

FARMINGTON CITY COUNCIL
REGULAR MEETING
December 19, 2011

A regular meeting of the Farmington City Council was held on Monday, December 19, 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 7:06 p.m. by Mayor Buck.

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

ABSENT: None.

CITY ADMINISTRATION: Director Gushman, City Manager Pastue, Director Schulz, City Attorney Schultz, Treasurer Weber.

PLEDGE OF ALLEGIANCE: Janet Bloom, events planner for DDA, led the pledge.

APPROVAL OF ITEMS ON CONSENT AGENDA

12-11-208 MOTION by McShane, seconded by Kuiken, to approve the items on the consent agenda as presented:

- A. Study Session Minutes of November 7, 2011.
 - B. Regular Meeting Minutes of November 7, 2011.
 - C. 47th District Court Special Meeting Minutes of December 5, 2011.
 - D. Farmington/Farmington Hills Joint Meeting Minutes of December 5, 2011.
 - E. Approve City of Farmington Monthly Payments Report, November 2011.
 - F. Approve Public Safety Monthly Report, November 2011.
 - G. Consideration to Renew Michigan Suburbs Alliance Membership.
- MOTION CARRIED UNANIMOUSLY

APPROVAL OF REGULAR AGENDA

12-11-209 MOTION by Galvin, seconded by Cowley, to approve the regular agenda as amended; removing Item 7-F, "Discussion – SMART." MOTION CARRIED UNANIMOUSLY.

PRESENTATIONS/PUBLIC HEARINGS

PLANTE MORAN AUDIT PRESENTATION

Present: Dave Helisek, Kari Shea, Nick Tochman

David Helisek, along with team members, Kari Shea and Nick Tochman, presented the results of the Farmington audit for year ended June 30, 2011.

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Kari Shea provided a power point presentation on the results of the audit. She indicated the City ended the year in better financial position than anticipated with a year-end fund balance of \$2.3 million of which \$2 million was unassigned. She stated this number represents about 28% of the City's annual expenditures.

Shea advised property tax revenues represented approximately 53% of the City's total revenue, a 2% increase over the prior year.

Shea stated property tax values from 2010 to 2011 declined approximately 14%. These values were from a December 2009 assessment date. The millage increase of 13.8 to 15 mills revenue was reflected in the budget. She noted without the millage increase there would have been about \$400,000 less in the General Fund.

Shea advised another significant increase in the General Fund was the Federal Grants Line. She pointed out this number represents the proactive nature of the City and its ability to secure grants when they become available.

Shea stated the General Fund Expenditures for the year reflected a decrease of about \$740,000. She noted the 5% pay cut from employees, 8% decline in staff and changes in medical/dental coverage contributed to that number.

Shea advised the restructuring cost reflected a one time expense that took the liability for earned but unused sick and vacation time and set that aside in an internal service fund to continue to pay those off over the next few years.

Shea pointed out employee costs are almost 70% of expenditures per year which includes: salary and wages, retiree health care, fringe benefits, retirement contributions. She stated the percentage is in line with other communities.

Shea reviewed the City's Water and Sewer Fund cash flow over the past three years. She stated the spike in the capital and related financing activities was largely the result of the bonds in the Water and Sewer Fund.

Shea reviewed the Theater Fund and pointed out that for the first time in three years a positive flow was generated from the theater. She stated the amount of cash transferred from other funds was down to \$65,000.

Helisek pointed out the City has been proactive in addressing known decreases in revenue streams including falling property values and financial market declines that impacted pension funding.

He discussed the elements of Plante Moran's audit letter to the City Council addressing communications required under SAS 114 and legislative and information items. He stated the letter is pretty standard reflecting no real issues.

Helisek discussed legislative updates including elements of the Economic Vitality

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Incentive Program (EVIP) set forth by the State. He stated if the City complies with the provisions of the program it would be entitled to just under \$100,000. He also covered employee benefits and healthcare initiatives. He discussed the impact of the proposed elimination of personal property tax on local government.

Galvin asked if Plante Moran conducts internal control audits. Helisek responded they do not perform such audits, however, they must have an understanding of the system for each of the cycles audited for City and any concerns would have been put in writing and presented to Council.

