

FARMINGTON CITY COUNCIL  
SPECIAL MEETING  
JANUARY 2, 2012

A special meeting of the Farmington City Council was held on Monday, January 2, 2012, 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, Cowley, Galvin, Kuiken, McShane.

**COUNCIL MEMBERS ABSENT:** None.

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

**APPROVAL OF AGENDA**

**01-12-001** MOTION by Cowley, seconded by McShane, to approve the agenda as amended; moving "Public Comment" to Item No. 3. MOTION CARRIED UNANIMOUSLY.

**PUBLIC COMMENT**

No public comment was heard.

**REVIEW OF PROPOSED FISCAL YEAR 2012-2013 BUDGET PROCESS**

**Summary of Operating Funds**

Pastue reviewed the proposed budget.

Cowley noted the elimination of personal property tax is not included in this assumption and inquired if there are any other assumptions not included.

Pastue replied the personal property tax and Economic Vitality Incentive Plan (EVIP) are not included.

Kuiken inquired if EVIP will carry through next year. Pastue responded that is a year-to-year program.

Galvin asked where 3% sliding decline in taxable value projections originated. Pastue stated Oakland County Equalization Department projected a decline for several years.

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Galvin inquired as to the steep drop off in Federal Grants for 2013-2014. Pastue replied the fire engine grant and cops fast grant were special one time events.

Galvin inquired why employee benefits for 2010-2011 started at Zero. Pastue indicated there were significant transition costs in the prior year and those costs were moved to department budgets.

McShane asked what is included in the cultural and recreation category. Pastue responded our contribution to Farmington Hills Parks and Recreation Program, park maintenance and the Governor Warner Mansion.

Pastue noted the millage adjustment will recover 75% of lost taxable value.

Kuiken inquired if there has been any discussion at the state level to change Proposal A. Pastue replied there has been dialogue; no serious concern or commitment.

Cowley pointed out the State of Michigan will make changes to stimulate business growth and be more competitive.

Buck noted the City is successful because it has always been financially responsible and doesn't wait for solutions from others.

Pastue pointed out the first meeting in June Council will consider adoption of the budget. He will submit the proposed budget to Council at the second meeting in April.

Buck noted Council may want to consider scenarios other than a millage increase.

McShane asked regarding any efforts to reduce retired employee health costs to a reasonable level.

Pastue responded a national healthcare plan would be a solution.

Kuiken asked if retirees are removed from City healthcare coverage once they are eligible for Medicare. Pastue responded in the negative.

Pastue discussed potential savings by joining with Farmington Hills in their healthcare coverage.

Responding to a question from Galvin, Pastue shared the millage increase process is driven by the decline in revenue.

Responding to an additional question from Galvin, Pastue stated projected millage increases are allowed under the Charter and would only require Council approval.

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Weber added under the Charter Council has the discretion to increase millage up to 16.2294.

Galvin inquired how many communities in the Southeast Michigan Metropolitan Detroit are at 16.2294.

Weber replied different communities have different millage capacities; not all are the same due to the Headlee Act.

Discussion followed regarding the millage capacity of other communities.

Kuiken asked regarding the impact of business tax revenues on the City's budget; noting a number of vacancies.

Cowley pointed out that new construction will make the biggest impact on tax revenue and Pastue concurred.

Buck expressed the importance of being known as a development friendly community; noting the change in City Ordinance/Building Codes allowing taller structures.

Pastue shared that it is nearly impossible to grow your way out of a budget deficit. He expressed the importance of setting City priorities when setting the budget.

Discussion followed regarding expectations from the goal setting session scheduled for the following Saturday.

### **Review of Capital Improvements Program**

Pastue reviewed the Capital Improvement Program.

Discussion took place regarding planning capital projects including sidewalk replacement and signage.

Buck inquired if the sidewalk two inch rule passed in the Legislature.

Pastue responded in the negative. He recommended returning to special assessments for sidewalk replacements.

Galvin inquired about the Zero fund balance for the 2017-2018 Capital Improvements Program and if that fund will be replenished.

Pastue responded there is no revenue stream to fund this going forward; only continuation of fund transfers.

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Buck pointed out the switchback plan for Shiawassee Park was not included in capital projects.

Pastue replied the only way to include the switchback is to take funds from existing capital improvement projects. He noted the switchback project would be difficult because of significant erosion.

Buck questioned if a more natural design would be possible for the switchback in order to achieve the same objective.

Kuiken commented on the ADA requirements.

**DISCUSSION - SMART**

Pastue discussed the opt-in and opt-out alternatives for SMART.

Steve Brown, representing SMART, pointed out that if Council decides to opt in; it is the majority of communities in Oakland County that determines the vote. Pastue noted the loss of community credits if Council opts-out.

Pastue reminded Council the decision needs to be made by the end of January.

Buck inquired about this being a 4 year or 2 year extension.

Responding to a question from Buck, Mr. Brown stated the SMART millage renewal would likely be for 2 years. He noted the decision is made by the County Commission and their goal is to be in sync with other counties which would mean a 2-year extension.

McShane asked regarding future enhancements to the SMART System.

