

FARMINGTON CITY COUNCIL
SPECIAL MEETING
MAY 2, 2011

A special meeting of the Farmington City Council was held on Monday, May 2, 2011, 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 7:00 p.m. by Mayor Buck.

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

COUNCIL MEMBERS ABSENT: None.

CITY ADMINISTRATION: Director Gushman (arrived 7:25 p.m.; left 8:30 p.m.), City Clerk Halberstadt, City Manager Pastue (arrived 7:25 p.m.), Treasurer Weber (arrived 7:25 p.m.).

APPROVAL OF AGENDA

05-11-063 MOTION by Wiggins, seconded by Knol, to approve the agenda as submitted. MOTION CARRIED UNANIMOUSLY.

INTERVIEW DAVE CORNWELL, DDA BOARD OF DIRECTORS

Council interviewed Dave Cornwell for consideration to reappoint to the Downtown Development Authority Board.

Diane Cassidy, Salon Legato owner, expressed her support for the reappointment of Mr. Cornwell. She pointed out a number of contributions he has made to the City and recognized his vast commercial property background.

CONTINUE REVIEW OF FISCAL YEAR 2011-2012 BUDGET

Capital Outlay and Capital Improvements

Pastue discussed planned capital outlay for building improvements including: Council Chamber modification to accommodate video recording; City entryway signs; parking lot improvements and sidewalk replacement. He advised capital equipment outlay would include Public Safety vehicle replacement, DPW lawn mower, sewer camera and computers for the Clerk/Elections and Treasurer Departments.

Responding to a question from McShane, Gushman stated the cost of the sewer camera would be shared equally with Farmington Hills.

REGULAR MEETING -2-
MAY 2, 2011

Under capital improvements, Pastue discussed two grants available to the City for improvements to Shiawassee Park. He indicated the grant funds expire in 2013. He continued to review the Capital Improvement Program for FY 2010-11 thru FY 2016-17.

Responding to a question from Knol, Pastue indicated sidewalk replacement on the north side would occur in FY 2016-17.

Wright asked about the annual transfer of \$125,000 from the General Fund to the Capital Improvement Fund and how that amount was calculated. Pastue responded the amount was based on his estimated cost of equipment needs, long term purchases, sidewalk replacement, parks and playground equipment.

Discussion followed regarding the projected draw down of the Capital Improvement Fund. Both Wright and Knol noted there will not be enough in the Capital Improvement Fund in FY 2016-17 to cover the planned sidewalk replacement program.

Responding to a question from Knol, Pastue stated the amount set aside for signage is a rough estimate.

Pastue discussed planned Shiawassee Park Improvements which primarily address lighting.

In response to a question from Wiggins, Pastue advised there was opposition to changing the base of the trails. He stated there is a desire to keep the walking trail in its current state.

Grove Street Project

Pastue pointed out the Grove Street Project is planned for FY 2012-13. He still believes this is a good project that will add significantly to the Downtown. He discussed how the project would be funded. He stated Council needs to make a decision about whether or not to move forward.

Wright suggested the City seek feedback from the merchants on this project.

Knol noted Council had previously agreed that the project would not move forward unless the sign was removed.

Responding to a question from Knol, Pastue confirmed the City has nothing in writing with regard to removal of the sign. He pointed out it is difficult to negotiate its removal without a commitment to the project from the City.

Pastue asked Council if they would be willing to move forward on the project if the City is able to get a written commitment that the sign will be removed.

REGULAR MEETING -3-
MAY 2, 2011

McShane pointed out that the lack of a written commitment to remove the sign and economic circumstances have prevented Council from moving forward.

Wright noted from the beginning the Grand River Streetscape was clearly the right project to do. However, in his opinion, the Grove Street project is confusing and messy. He again suggested surveying the stakeholders that surround the area.

Knol expressed concern in moving forward given the current economic environment. She suggested a scaled back version of the project. She stated infrastructure could still move forward, curbing could be installed, and put parking on one side of Grove. She stated Grove Street would still be a main road. She further suggested eliminating the ingress/regress to the parking lot off of Grand River.

Pastue responded there is time to discuss some alternatives since the project is not planned until FY 2012-13.

Wright advised there isn't enough money to do the project. He inquired as to the thoughts of the DDA on this project.

Pastue replied the DDA Board would like to see it completed.

McShane expressed her concern regarding sufficient funds for the project.

Pastue advised a commitment does not have to be made this year. He suggested scheduling a study session regarding Grove Street after the new Council is in place in November.

Review of Fiscal Year 2010-2011 Projections

Pastue advised the City will be in a better position at the end of FY 2010-11 than originally anticipated. He identified a number of changes that took place throughout the year, including a number of additional purchases not included in the original budget and removal of expenditures that did not take place.

Pastue discussed a recommendation to send \$50K to the City's risk carrier based on a couple of sidewalk claims rather than incur a large surcharge next year. This would mitigate the City's contribution next year.

Pastue discussed the purchase of replacement computers for several departments and refurbishing the DPW Vector Truck.

REGULAR MEETING -4-
MAY 2, 2011

Part-Time Position in Clerk/Elections

Pastue advised the Clerk has requested to retain part-time staff increasing the budget amount by \$3300. He would like to see a higher and better use of the Clerk's and Deputy Clerk's time which this part-time position would afford.

Council expressed support for this change.

Questions and Changes

Pastue advised there will be a resolution on the May 16th agenda to schedule a public hearing on June 6th regarding the proposed FY 2011-12 budget and millage.

Wright requested a comparison of millages to other communities. He would like to be able to put the City's budget and millage in context with other cities. He pointed out the General Fund millage increased by 2-3 mils due to the removal of the debt millage, however, there is no net affect on the taxpayer.

