, 17145 MAUMEE AVENUE, GROSSE POINTE, MICHIGAN ON  
MONDAY, JUNE 16, 2008.**

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

ROLL CALL

Present: Mayor Scrace, Councilmembers Pfaehler, Stempfle, Stevens, Walsh and Weipert

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

Motion by Council Member Weipert second by Council Member Stevens to excuse Council Member Parthum from the meeting due to personal reasons.

UNANIMOUSLY ADOPTED.

CONSENT AGENDA

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

- a. Minutes from the Special Council meeting held on May 12, 2008 and the regular Council Meeting held on May 19, 2008.
- b. Invoices
  - a) Anderson Eckstein & Westrick
    - Professional Services, Parking Lot #3, \$8,110.40
    - Professional Services, 2008 Resurfacing Program, \$12,301
  - b) Tringali Sanitation - Curbside Recycling, April, 2008, \$6,635
  - c) City of Detroit, Board of Water Commissioners
    - Sewage Disposal, April, 2008, \$55,360.28
  - d) Raftelis Financial Consultants, Inc. - Water & Waste Water Rate Study, \$11,987.50
  - e) Arbor Pro Tree Service, Inc. - Injection of City Ash Trees, \$12,645
  - f) Bell Equipment Company
    - Purchase of Recycling and Yard Waste Toters, \$12,000
  - g) State of Michigan, Department of Transportation
    - Kercheval Avenue Resurfacing, \$9,830.63
  - h) Tetra Tech, Inc.
    - Pump Station, S-2 Grant, \$7,048.98
    - Pump Station, S-2 Grant, \$12,650.29
- c. Adoption of a resolution for street closure for Grosse Pointe's Greatest Block Party:

THEREFORE, BE IT RESOLVED, that the City Council of the City of Grosse Pointe does hereby approve the closure of Kercheval Avenue between St. Clair and Cadioux Road, on September 13 and September 14, 2008 for the Grosse Pointe's Greatest Block Party sponsored by the Grosse Pointe Village Association.

- d. Adoption of a resolution for street closure for the Village Sidewalk Sale & Street Festival:

THEREFORE, BE IT RESOLVED, that the City Council of the City of Grosse Pointe does hereby approve the closures of Kercheval Avenue between Neff and Cadieux Road on July 25 and July 26, 2008, for the Annual Village Sidewalk Sale and Street Festival.

CONSENT AGENDA UNANIMOUSLY ADOPTED.

PUBLIC HEARING – PROPOSED NEFF ROAD PUMPING STATION IMPROVEMENT PROJECT

Mayor Scrace opened the public hearing for the proposed Neff Road Pumping Station Improvement project. Public Service Supervisor Schulte stated that after assessing the City's potential needs, under the S2 grant for the Neff Road pump station improvements, a comprehensive review of the needs for the pump station has been completed. As a requirement of the S2 grant, the City is applying for a State of Michigan revolving fund (SRF) loan to conduct the rehabilitation work identified in the project plan for the Neff Road Pump Station which totals \$770,000.

Public Service Supervisor Schulte introduced Tom Allbaugh from Tetra Tech who gave a PowerPoint presentation regarding the proposed project plan. Mr. Allbaugh discussed the proposed improvements to the electrical system, ventilation system and necessary aesthetic and structural improvements due to the age of the building. Project alternate 1 at a cost of \$770,000 and alternate 2 at a cost of \$1,120,000 were discussed in detail. It was noted that the proposed improvements would impact the resident user at approximately \$1.86 per month on the water bill. Mr. Allbaugh answered Council questions regarding pump station remote monitoring systems and details of the upgrade to the electrical system.

Council Member Pfaehler expressed his support of the Neff Road Pump Station Improvement project and the Intergovernmental Agreement with Wayne County regarding the Downtown Development Authority. He exited the meeting at 7:30 p.m.

