

**DRAFT OF THE MINUTES OF THE GROSSE POINTE CITY COUNCIL MEETING HELD IN THE  
COUNCIL CHAMBERS, 17145 MAUMEE AVENUE, GROSSE POINTE, MICHIGAN ON  
MONDAY, AUGUST 15, 2016.**

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

ROLL CALL

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

In Attendance: City Manager Dame, Attorneys Fildew and Kennedy, City Clerk Arthurs, Finance Director Kleinow, Public Safety Director Poloni, Public Service Director Huvaere and Parks and Recreation Director Hardenbrook.

CONSENT AGENDA

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

1. Minutes from the regular Council Meeting held on July 18, 2016 and minutes from the closed session Council Meeting held on July 18, 2016.
2. Invoices
  - a) Traffic & Safety - Annual Service Contract, 7/1/16 – 6/30/17, \$31,830
  - b) Great Lakes Water Authority - Sewage Disposal, July 2016, \$78,500
  - c) Red Holman GMC - DPW Vehicle, August 2016, \$27,384
  - d) McKenna - Planning Services, June 2016, \$8,761.50
  - e) BS&A - Annual Support Contracts, 8/1/16 – 8/1/17, \$7,599
  - f) Fontana - SRF Sewer Project, Estimate #9, \$379,780.45
  - g) Motorola - Portable Radios, July 2016, \$10,715.10
  - h) Anderson, Eckstein and Westrick, Inc.
    - 2016 Resurfacing Project, 6/27/16 – 7/24/16, \$27,236.33
    - 2016 Resurfacing Project, 5/30/16 – 6/26/16, \$18,522.80
  - i) Aquatic Source - Emergency Pool Motor Repair, July 2016, \$5,270.25
3. Approval of appointment of Mayor Scrace as a delegate/representative and Council Member Stempfle an alternate delegate/representative to attend the annual business meeting at the MML Convention on Wednesday, September 14, 2016 at 1:30 p.m.
4. Adoption of resolution supporting Wayne County's review and approval of the Fresh Farms Market Brownfield application.
5. Adoption of resolution recognizing the Kirk Gibson Foundation as a nonprofit organization operating in the City of Grosse Pointe for the purpose of obtaining charitable gaming licenses.

CONSENT AGENDA UNANIMOUSLY ADOPTED.

ORDINANCE ESTABLISHING BI-MONTHLY WATER AND SEWER RATES

Treasurer Kleinow made the following report:

A review of the utility billing practices was conducted by City staff in an effort to improve customer service. It was concluded that the City will undertake the following changes:

- The postcard utility bill has been replaced with a paper bill in a standard sized envelope. This is to address the issue of the postcards being lost or misplaced, or in some cases never delivered.
- A new option has been launched to allow all users to receive utility bills by email. A sign up for this is on the City website.
- The City is also switching credit card servicing companies. This change will enhance and simplify the online payment system to charge an across the board 3% convenience fee for all

transactions. This change in providers will also soon allow residents to utilize credit cards in person at City Hall for taxes, utility bills and other city services.

The final proposed change is to increase the frequency of utility bills. Utility bills in the past were issued quarterly. Many residents would overlook this bill because it was so infrequent in nature with a long future due date. To offset the costs of the system and address the extended timeframe pay, it is recommended that the City begin to bill for utility services on a bi-monthly basis beginning October 1, 2016. The actual rate being charged starting July 1, approved by City Council, is not changing and was prorated from the quarterly rate.

Motion by Council Member Stempfle second by Council Member Parthum to re-approve the water and sewage rates for October 2016 to June 2017, as adjusted for the bi-monthly frequency to comply with the State of Michigan requirements.

UNANIMOUSLY ADOPTED.

#### ORDINANCE ADOPTION

MOTION by Council Member Stempfle supported by Council Member Parthum, that the following ordinance be adopted:

#### ORDINANCE NO. 427

An Ordinance to amend and restate Section 78-143 of the Code of Ordinances of the City of Grosse Pointe, water and sewer rates

(For complete text of Ordinance No. 427 - see Ordinance Book of the City of Grosse Pointe)

UNANIMOUSLY ADOPTED.

#### APPROVAL OF FUND BALANCE POLICY

Finance Director Kleinow made the following report:

The City has consistently followed a policy of maintaining 20% of the following year's expenditures, in its unassigned General Fund balance. While this policy has been followed, it has never formally been adopted by the governing body. Through management discussions, it is the recommendation that the City increase the desired General Fund balance level to a minimum of 25% of expenditures. Having formally approved the fund balance policy demonstrates the City's commitment to making sound financial decisions and maintaining a very high level of financial stability.

Motion by Council Member Parthum second by Council Member Stempfle that the City Council approves the City of Grosse Pointe Fund Balance Policy dated August 2016.

UNANIMOUSLY ADOPTED.

#### APPROVAL OF RESOLUTION – NOTICE OF INTENT TO ISSUE BONDS FOR WATER MAIN UPGRADES

City Manager Dame made the following report:

As outlined in the recently approved budget's capital improvement plan, the City is planning to undertake water main improvements throughout the City. Most of the work is intended to complete the creation of an improved water circulation system with a large diameter looped main. This will increase water pressure in the City for property owners and for firefighting purposes. The projects are noted below and will likely be constructed over the course of two years. The locations of the projects were noted for the record and discussed.

The intent is to finance the construction of these water main projects through the issuance of bonds. These bonds will be tax-exempt as the project is for a public purpose, and be repaid with Water/Sewer Utility Funds. Tax-exempt bonds carry a lower interest rate, and reduce the cost of borrowing to municipalities. The advantages of issuing bonds for these projects, which are part of a long-term water system improvement plan, were discussed.