Wright inquired about proposed infrastructure work on the Thomas Street Project. Pastue stated there are two elements to the project: water main replacement and surface restoration. Those two elements are included in the Water and Sewer Fund budget. He stated the surface maintenance is coming out of the Municipal Street Fund in the coming budget year.

Wright noted Council had earlier indicated the Thomas Street work should be done in conjunction with DDA parking lot improvements. He asked if the DDA has included it in their budget. Pastue responded not at this time. Pastue also confirmed resurfacing the parking lot is not in the budget.

Wright added he would like to see a comparison of taxable values by classification, i.e. commercial, residential, etc. Pastue replied that information may be more challenging to provide.

Wright noted the DDA Events Budget shows a positive \$10,000. He asked if \$10,000 is enough for all the effort and work required. He stated profitability should be a bigger component of that activity. He noted the DDA is projected to spend \$50,000 on a market study which is a significant expenditure during this time. He pointed out the information received in a market study is readily available.

McShane noted the data from a previous marketing study was never used.

Knol also expressed concern regarding the \$50,000 marketing study. She noted \$50,000 is a lot of money when you can simply update a study in lieu of an

REGULAR MEETING -5-
MAY 2, 2011

entirely new study and achieve the same goal. She further noted that some of the data from the previous study was used.

Buck commented the Council is the liaison to DDA. He stated the DDA believes they need contemporary data to recruit businesses. He suggested Councilmembers attend a DDA meeting to have that conversation with the Board. He stated if the concern is about the \$50,000 expenditure then the City Manager must address the cost of the study. He concurred that the DDA already has a lot of data they can use.

Wright asked Mayor Buck to relay Council's concerns to the DDA Board.

Pastue suggested including a provision in the DDA budget resolution that the DDA must first obtain Council's approval before spending the \$50,000 on the study.

Buck recommended Wright take his comments directly to the DDA Board.

Pastue agreed to flag the market study before it moves forward.

Wright commented he loves the City Dashboard concept initiated by the State.

Responding to a question from Wiggins, Pastue stated the dashboard needs to be established by September 30th.

Buck commented the Government wants the Cities to measure their own performance and communicate results to stakeholders.

McShane pointed out the City has been prudent in containing costs.

Wright stated it is important to have a discussion with Farmington Hills regarding the \$250,000 the City spends on shared services.

Discussion followed regarding the importance of setting up a meeting with Farmington Hills. Wright indicated he would like data from Farmington Hills prior to the meeting in order to formulate questions.

Pastue indicated there will likely be two meetings.

McShane envisioned the first meeting would include a number of department heads working to develop the data. The second meeting would include the decision makers using the data to reach a conclusion.

Wright would like to see the total budget for shared services prior to the meetings.

REGULAR MEETING -6-
MAY 2, 2011

REVIEW OF RESOLUTION TO CONSOLIDATE GOVERNOR WARNER MANSION TRUST AND AGENCY ACCOUNTS

Pastue reviewed a proposed resolution to consolidate the Mansion trust and agency accounts. He stated there is no history as to why a number of these accounts were created. He advised they are no longer necessary and are cumbersome to maintain. He noted the Historical Commission fully supports this change. He recommended two fund accounts for capital and operations.

REVIEW OF REQUEST FOR OUTDOOR SEATING IN BACK OF BUILDING – MENTOBE CAFÉ

Pastue advised the Mentobe Café has requested Council approval of outdoor seating in the back of their building.

Discussion followed regarding the feasibility of the location identified for the outdoor seating. Pastue noted part of the seating would be in the City right-of-way area.

McShane and Knol expressed support for the proposed outdoor seating. Buck would like to look at the area before making a decision. Pastue noted the water main replacement on Thomas Street may delay the seating.

OTHER BUSINESS

Weber advised the City contracted with McGraw Wentworth to provide viable options for the City's retiree healthcare plan. He stated they have developed three options to the City's current plan: 1) switch medicare eligible retirees to another insurance carrier that would provide similar benefits at an annual savings of \$75K; 2) move all retirees to the most current suffix under BCBS at an annual savings of \$100K; or 3) join a healthcare pool with Farmington Hills.

McShane asked if the City could put health coverage for active employees out to bid. Pastue responded that option may now be available.

Responding to a question from Wiggins, Weber advised retirees can live anywhere since the companies are nationwide.

PUBLIC COMMENT

No Public Comment was heard.

COUNCIL COMMENT

Buck commented the budget and multi-year approach are both helpful and responsible. On behalf of Council he thanked all who contributed to the multi-

REGULAR MEETING -7-
MAY 2, 2011

year approach. Buck recognized employees for their sacrifice, concessions and commitment in making the budget work.

Buck extended a "Happy Mother's Day" to all mothers. He commended the United States Armed Forces on recent events that have taken place to protect our Country and freedom.

CLOSED SESSION – REVIEW LABOR NEGOTIATIONS

05-11-064 MOTION by McShane, seconded by Knol, to enter into closed session to discuss Labor Negotiations.

Council entered closed session at 9:20 p.m.

Roll Call

Ayes: Knol, McShane, Wiggins, Wright

Nays: None.

Absent: Buck

MOTION CARRIED UNANIMOUSLY.

05-11-065 MOTION by Knol, seconded by Wiggins, to exit closed session. MOTION CARRIED UNANIMOUSLY.

Council returned to open session at 9:40 p.m.

ADJOURNMENT

05-11-066 MOTION by McShane, seconded by Knol, to adjourn the meeting. MOTION CARRIED UNANIMOUSLY.

The meeting adjourned at 9:42 p.m.

J. T. (Tom) Buck, Mayor

Susan K. Halberstadt, City Clerk

APPROVED: June 6, 2011