Public Service Supervisor Schulte reviewed the current SRF loan rates with the Council. He further requested that the Council formally adopt said Project Plan and agree to implement the selected plan for the rehabilitation of the existing Neff Road Pumping Station. Mr. Schulte read the Neff Road Pump Station Improvement project resolution aloud for the record.

Mayor Scrace opened the public comment portion of the public hearing. After no public comment was made, Mayor Scrace closed the public hearing.

Motion by Council Member Stempfle second by Council Member Stevens to approve the Project Plan and authorize and adopt the following resolution for the State of Michigan revolving fund loan:

WHEREAS, the City of Grosse Pointe, Michigan recognizes the need to make improvements to its existing wastewater treatment and collection system; and

WHEREAS, the State of Michigan offers low interest loans to assist local governments in financing the construction of wastewater treatment and collection facilities, under the Michigan State Revolving Fund (SRF) Loan Program; and

WHEREAS, the City of Grosse Pointe has authorized Tetra Tech, Inc. to prepare a Project Plan, as a requirement of the SRF Program, which recommends the construction of improvements to the Neff Road Pumping Station; and

WHEREAS, the project plan has been on file and available for public review for the past thirty (30) days; and

WHEREAS, said Project Plan was presented at a Public Hearing held on June 16, 2008 and all public comments have been considered and addressed;

NOW THEREFORE BE IT RESOLVED, that the City of Grosse Pointe formally adopts said Project Plan and agrees to implement the selected alternative, which includes the rehabilitation of the existing Neff Road Pumping Station electrical service and provides continuous ventilation for the building and miscellaneous improvements to improve worker safety and reliability, as described in detail in the Project Plan.

BE IT FURTHER RESOLVED, that City Council approves and authorizes execution of this resolution under the Michigan State Revolving Fund (SRF) Loan Program; including the submittal of said Project Plan as the first step in applying to the State of Michigan for a revolving fund loan to assist in the implementation of the selected alternative.

UNANIMOUSLY ADOPTED.

The Council recessed at 7:35 p.m. The Council reconvened at 7:45 p.m.

#### INTERGOVERNMENTAL AGREEMENT WITH WAYNE COUNTY – DDA TAX INCREMENT FINANCING

City Manager Dame made the following report:

The City held a public hearing in April to hear input on the creation of a Downtown Development Authority and positive comments were received from businesses and Council about this initiative to establish a means to finance improvements for the betterment of the Village business district. The City has been working with Wayne County officials regarding their willingness to participate and cooperate with a potential Village DDA. Wayne County officials expressed a desire to allow the use of County funds in the DDA to the extent they supported new private investment and expansion of the tax base. The City has proposed and the County officials have agreed to an intergovernmental agreement outlining the projects that help support the development of Lots 2 and 3 with mixed-use higher density developments. County funds captured by a potential DDA, could be utilized for the identified public infrastructure improvements related to Lots 2 and 3. The development of Lots 2 and 3 has the potential to expand the existing tax base of the entire Village by two-thirds, if these major privately funded projects move forward. In addition, the specified list of projects for which County funds could be utilized can be expanded with the vote of a County representative on the DDA board. Final approval by the County Commission is anticipated to occur on June 19. Mr. Dame introduced County Commissioner Tim Killeen and Asst. Deputy Director, William Wolfson who worked on developing the agreement. The City Council discussed the intergovernmental agreement.

Motion by Council Member Weipert second by Council Member Stevens authorizing the Mayor and City Clerk to execute the intergovernmental agreement between the Charter County of Wayne and the City of Grosse Pointe.

UNANIMOUSLY ADOPTED.