It was noted that the issuance of these bonds will not have any impact on property taxes of City residents. The bonds are expected to be paid for through the Water/Sewer Fund.

Council discussion took place regarding the cost savings of combing segments of this project into one construction contract and possible refinancing of the bonds for the parking structure to reduce those payments.

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

WHEREAS, the City of Grosse Pointe, County of Wayne, State of Michigan (the "City"), intends to authorize the issuance and sale of one or more series of general obligation limited tax bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), to pay all or part of the cost to acquire, construct, furnish and equip water supply system improvements, including water main replacements, together with all related appurtenances and attachments (the "Project"); and

WHEREAS, the total amount of bonds to be issued to finance the acquisition and construction of the Project shall not exceed Two Million Two Hundred Thousand Dollars (\$2,200,000); and

WHEREAS, a notice of intent to issue bonds must be published before the issuance of the aforesaid 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 intention 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 hereby authorized and directed to publish a notice of intent to issue the 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 adequate notice to the taxpayers and electors of the City, and is the method best calculated to give them notice of the City's intent to issue the Bonds, the purpose of the Bonds, the security for the Bonds, and the right of referendum of the electors with respect thereto, and that the provision of forty-five (45) days within which to file a referendum petition is adequate to insure that the City's electors may exercise their legal rights of referendum, 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) The City reasonably expects to reimburse itself with proceeds of the Bonds for certain costs of the Project which were paid or will be paid from funds of the City subsequent to sixty (60) days prior to today.
  - (b) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$2,200,000.
  - (c) A reimbursement allocation of the capital expenditures described above with the proceeds of the Bonds 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 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 Bonds to reimburse the City for a capital expenditure made pursuant to this resolution.

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

RESOLUTION UNANIMOUSLY ADOPTED.

PURCHASE – FREIGHTLINER DUMP TRUCK

Public Service Director Huvaere made the following report:

City staff is proposing the replacement of a large dump truck and after research has concluded the 2017 Freightliner would be the most suitable replacement for the aging 2000 Ford dump truck, which has exceeded its useful life. The new Freightliner will serve as a plow truck, salt truck and haul truck for street and water services.

It is recommended that the cab and chassis be purchased through the Rochester Hills Purchasing Co-op. The City of Rochester Hills organized this competitively bid project on behalf of 39 Michigan cities. Wolverine Freightliner, of Mt. Clemens, was awarded the contract to offer the truck to municipalities participating in the co-op. The truck cab and chassis is a M2 106 Freightliner, and the low bid cost is \$79,572. The dump body, salt spreader and snow plow portion of the bid was from Truck & Trailer Specialties of Dutton, MI, at a price of \$61,494 through the Rochester Hills Co-op. Instead, the City was able to negotiate a better deal than the group purchase with Schults Equipment, Ithaca, MI, in the amount of \$43,988. The City has utilized this company in the past for snow control equipment. Funds for this purchase have been budgeted in the Capital Projects and Water Sewer Funds. The total cost of the truck and related equipment is \$123,560, substantially less than expected due to the process that the City was able to take advantage of with Rochester Hills.

Motion by Council Member Stempfle second by Council Member Parthum to purchase a 2017 Freightliner from Wolverine Truck Group for \$79,572 and to waive the bidding process to purchase the dump body, salt spreader and snow plow from Schults Equipment for \$43,988.

UNANIMOUSLY ADOPTED.

SPECIAL EVENT APPLICATION – VILLAGEFEST

City Manager Dame made the following report:

An application has been submitted from Holy Cross Children's Service for the annual VillageFest, a community wide festival held the weekend after Labor Day. The DDA has sponsored the event the last several years. This year the Grosse Pointe DDA has an agreement with Holy Cross Children's Services to administer the event and use the event as a fundraiser for the organization.

Ann Stafford, representing Holy Cross Services was present and described what the organization does, who it serves and what new features Holy Cross will bring to this year's VillageFest event. It was noted that a live broadcast from WCSX and a classic corvette raffle drawing will take place on Saturday evening, as well as a "kickoff for kids" fundraising event inside Scott Shuptrine and in tents in front of the store on Friday evening.

Council discussed details regarding the DDA agreement with Holy Cross Services including overtime costs, parking obstruction fees and other event details. The Council welcomed the participation and sponsorship of the event by Holy Cross Services and wished them a successful event.

Motion by Council Member Walsh second by Council Member Parthum to approve the special event application from Holy Cross Services to hold VillageFest contingent upon Holy Cross Services 1) complying with cost reimbursement and other fees/charges/obligations set out in their proposal letter, 2) providing certificates of insurance approved in form by the City Attorney and 3) the final event layout be approved by City staff.

UNANIMOUSLY ADOPTED.

Motion by Council Member Walsh second by Council Member Boettcher that the following resolution adopted:

THEREFORE, BE IT RESOLVED, that the City Council of the City of Grosse Pointe does hereby approve the closure of a portion of the sidewalk and parking spaces in front of 17145 Kercheval Avenue (aka Scott Shuptrine) on September 9 and on Kercheval Avenue between Cadieux Road and Neff Road, on September 10 and September 11, 2016 for the VillageFest sponsored by Holy Cross Services.

UNANIMOUSLY ADOPTED.

#### STAFF REPORTS

Public Safety Director Poloni reported that the Grosse Pointe Foundation donated bikes for the City's bike patrol. Public Service Director Huvaere reported that St. Paul resurfacing project final coat should be completed in the next week. Clerk Arthurs reported details of the MML Convention.

On Motion, the meeting was adjourned at 7:31 p.m.

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Julie E. Arthurs, City Clerk  
City of Grosse Pointe