Brown replied possibly if there is a change in legislation however at this point none foreseen.

McShane noted service benefits have decreased and pointed out that park and ride users don't pay. She expressed concern for those who have no transportation, particularly senior citizens and disabled. She stated there needs to be more creative options in funding SMART.

Brown spoke about the process used by SMART in determining service reductions and discussed revenue sources.

Responding to a question from McShane, Brown stated he can provide a copy of SMART's annual audit.

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McShane asked for data as to who uses the system.

Responding to an additional question from McShane, Brown advised SMART does not have the technology to provide data regarding the number of residents of a particular community that ride the bus.

McShane pointed out Livonia opted-out and employees at 8 Mile and Haggerty can still get to work without the Smart System. McShane expressed the importance of public transportation.

Brown shared there is no revenue for public transportation however he noted people still recognize the need for public transportation.

Kuiken expressed concern regarding paying the same millage amount as before but getting only one third of the service.

Galvin inquired about the number of remaining bus stops in Farmington after the service cuts were made. Brown indicated the data will be provided.

Galvin inquired if the route could be adjusted to locate the park and ride in one of our retail shopping centers along Grand River as opposed to Bonaventure Skating Arena.

Brown indicated Service Development and Planning can research the potential for that change.

Galvin asked if the City opted-in would there be a possibility that SMART would make future service cuts eliminating all routes through Farmington.

Brown replied no guarantee can be given, however, he does not see that happening because SMART recognizes Farmington has reached a low point in service. He stated service will be provided where monies are being paid in.

McShane noted there are no assurances.

Cowley simply stated voters did not elect him to continue to ask them to pay for lack of service.

Buck noted he conducted a survey during a Chamber of Commerce board meeting that revealed 2 out of 12 business members have employees or customers who use the bus service.

McShane noted there are a small number of City locations where you can see people using the bus; overall low numbers.

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Buck noted Council's overall acceptance of mass transportation and the need for an effective solution.

Kuiken pointed out other communities that opted-out have found alternative transportation; understands mass transit is important but reiterated paying a premium for one third the service does not make sense.

Cowley pointed out there is no guarantee that service cuts won't be made again in a year.

McShane stressed her commitment to a transportation program, but not at the cost of a quarter million dollars.

Brown acknowledged concerns, but suggested Council carefully review the millage factor and overall benefits of mass transportation to the community.

Kuiken asked about the impact on the budget if the City opted out. Pastue advised the transportation millage would remain in the budget.

McShane emphasized the need to do the homework on this matter; learn who uses this system.

Buck stated the City needs to know about residents' desired destinations.

Cowley indicated we will hear from the community if we opt-out.

Cowley expressed the need to resolve how the City will replace senior transportation, but other than that the market isn't supporting what is in place today. He stated park and ride will continue to be utilized one way or the other.

Responding to a question from Buck, Pastue stated the City would not have to establish an authority with Farmington Hills to provide transportation.

Buck inquired about joining with Livonia to provide transportation.

Discussion followed regarding the limitations of Livonia's transportation system.

Brown confirmed SMART will provide transportation through 2012 based on the last millage renewal. He pointed out that because of the City's decrease in property revenue, the SMART millage equals \$175,000, not \$250,000 as previously stated.

Buck asked about SMART's response to Farmington should they decide to opt out.

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Brown replied typically SMART does not provide service to opt-out communities on a fixed route service; if decision to opt-out is made service would be pulled at the end of 2012.

Discussion followed regarding SMART buses used by Livonia.

McShane inquired about the SMART bus service provided to Livonia.

Brown discussed the leverage factor and that SMART is able to provide other funding resources as a Regional Transportation Authority; Farmington is not able to benefit from those sources.

Cowley inquired if SMART collective bargaining units have taken any concessions. Brown replied there might be some movement taking place.

Kuiken asked when a decision needed to be made to opt-in or opt-out of SMART service.

Pastue responded if the decision is to opt-out the City Attorney will prepare a formal resolution in order to capture specific language. Decision can be made at the January 17<sup>th</sup> meeting or after Farmington Hills makes their decision.

Galvin inquired if the current millage for transportation is sufficient to provide private services to the community.

Pastue indicated yes.

Galvin expressed concern due to the growing national trend of today's youth to utilize mass transportation.

Council unanimously indicated the desire to opt-out.

Buck indicated the City needs to seriously look at Plan B.

Pastue stated a formal motion is not necessary today.

McShane pointed out the need to move forward on this matter.

***(Meeting Break from 8:50 p.m. to 8:55 p.m.)***

**DISCUSSION – DRAFT ANIMAL CONTROL ORDINANCE**

Pastue discussed a proposed ordinance regarding animal control.

Buck asked if the City has received any complaints regarding neighbors keeping chickens.

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Pastue indicated there have been no complaints.

Bucked noted support has been expressed for allowing residents to raise chickens for non commercial purposes.

McShane commented the issues stem from the owners, not the animals or pets.

Cowley conducted an informal survey which reflected a 50/50 for and against split. He stated citizens' concerns are related to chickens attracting rodents, creating predator issues, and potential inability to sell a home next to a home with chickens. He believes allowing chickens creates a greater problem in the future.

