

FARMINGTON CITY COUNCIL  
SPECIAL MEETING  
May 18, 2009

A special meeting of the Farmington City Council was held on Monday, May 18, 2009, in Council Chambers, 23600 Liberty Street, Farmington, Michigan. Notice of the meeting was posted in compliance with Public Act 267-1976.

The meeting was called to order at 7:03 p.m., by Mayor Knol.

**COUNCIL MEMBERS PRESENT:** Buck, Knol, McShane, Wiggins.

**COUNCIL MEMBERS ABSENT:** Wright.

**CITY ADMINISTRATION:** Director Gushman, City Clerk Halberstadt, City Manager Pastue, Attorney Schultz, Treasurer Weber.

**APPROVAL OF AGENDA**

**05-09-093** MOTION by McShane, seconded by Wiggins, to approve the agenda. MOTION CARRIED UNANIMOUSLY.

**REVIEW OF ROUSH MANUFACTURING INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE**

Pastue discussed the Exemption Certificate for Roush Manufacturing Industrial Facilities and an Industrial Facility Tax Abatement Revenue Analysis Summary based on approval of a 12-year tax abatement on real and personal property.

Pastue advised the potential loss in estimated taxes for the 1<sup>st</sup> year would be \$24,215 and a total loss of \$246,564 in over 12 years. He advised the financial impact is a wash, but the City is gaining 80-120 jobs and related benefits they provide.

Pastue reviewed the Industrial Facilities Exemption Certificate Agreement and discussed the clause regarding noncompliance with their obligations.

McShane commented it is a win/win situation for both the applicant and the City. She inquired if there would be a tax lien on the property if bankruptcy is filed. Schultz responded the City would have the ability to ask for a refund, but would not be considered a secured creditor.

In response to a question by Knol, Pastue replied the building has been vacant approximately 4 years.

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Knol questioned the amount of personal property paid by the previous occupant. Gushman responded he was unsure of that amount.

Schultz stated there are some provisions in the statute that help the City to collect, but he was not sure if they were 100% secure with these provisions.

Wiggins inquired if taking a softer tone, as recommended, would attract other businesses. Pastue replied they are hoping businesses will talk to their vendors and suppliers about Farmington. Wiggins commented it is important for the City to have a reputation in working well with businesses.

**REVIEW OF PROPOSED CHANGES TO ORDINANCE #C-743-2009,  
CLARIFICATION OF ABANDONED RESIDENTIAL REGISTRATION  
PROGRAM**

Schultz stated they have included additional language to Ordinance #C-743-2009 in response to comments that were received from attorneys and elected officials and have researched action taken by other states. He commented they incorporated a better definition of *mortgage* on page 3, clarification of *owner*, and an explanation of item 3 on page 3, *responsibility of mortgagee even if not in possession*.

Schultz commented the City might want to consider including a *Lien Provision* which would include an additional fee if not filed in time. If included in the ordinance it would appear on page 4 under Section 19-202, paragraph 4 of the ordinance.

Pastue stated if Council concurred he would summarize the intent of the ordinance and insert the Lien Provision language. Schultz commented Administration has prepared letters to be sent to the vendors.

Knol asked for clarification on whether the ordinance takes place at the time of foreclosure or at the end of the redemption period. Schultz replied when the complaint for foreclosure is filed it is the obligation of the lender to see if the property is occupied. He noted if there is evidence of vacancy it has to be registered even though it is not of their interest and the redemption period is not over. Knol commented the inquiry she received felt it should take effect after the redemption period is over whether the house is occupied or not.

Pastue stated a few letters have been sent when Administration is aware of a Sheriff's Sale and when the properties they are monitoring have been abandoned.

McShane asked how this ordinance compares to other ordinances. Schultz replied there are similar concepts all over the country, but does not have information on their effectiveness.

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Discussion followed regarding removal of property from foreclosed residences and placed at curbside. Pastue noted a bill could be sent for removal of contents similar to bills for weed cutting, etc. Schultz commented the lender will not want to take responsibility for these issues.

Wiggins advised the Sheriff's Department conducts the actual notification. Pastue commented they could notify the Sheriff's Department regarding placement of the removed contents.

**OTHER BUSINESS – BUDGET ISSUES**

Pastue noted a decision needed to be made regarding the Defined Contribution Retiree Health Care Plan.

McShane noted the initial costs of a Defined Contribution Plan would be more than made up for by long-term savings.

Weber stated health care would be closed to new hires and noted the actuaries have calculated the costs which included projected increases.

Knol stated she was comfortable with moving forward with the Defined Contribution Plan. Pastue commented he would narrow down talking points before scheduling another meeting regarding this issue.

Buck requested different scenarios that are extended out a couple of years.

Pastue stated Weber needs a decision from Council in order to implement the plan for future bargaining. He noted he would present numbers at a special meeting on June 1<sup>st</sup>.

Knol verified the budget amendment for a projected decrease in revenue sharing would also be included.

**PUBLIC COMMENT**

No public comment was heard.

**COUNCIL COMMENT**

No Council comments were heard.

**ADJOURNMENT**

**05-09-094** MOTION by Wiggins, seconded by Buck, to adjourn the meeting.  
MOTION CARRIED UNANIMOUSLY.

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The meeting adjourned at 7:46 p.m.

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Valerie S. Knol, Mayor

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Susan K. Halberstadt, City Clerk

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Janice Schmidt, Recording Secretary

APPROVED: June 15, 2009