#### PURCHASE OF 64 GALLON RECYCLING TOTES CARTS

Public Service Director Weitzel made the following report:

The City of Grosse Pointe Public Works Department sent out bids for the purchase of 1,900 tote recycling carts to the three companies authorized to sell by the manufacturer in the Midwest. Two bid proposals were received. Following is a bid summary:

|                      |           |                                    |
|----------------------|-----------|------------------------------------|
| Bell Equipment       | \$100,320 | (\$52.80 per cart, shipping incl.) |
| Best Equip. Co. Inc. | \$105,090 | (\$55.31 per cart, shipping incl.) |

Based on the success of the blue cart pilot program, the City is replacing the red bins with blue carts for all residents. Residents will be issued one cart and the cost will be charged at cost to their water bill over the course of the next year in four quarterly payments. The use of the toter carts will make it easier to haul the recycling to the curb encouraging residents to recycle, which in turn reduces landfill costs.

Motion by Council Member Weipert second by Council Member Walsh to purchase 1,900 toter recycling carts from Bell Equipment Company in the amount of \$100,320 and that the City Manager is authorized to purchase up to 10% more carts on the initial order at no additional cost per cart.

UNANIMOUSLY ADOPTED.

MDOT GRANT – RESURFACING CADIEUX ROAD

Public Service Director Weitzel made the following report:

In May 2008, the City was informed that Wayne County had STPU grant funds available to local projects that were on the 2009 County Needs list and that could have plans and specifications prepared and submitted to MDOT by July 25, 2008. The proposed grant is for federal and state grant funding for the repaving of Cadieux Road from Jefferson to Kercheval Avenue in the spring of 2009. Estimated project costs are \$450,000. This is a matching grant of 80/20 for construction funds. It is recommended that the Council authorize AEW to proceed with engineering plans and specifications for this project and the City is responsible for all engineering costs. Since the successful grant application for Kercheval, the City has been seeking and applying for road construction grants. This project was submitted to the County for the 2009 program and was the highest ranked City project. Discussion took place regarding the grant and proposed budgetary methods for 2009.

Motion by Council Member Weipert second by Council Member Stempfle to authorize AEW, City Engineer, to proceed with plans and specifications for the proposed FY 2008 STPU funding.

UNANIMOUSLY ADOPTED.

REPAIR OF MOTOR #1 – NEFF ROAD PUMP STATION

Public Service Supervisor Schulte made the following report:

As par of the S2 grant review of the Neff Road pump station, tests were performed on all motors and pumps by Flowserve Pump Co. It was discovered that the lower bearing had failed on storm water motor #1 and further investigation was needed. Motor #1 is a 275 hp motor built in 1929; which was reconditioned in 1965. Motor #1 drives storm pump #1 during heavy rain events. These two units work together to lift and push 40,000 gallons of storm water per minute from the City’s sewer system. Staff contacted GE Motor Service to repair the bearing. The price quote from GE Motor was estimated to be \$4,800, and the pump was removed for repair under the city’s maintenance budget for the water and sewer fund.

After a thorough inspection by GE Motor, it was discovered that the upper and middle bearing, in addition to the lower bearing plus the lower shaft on Motor #1, would need to be replaced at a cost

of \$28,482. Tom Allbaugh of Tetra Tech, the City's engineer for the pump station, concurs and recommends that Motor #1 be repaired.

Motion by Council Member Weipert second by Council Member Stevens to approve and authorize the additional repair work for Motor #1 at the Neff Road Pump Station in the amount of \$28,482.

UNANIMOUSLY ADOPTED.

#### APPROVAL OF CHANGE ORDER – CURB WORK – 2008 STREET RESURFACING PROJECT

Public Service Director Weitzel made the following report:

The contractor and City Engineer uncovered a problem with the remaining milled curb base that precluded a new curb from being reinstalled without additional work not contained in the specifications for the resurfacing project on Rivard and Washington. Approximately 300 ft. on Rivard and 1,700 ft. on Washington were found to have an unstable curb foundation. It is recommended that Rivard's 300 ft. of unsound base be rebuilt and then capped with a straight faced curb. It is recommended that on Washington a curb and gutter system match the section of Washington between Goethe and Chalfonte due to the extensive nature of the debilitated curb foundation that was uncovered. Council discussion took place regarding the change order.

