

**MINUTES OF THE GROSSE POINTE CITY COUNCIL MEETING HELD IN THE  
CITY COUNCIL CHAMBERS, 17145 MAUMEE AVENUE, GROSSE POINTE, MICHIGAN  
ON MONDAY, MAY 8, 2017.**

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

ROLL CALL

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

In Attendance: City Manager Dame, Attorney Kennedy, City Clerk Arthurs, Finance Director Kleinow, Public Safety Director Poloni, Recreation Director Hardenbrook, Public Service Supervisor Randazzo, and City Engineer Pangori.

PUBLIC HEARING – 2017-2018 BUDGET

Mayor Scrace announced that this was the time set for a public hearing by the City Council on the proposed budget and proposed property tax levy, for fiscal year July 1, 2017 through June 30, 2018.

Finance Director Kleinow gave an overview of the budget. She reported that the proposed budget is balanced and the general operations levy of 11.8391 mills remains the same. Mrs. Kleinow reviewed a PowerPoint presentation that addressed an increase in property tax revenues and an increase in the average assessment by 5%. Further, State Revenue Sharing, which has been replaced with the EVIP payments, has decreased 41% since 2001. It was noted that the overall budgeted revenues remain consistent with a slight decrease of \$29,692. The general fund expenses also remain consistent. It was also noted that a full year of retiree healthcare cost in the amount of \$534,000 has been budgeted for 2017-18.

Discussion took place regarding property taxes and assessments, general fund revenues and expenditures, the capital projects fund, the general debt fund, water & sewer fund, solid waste fund, parking fund, highway fund, marina fund and the drug forfeiture fund. Further discussion took place regarding the increases in the level of service through the addition of a full time clerical staff position to enhance customer service along with the addition of a full-time court administrator. It was noted that the budget satisfies costs related to the Public Safety Command contract expiring July 1, 2018 and the Public Safety Patrol Officers contract expiring July 1, 2019.

Mayor Scrace opened the public comment portion of the public hearing. He asked for comments from those persons present. A resident questioned road maintenance and why the roads are neglected. Hearing no further comments, public comment was declared closed.

City Council discussion took place regarding the budget, economic trends and the highway fund. The City anticipates \$454,163 in State Sharing of gas and weight taxes to pay for local road maintenance. Insufficient state funding requires a \$231,909 General Fund contribution to pay for the entire cost of annual street maintenance programs. It was noted that the cost of street resurfacing and reconstruction is covered by the City's Road Improvement Fund.

It was noted that the proposed budget offers a high level of services in a fiscally responsible manner. The City Council thanked the City Manager, Finance Director and Department Heads for their hard work on preparing the budget. It was noted that the proposed 2017-18 budget and 2017 City tax rate will be acted on at the regular Council meeting on May 15, 2017.

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PRESENTATION – UTILITY FUND & ROAD IMPROVEMENT FUND

Stephen Pangori from Anderson, Eckstein & Westrick, the City's engineer, presented a PowerPoint presentation regarding the Utility and Road Improvement Funds and proposed system improvements to water distribution, sanitary/combined sewers and streets. Mr. Pangori reviewed water system facts and the basis for system

improvements. The water mains scheduled to be completed in 2017 were reviewed. Mr. Pangori discussed the proposed improvements in the sanitary/combined sewers and Neff Road Pump Station Needs.

Mr. Pangori discussed plans for 2017 projects for the Road Improvement Fund. It was noted that street expenditures will match street millage revenues of approximately \$820,000 annually.

City Council discussion took place regarding the report.

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#### PRESENTATION – FACILITIES PLANNING

David Gassen of Partners in Architecture presented plans for proposed new facilities for the Public Safety Department and Public Service Department. Mr. Gassen presented various PowerPoint slides showing concept designs for both facilities. He discussed existing facility assessments and described facility site and how each building use would be designed and implemented.

#### RESOLUTION – PUBLIC SAFETY AND PUBLIC SERVICES FACILITY BOND PROPOSAL

At a special meeting held on May 1, the Council voted to direct staff to draft a resolution calling for an election on August 8, 2017 to request a vote on providing millage funding necessary to repay a bond for facilities' improvements determined to be needed for the Public Safety and Public Services Departments. The Council requested that the resolution request authorization to issue bonds not to exceed \$12,960,000.