Galvin also asked about the EVIP program and whether the City is doing enough in terms of shared services.

Helisek responded that based on the program the City can take credit for past collaborative efforts, however the rules are only effective for this year and may change at end of the fiscal year.

Cowley asked what it would take for the City to raise its bond rating from AA to AAA. Helisek indicated that was out of his area of expertise.

McShane asked for clarification on the amount the City is entitled to under EVIP and Helisek responded \$93,298. She commended the City for its compliance with EVIP and pointed out that most of the requirements were already a part of the City's best practices. She thanked City Administration for their hard work in keeping the City in good financial position. She also thanked City Staff for their financial sacrifices.

Responding to an additional question from McShane, Helisek stated the City is pretty strong financially compared to other communities because of being proactive in addressing reductions in revenue.

Responding to a question from Kuiken, Weber advised EVIP data can be found on the City's website.

2012 DDA COMMUNITY EVENT CALENDAR

Janet Bloom reviewed the activities presented in the proposed 2012 Downtown Development Authority community event calendar. She requested City Council approval for the events, temporary liquor license applications, street and parking lot closures and sidewalk shopping days. She reviewed the DDA goals for the upcoming year and cited planned strategies for improving the events.

McShane thanked Bloom for her comprehensive presentation. She expressed concern regarding serving alcohol on Saturday morning of the Harvest Moon Festival since that is a time for families. She also noted that merchants have complained about the beer trailers obstructing their businesses.

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Bloom pointed out the space reserved for beer and wine sales was reduced and noted the trailers must remain until they are picked up at the end of the event. Since the trailers are already there they cannot repurpose the space.

McShane pointed out that if they did not have the beer and wine trailers there would be more space for event participants.

Galvin thanked Bloom for the great job she has done. He asked how many volunteers are from outside of Farmington. Bloom advised she did not have that information with her, but it could be provided.

Responding to an additional question from Galvin, Bloom discussed the different ways in which they recruit volunteers.

Responding to a question from Cowley, Bloom stated the DDA is seeking to increase sponsorship for DDA events by 25% over last year. She discussed strategies for recruitment of new sponsorships.

Cowley asked about strategies for increasing the involvement of businesses in the events. DDA Director Knowles responded the Promotions Committee is creating a spec sheet for each event which will include a list of 101 ways businesses can get involved. She stated members of the Promotions Committee will visit each business with the list.

Responding to an additional question from Cowley, Bloom stated entertainment for the Founders Festival has been secured and they are currently working on the other events.

Cowley congratulated the DDA staff for their efforts in 2011 and noted for the first time they added money to the bottom line from the events. He also noted that in a tough year they were able to secure \$100,000 in sponsorships.

Kuiken commented that the plans for sidewalk sales to coincide with DDA events is a great idea.

Mayor Buck thanked Ms. Bloom for her great overview of the 2012 DDA events.

RESOLUTION 12-11-210 Motion by Galvin, seconded by Cowley, to adopt a resolution approving the 2012 DDA community events calendar, temporary liquor license applications, street closures, and designated sidewalk shopping dates. [\[SEE ATTACHED RESOLUTION\]](#).

ROLL CALL:

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

Nays: None.

Absent: None.

Motion carried unanimously.

PRINCIPAL SHOPPING DISTRICT SPECIAL ASSESSMENT RENEWAL

Annette Knowles, Executive Director of DDA, provided a brief history of the Principal Shopping District, the study group process and their budget recommendation. She explained that the PSD is a mechanism used to fund activities and a menu of services provided by the DDA.

She stated PSD legislation only allows communities to implement 5-year plans and the current plan expires in June 2012. She noted the PSD represents 25% of the DDA budget. She described a number of areas covered by PSD dollars including maintenance and marketing activities.

She advised the PSD study group has recommended a renewal of the PSD for five years, July 1, 2012 through June 30, 2017, the percentage would be on an individual property as it relates to the taxable value of the DDA District as a whole with no annual increase. She noted the budget would remain at \$216,000. She reviewed the recommended budget with the Council on a line item basis.

McShane inquired regarding the difference between assessments for vacant buildings and thriving businesses.

Knowles responded the PSD assessment is based on property valuations.