Motion by Council Member Weipert second by Council Member Walsh to accept the change order for this project's contractor, Florence Cement Company, not to exceed \$53,528, and to authorize a transfer from Capital Projects Fund to the Highway Fund.

UNANIMOUSLY ADOPTED.

#### EXECUTION OF AGREEMENT – SPACE NEEDS & CONDITION ANALYSIS OF PUBLIC SAFETY AND PUBLIC WORKS BUILDINGS

City Manager Dame made the following report:

This year the City Council directed staff to conduct a space needs and condition assessment study of the Public Safety and Public Works buildings to begin understanding and planning for those buildings' long-term improvements. Requests for Proposals and qualifications were sent to seventeen architectural firms. The City held an informational meeting and tour of the facilities on May 29. Nine proposals were received. The Public Safety Director, Public Services Director and the City Manager reviewed all the proposals and selected four firms with the best-written proposals for interviews. After the interviews, two firms were narrowed to Redstone Architects/French Associates and Plante Moran Cresa and references were called for both firms. Both firms were very highly regarded by references and were well qualified for this type of work. Given that the Redstone/French Assoc. team has more public safety experience and the challenges in that building do require specialty equipment and their proposal for professional services was less expensive, it is recommended that the City work with the team Redstone Architect/French Associates on this study. The scope of the work is to prepare a recommendation for short and long-term improvements and not to actually initiate or begin design of any construction work. The professional fees for Redstone/French Assoc. proposal are \$13,200 with miscellaneous travel and reproduction not to exceed \$1,000, and CAD layouts/drawings not to exceed \$3,000.

Motion by Council Member Stempfle second by Council Member Weipert to authorize the execution of agreement with Redstone Architects/French Associates to conduct a space needs study/condition assessment of the Public Safety and Public Works facilities.

UNANIMOUSLY ADOPTED.

## SECTION 420 TRANSFER INTO 401(h) RETIREMENT HEALTH CARE ACCOUNT

Finance Director Johnson made the following report:

The City's 401(h) Retiree Health Benefit Account was established to formalize a segregated and designated fund for revenues and expenses related to the cost of providing health insurance coverage to eligible retired participants and eligible survivor pension beneficiaries. The retirement health benefit account may be funded by a qualified transfer of excess assets from the general retirement system known as an IRC Section 420 Transfer. Such transfers are governed by federal law and are permitted under Section 56-96A of the City Code which formalized the health benefit fund and terms and conditions under which a Section 420 Transfer may take place. An independent actuary for the City's pension system conducted an analysis and the amount eligible for transfer for fiscal year 2007-08 is \$284,760, constituting seventy-nine percent of the expenses for retiree health care costs incurred this past year. This is the third year in a row that the City has paid a significant portion of the current fiscal year's actual retiree health care obligations in this manner.

Motion by Council Member Weipert second by Council Member Walsh to approve the transfer of \$284,760 from the City of Grosse Pointe Employees Retirement System Trust Account to the 401(h) Retiree Health Benefit Account on or before June 30, 2008.

UNANIMOUSLY ADOPTED.

## SECTION 115 RETIREE HEALTH SAVINGS PLAN

City Manager Dame made the following report:

The City continues to provide comprehensive retiree medical coverage to eligible full time employees. The actual and actuarial costs of this coverage have increased significantly over the past decade. To lessen the impact of these rising costs, many employers are moving from defined benefit health plans as the City has provided, to a defined contribution retirement health plans. This is made more pressing by new Government Accounting Standard Board requirements that the City calculate and report its unfunded future retiree health care costs. Even though the City is not yet subject to these requirements, last year the City undertook an independent actuarial analysis which was reported to Council and based on Council direction, a change to defined contribution program for future employees of the City of Grosse Pointe is proposed. Under a Section 115 Account (federal law section reference) newly hired non-unionized full time employees will each have a retiree health care savings account to which the City will contribute \$1,500 per year and the employee will contribute \$650 per year pre tax. These contributions will be invested in a limited range of mutual funds as directed by the employee. The funds will accumulate tax-free and be available for payment of qualified retiree medical expenses.