Galvin stated offensiveness is subjective. He discussed an experience with a former neighbor who raised pigeons and there was never a problem. He doesn't think raising chickens would be an issue.

Buck suggested limiting the number of chickens allowed.

Galvin added that according to his own research the limit is 3 to 4 as well as size restrictions of the structures to contain the chickens.

McShane indicated the need for regulations and code enforcement; 3 or 4 chickens is a workable number.

Discussion followed regarding the number of cats, dogs etc. in a household.

Kuiken asked about the feedback from the Planning Commission on this issue.

Pastue replied the Planning Commission did not engage in lengthy dialogue.

Galvin shared he attended the Planning Commission meeting and the perception was that they did not see any pressing issues as to why chickens should be allowed. He pointed out the publicity on the subject rose after the Planning Commission meeting.

Kuiken described the lot sizes in Farmington as not being conducive and supports the prohibition of chickens.

Buck allowed public comment at this time:

Esther Weddell, 22763 Manning, shared she has three chickens and there is no predator or rodent problem and noted the chickens are less harmless than dogs.

Responding to a question from Galvin, Weddell replied she has raised the chickens for one year.



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Galvin inquired about current owners under the proposed ordinance.

Pastue responded because there haven't been any complaints those owners would be grandfathered unless the chickens become a nuisance then they would be re-evaluated.

Galvin inquired if there should be a permit process similar to a dog license. Pastue indicated something to that extent would be necessary.

Buck added 3 or 4 are allowable only because there are no complaints.

Pastue emphasized the need for parameters in allowing chickens.

Responding to a question from Kuiken, Buck advised exotic animals would be prohibited under the proposed ordinance.

Discussion followed regarding dangerous animals or pets not indigenous to the State of Michigan.

**01-12-002** MOTION by Galvin, seconded by McShane, to direct the Planning Commission to further discuss prohibition of chickens or regulations that would allow keeping of chickens under certain circumstances.

**ROLL CALL**

Ayes: Buck, Galvin, McShane.

Nays: Cowley, Kuiken.

Absent: None.

Motion Carried.

**DISCUSSION – PURCHASE OF ELECTRONIC METER READING EQUIPMENT**

Pastue discussed how the current meters are read versus the proposed electronic meter reading process.

McShane inquired as to the maintenance on the equipment. Responding to McShane, Pastue indicated the maintenance is minimal. Weber noted there is a one year warranty.

Kuiken asked how much time is involved for acquisition of data. Pastue replied 2 weeks.

Weber shared the device will alert if reading is unusual.

Pastue explained this equipment would be the first step in making the process more efficient.

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Kuiken inquired regarding cost savings for drive by readings.

Pastue indicated when last researched the cost of a full meter replacement would be approximately \$550,000. He noted the high cost on the front end, but would result in long term savings.

Cowley inquired why readings are done four times a year. Pastue replied a homeowner could unknowingly have a tremendous leak and it wouldn't be caught if regular readings were not done.

Cowley asked regarding payback on the investment. Pastue indicated it has not been calculated as of yet.

Buck asked regarding surrounding communities using this technology. Additionally, he asked if the equipment could be leased or possibly contract with a company that already does regular readings such as DTE.

Pastue responded meters would need to be changed in order to link with a system such as DTE.

McShane asked regarding the life of this equipment. Pastue replied 5 years. McShane expressed the long term benefit outweighs the upfront cost.

Buck pointed out the long term cost is essentially \$600,000 to implement the full program.

Kuiken inquired as to the labor costs involved and if federal grants are available. She shared that research has shown labor costs can be cut by 85% with a complete system.

Pastue and Weber will put together a break down of an overall program. Weber pointed out there would be a reallocation of employees' time.

Buck asked about a possible incentive to the businesses/homeowners to make the purchase. Pastue noted different financing options will be reviewed.

**COUNCIL COMMENT**

McShane emphasized the importance of placing for sale signs on vacant schools and the court property to stimulate interest on the open market.

Buck pointed out the need to get a disposition on these properties.

Kuiken asked why they are not on the market. Pastue replied there was a developer that was interested, but backed out.

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Responding to a question from Galvin, Pastue does not know who recently purchased the Drakeshire Plaza.

**01-12-003** MOTION by McShane, seconded by Kuiken, to enter into closed session to discuss collective bargaining and land acquisition. MOTION CARRIED UNANIMOUSLY.

**ROLL CALL**

Ayes: Buck, Cowley, Galvin, Kuiken, McShane.

Nays: None.

Absent: None.

MOTION CARRIED UNANIMOUSLY.

Council entered closed session at 9:45 p.m.  
Council returned to open session at 10:55 p.m.

**ADJOURNMENT**

**01-12-004** MOTION BY McShane, seconded by Kuiken, to adjourn the meeting. MOTION CARRIED UNANIMOUSLY.

The meeting adjourned at 10:55 p.m.

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J.T. (Tom) Buck, Mayor

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Susan K. Halberstadt, City Clerk

APPROVED: January 17, 2012