RESOLUTION 12-11-211 Motion by McShane, seconded by Galvin, to approve Resolution #1 instructing the City Manager and DDA Executive Director to prepare a report for consideration by City Council regarding the renewal of the Principal Shopping District special assessment. [\[SEE ATTACHED RESOLUTION\]](#).

ROLL CALL:

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

Nays: None.

Absent: None.

Motion carried unanimously.

UNFINISHED BUSINESS

CORRIDOR IMPROVEMENT AUTHORITY

Consideration to Adopt Resolution to Establish Farmington Grand River Corridor Improvement Authority

Pastue advised the resolution before Council would amend a previous resolution that was adopted in August establishing the Farmington Grand River Corridor Improvement Authority. He advised there are two major changes to the resolution involving the composition of the Farmington CIA. First, the composition of the board will be set at seven members; Farmington Hills established their

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authority with seven members. The joint CIA Boards will therefore have equal representation from each city. The second item deals with the composition of the Farmington CIA. The resolution establishes that the Farmington CIA will be comprised of the Mayor or his/her designee, and at least one resident within one-half mile of the district.

RESOLUTION 12-11-212 Motion by Kuiken, seconded by McShane, to move to adopt a resolution amending a prior resolution regarding the establishment of the Farmington Grand River Corridor Improvement Authority. [SEE ATTACHED RESOLUTION].

ROLL CALL:

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

Nays: None.

Absent: None.

Motion carried unanimously.

Consideration to Approve Interlocal Agreement with the City of Farmington Hills to Establish a Joint Corridor Improvement Authority

Administration recommended City Council approval of an interlocal agreement with the City of Farmington Hills regarding the joint undertakings of the Grand River Corridor Improvement authorities established by each city. He advised this same agreement was adopted by the Farmington Hills City Council at their December 12th meeting.

McShane expressed her pleasure with the cooperation and excellent partnership the City has embarked on with Farmington Hills. She stated this is an example of both cities taking proactive steps to operate more efficiently.

RESOLUTION 12-11-213 Motion by Kuiken, seconded by Galvin, to approve an interlocal agreement with the City of Farmington Hills regarding the joint undertakings of Grand River Corridor Improvement authorities established by each city, and authorize the City Manager and Clerk to sign the agreement on behalf of the City. [SEE ATTACHED AGREEMENT].

ROLL CALL:

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

Nays: None.

Absent: None.

Motion carried unanimously.

NEW BUSINESS

CONSIDERATION OF RESOLUTION AFFIRMING A PLAN FOR COOPERATION, COLLABORATION AND CONSOLIDATION FOR THE ECONOMIC VITALITY INCENTIVE PROGRAM (EVIP)

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Pastue read the resolution into the record. He stated City Administration is requesting Council's consideration to adopt the resolution affirming a plan for cooperation, collaboration and consolidation for the Economic Vitality Incentive Program (EVIP). He stated the resolution would be forwarded on to the Department of Treasury.

Responding to a question from Galvin, Pastue advised the cities of Farmington/Farmington Hills are probably at the top in the state relative to sharing services.

McShane pointed out three areas of cooperation that were not mentioned in the resolution: Call to Action Coalition, Art on the Grand and the Mainstreet program shared with Oakland County.

Cowley commented that in his experience serving on the Organization Committee there was a tremendous amount of Farmington Hills volunteers for downtown events.

RESOLUTION 12-11-214 Motion by Galvin, seconded by Kuiken, to adopt a resolution affirming a plan for cooperation, collaboration and consolidation for the Economic Vitality Incentive Program (EVIP) and authorize the City Manager to submit to the Michigan Department of Treasury. **[SEE ATTACHED RESOLUTION].**

ROLL CALL

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

Nays: None.

Absent: None.

MOTION CARRIED UNANIMOUSLY.

**CONSIDERATION TO APPROVE FINAL INVOICE FOR FOLSOM ROAD
SIDEWALK PROJECT**

RESOLUTION 12-11-215 Motion by McShane, seconded by Cowley, to authorize payment to the City of Farmington Hills in the amount of \$24,000 for Farmington's share of the Folsom Road sidewalk project.

ROLL CALL

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

Nays: None.

Absent: None.

MOTION CARRIED UNANIMOUSLY.