It is recommended that ICMA, which the City currently utilizes for employee's Section 457 savings plan and is familiar to employees, be utilized for setting up the new Section 115 plans. As part of the adoption of the Section 115 Retiree Health Savings Plan, the current Retiree Medical Plan must be modified so that it references the Section 115 Plan for new employees. The Council reviewed the Retiree Medical Plan with an effective date of July 1, 2008. On or after July 1, 2008 is the date from which new employees will participate in the Section 115 Plan except as otherwise required by collective bargaining agreements which also includes a restriction on future retiree dental coverage. Discussion took place regarding the retiree medical plan and cost impacts on the City.

Motion by Council Member Stevens second by Council Member Stempfle to authorize the City Manager to execute required ICMA Section 115 Plan documents with ICMA with the approval of the City Attorney and approve the restated Retiree Medical Plan with a revision on page 19, and also approve a Resolution as follows:

#### VANTAGECARE RETIREMENT HEALTH SAVINGS (RHS) PLAN

WHEREAS, the Employer has employees rendering valuable services; and

WHEREAS, the establishment of a retiree health savings plan for such employees serves the interests of the Employer by enabling it to provide reasonable security regarding such employees' health needs during retirement, by providing increased flexibility in its personnel management system, and by assisting in the attraction and retention of competent personnel; and

WHEREAS, the Employer has determined that the establishment of the retiree health savings plan (the "Plan") serves the above objectives;

NOW, THEREFORE BE IT RESOLVED, that the Employer hereby adopts the Plan in the form of the ICMA Retirement Corporations' VantageCare Retirement Health Savings program.

BE IT FURTHER RESOLVED, that the assets of the Plan shall be held in trust, with the Finance Director/Treasurer serving as trustee, for the exclusive benefit of Plan participants and their survivors, and the assets of the Plan shall not be diverted to any other purpose prior to the satisfaction of all liabilities of the Plan. The Employer has executed the Declaration of Trust of the City of Grosse Pointe Section 115 Integral Part Trust in the form of the model trust made available by the ICMA Retirement Corporation;

BE IT FURTHER RESOLVED, that the Finance Director/Treasurer shall be the coordinator and contact for the Plan and shall receive necessary reports, notices, etc.

UNANIMOUSLY ADOPTED.

#### PUBLIC COMMENT

Barbara Cottingham, 814 Lakeland, expressed safety concerns about cars blocking the view of traffic at the intersection of Lakeland and Charlevoix. She requested that the parking situation be reviewed. The matter was referred to the Public Safety Director.

County Commissioner Tim Killeen thanked the Council for their approval of the intergovernmental agreement regarding the DDA. He further thanked the City Manager for his work on drafting the agreement.

#### STAFF REPORTS

Finance Director Johnson updated Council on preliminary preparations for the upcoming audit. Public Safety Director Fox updated Council on the ongoing process and implementation of an early warning system. City Clerk Arthurs reported on upcoming Primary Election issues and the availability of absentee ballot applications at City Hall or on the City website. City Manager Dame thanked the City Planner for his work on resolving the window signage issue with CVS.

## COUNCIL COMMENT

The Council commented on the following topics:

- It was noted for the record that Harriett Wheeler, longtime City resident, will be turning 99 years old. A Mayor's Proclamation will be drafted to honor of Ms. Wheeler's birthday.
- Discussion of Detroit Free Press article regarding the proposed boutique hotel in City.
- Discussion of Trader Joe's signage.
- Possibility of having a "shred day" in the City for all residents.

On Motion, the meeting was adjourned at 9:07 p.m.

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Julie E. Arthurs, City Clerk  
City of Grosse Pointe