City Manager Dame discussed the assumed cost estimates and explained that the proposed resolution does not limit the location of the proposed improvements or restrict the breakdown of the bonded costs between projects covered by the bond, and those issues remain in Council's discretion. Mr. Dame further discussed a purchase agreement with the owners of Algiers Deli and Liquor at 17320 Mack Avenue with the intent of building a new police and fire headquarters at that location. Mr. Dame also discussed a purchase agreement with St. John Hospital to purchase a warehouse on Canyon in Detroit to house the Public Services headquarters. Both agreements are contingent upon the City obtaining financing for the purchase as well as completing due diligence efforts such as environmental assessments and municipal approvals as may be required.

Patrick McGow, Miller Canfield, Paddock and Stone, the City's bond counsel, presented the resolution and answered Council questions.

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

WHEREAS, the City Council (the "City Council") of the City of Grosse Pointe (the "City") has determined that it is necessary to pay the cost of acquiring, constructing, reconstructing, furnishing and equipping a public safety building to house the police and fire departments and a public services building, and for repairs and renovation of the existing public safety building for municipal court offices and other City purposes, including all necessary demolition, site acquisition, site improvements and related infrastructure improvements (the "Project"); and

WHEREAS, the City Council has determined that the City should borrow money in an amount not to exceed Twelve Million Nine Hundred Sixty Thousand Dollars (\$12,960,000), and issue general obligation unlimited tax bonds of the City, in one or more series, in such amount for the purpose of paying all or part of the cost of the Project; and

WHEREAS, the City Council has determined that a proposal to issue the bonds for the Project shall be submitted to the qualified electors of the City at a special election to be held in the City on Tuesday, August 8, 2017 (the "Election Date"); and

WHEREAS, in order for the bond proposal to be submitted to the qualified electors, it is necessary for the City Council to certify the ballot wording of the proposal to the City Clerk and to the County Clerk of the County of Wayne (the "County Clerk"), as required by Act 116, Public Acts of Michigan, 1954, as amended (the "Michigan Election Law").

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The bond proposal noted below as Exhibit A (the "Bond Proposal") shall be submitted to a vote of the qualified electors of the City on the Election Date.
2. The ballot wording of the Bond Proposal is hereby certified to the City Clerk and the County Clerk of the County of Wayne for submission to the City's electors on the Election Date. The City Clerk is hereby authorized and directed to file this Resolution and/or complete any such forms, certificates or documents as may be required by the County Clerk to evidence the foregoing certification and/or submission by no later than Tuesday, May 16, 2017.
3. The City Clerk and the County Clerk are hereby directed to (a) post and publish notice of last day of registration and notice of election as required by the Michigan Election Law; and (b) have prepared and printed, as provided by the Michigan Election Law, ballots for submitting the bond proposal at the election, which ballots shall contain the proposal appearing herein, or the proposition shall be stated as a proposal on the voting machines, which ballots may include other matters presented to the electorate on the same date.
4. The estimated millage rate in the first year and simple average annual millage rate set forth in the Bond Proposal, which have been prepared for the City by Bendzinski & Co., Municipal Finance Advisors, financial advisors to the City, are reasonable estimates of such millage rates based on current assumptions.
5. 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) If the ballot proposal is approved by the electors, 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 the general 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 \$12,960,000.
  - (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.
6. All resolutions and parts of resolutions, insofar as they conflict with the provisions of this resolution, are hereby repealed.

EXHIBIT A - Public Safety and Public Services Facilities Bond Proposal

Shall the City of Grosse Pointe, County of Wayne, Michigan, borrow the principal sum of not to exceed Twelve Million Nine Hundred Sixty Thousand Dollars (\$12,960,000), and issue its unlimited tax general obligation bonds, in one or more series, payable in not to exceed twenty-three (23) years from the date of issue, to pay the cost of acquiring, constructing, reconstructing, furnishing and equipping a public safety building to house the police and fire departments and a public services building, and for repairs and renovation of the existing public safety building for municipal court offices and other City purposes, including all necessary demolition, site acquisition, site improvements and related infrastructure improvements? The estimated millage to be levied in 2018 is 1.7180 mills (\$1.72 per \$1,000 of taxable value) and the estimated simple average annual millage rate required to retire the bonds is 2.3479 mills (\$2.35 per \$1,000 of taxable value).

YES

NO

RESOLUTION UNANIMOUSLY ADOPTED.

On Motion, the meeting was adjourned at 8:07 p.m.

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Julie E. Arthurs, City Clerk  
City of Grosse Pointe