**CONSIDERATION TO RATIFY SELECTION OF FTL CONSTRUCTION, INC.
TO PERFORM FLORAL PARK SANITARY SEWER LINE REPAIRS.**

Pastue advised the initial phase of the Floral Park Rehab project has been

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completed. The city is now ready to proceed to the second phase which involves repairs to areas identified through the televising in phase one. He stated thirteen sections of sewer system need to be dug up and replaced.

McShane expressed surprise at the unit costs of the project.

Cowley expressed concern that the contract is open-ended. He asked if there was a not-to-exceed number in terms of time and materials.

Pastue responded there is an inspector from the City's engineering firm on site and with Gushman's expertise the project should be closely monitored.

Galvin inquired if there were any comments or concerns expressed about the project from Floral Park residents. Gushman responded that letters went out to all affected homeowners and only one call has been received.

RESOLUTION 12-11-216 MOTION by Galvin, seconded by McShane, to ratify selection of FTL Construction, Inc. to perform Floral Park sanitary sewer line repairs on a time and materials basis.

ROLL CALL

Ayes: Buck, Galvin, Kuiken, McShane.

Nays: Cowley.

Absent: None.

MOTION PASSED.

CONSIDERATION TO AUTHORIZE CLEANING OF SEWER INTERCEPTOR

City Administration is requesting Council authorize issuance of a purchase order in the amount of \$52,375 with Doetsch Industrial Services for cleaning of a 24" sewer main along the Rouge River near Grand River. Earlier this fall a significant amount of debris and sediment was detected along this segment and it was felt this work should be done prior to spring before the snow melts and rain begins to tax the system again. Pastue advised monies will come out of the Water and Sewer Fund.

Cowley inquired if this was a fixed bid. Pastue responded the work should not exceed \$52,000 and is based on time and materials.

Galvin asked how often this segment of the sewer interceptor is cleaned. Gushman responded this type of cleaning has never been done. He pointed out that this segment is virtually inaccessible by standard equipment. The company being utilized has patented equipment that will do the job and this should not occur again.

Further discussion was held on the process for cleaning the sewer interceptor.

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RESOLUTION 12-11-217 Motion by McShane, seconded by Kuiken, to authorize City Administration to issue a purchase order in the amount of \$52,375 with Doetsch Industrial Services for cleaning of the 24" sewer interceptor along the Rough River near Grand River.

ROLL CALL

Ayes: Kuiken, McShane, Buck, Cowley, Galvin.
Nays: None.
Absent: None.
MOTION CARRIED UNANIMOUSLY.

APPOINTMENTS TO CHARTER REVIEW COMMITTEE

12-11-218 MOTION by Kuiken, seconded by Cowley, to appoint the following individuals to serve on the Charter Review Committee for a one-year term expiring December 31, 2012: Alton Bennett, Arnold Campbell, Mike Wiggins, JoAnne McShane, City Clerk Sue Halberstadt, and City Attorney Tom Schultz.
MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENT

Hank Borgman, 34011 Grand River, requested that Mr. Helisek refrain from using the term "fast & furious" in Plante Moran presentations.

COUNCIL COMMENT

Cowley pointed out that the Oakland County website is projecting a 5 to 10% decrease in property values over the next three years making it imperative that the City continues to seek to be fiscally responsible.

McShane requested an update on Board and Commission appointments. Pastue responded he would provide one.

Galvin thanked Vince Pastue, Chris Weber and Amy Norgard for their efforts during the audit process.

Galvin, referring to a July 2010 resolution regarding soliciting proposals for Audit and Land Use Planning Consultant Services, requested a status update.

Pastue advised the Request for Proposal (RFP) for the Land Use Planning Consultant will be ready prior to the end of the fiscal year and the Audit RFP is ready to go.

Mayor Buck wished everyone a Happy Holiday season and a Happy New Year.

ADJOURNMENT

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12-11-219 MOTION by McShane, seconded by Galvin, to adjourn the meeting.
MOTION CARRIED UNANIMOUSLY.

The meeting adjourned at 8:50 p.m.

J. T. (Tom) Buck, Mayor

Susan K. Halberstadt, City Clerk

APPROVED: January 17, 2012