

FARMINGTON CITY COUNCIL  
STUDY SESSION

A study session of the Farmington City Council was held on Monday, April 5, 2004, 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 5:45 p.m.

**COUNCIL MEMBERS PRESENT:** Bush, Campbell, Knol, McShane, Mitchell.

**COUNCIL MEMBERS ABSENT:** None.

**CITY REPRESENTATIVES PRESENT:** Clerk/Treasurer Cantrell, Director Gushman (arrived at 5:59 p.m.), City Manager Pastue (arrived at 5:59 p.m.), Attorney Schultz (arrived at 6:26 p.m.).

Mayor Campbell opened the meeting with a request to Council to interview John Rolph, a candidate to fill a vacancy on the Commission on Aging.

Mayor Campbell asked City Manager Pastue to address the next agenda item concerning the search for a Public Safety Director. Pastue stated that several consulting firms have been contacted, however no proposals have been submitted thus far. He stated that he has met with one firm, Career Directions, and was favorably impressed. He reviewed the recruitment process for a Public Safety Director, noting that it is more structured and involved than for other department heads. He stated that the process could include input from not only Council, but from department heads and outside resources as well, such as the School Superintendent. He further stated that recruitment would be focused in Michigan. He suggested an allocation of \$13,000 to cover the recruitment fees.

Responding to a question, Pastue stated that City Charter provides that the City Manager appoint the Director of Public Safety with the consent of Council. He stated that Council's involvement in the recruitment process could be their input in the development of the core competencies for the position. Council member McShane expressed her desire to meet the candidates before the selection is made. Pastue stated he would review the recruitment process to determine if there would be an opportunity for Council to meet the candidates.

Discussion followed regarding the development of a profile for the position. Council agreed that the City Manager should move forward in hiring a consulting firm.

In addressing the next agenda item concerning the City's website, Pastue explained that the site needs to be updated in order to provide easier navigation, consistency throughout the site and more timely updates. He reviewed proposed website pages,

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indicating the areas where a consultant could be used. Discussion followed regarding the format and various City forms that should be available on the site. Discussion continued regarding the differences in the development of websites for the City, DDA & Main Street. Council member Knol recommended linking the websites and creating a consistent design and format. She further suggested creating a website link for the Civic Theatre that would list current movies, upcoming events, and packages available, along with costs, times, etc.

Pastue continued to review proposed website pages including those for communications, City Charter and Code. Mayor Campbell recommended an elections page that would include a voting precinct map.

Council member Bush suggested adding plat maps under the Assessing Department. Council member Knol recommended using the same vendor for all three websites: City, DDA & Main Street, in order to provide consistency and to possibly obtain a better price. Pastue stated he would pursue partnering with the DDA on the website update.

Pastue addressed the next agenda item concerning the proposed 2004-05 budget. He noted that the millage rate would remain the same, but cited percentage changes to the various programs to which the millage is assigned. He advised that the City's infrastructure is in very good shape. He cited a 3% increase in water and sewer bills and an increase to the LTSCO charges. He further cited a significant increase in recycling charges, from \$63.44 to \$87.29, in order to incorporate the cost of the leaf collection program.

Discussion followed regarding the Civic Theatre admission fees and concession charges. Pastue noted an interfund operating transfer of \$22,595 to the Civic Theatre Fund. Responding to a question from Council, Pastue stated that funding for major repairs to the theatre comes from outside of the Theatre Fund.

Pastue stated that the General Fund would be balanced with any future state revenue cuts coming out of fund equity. He indicated that the long term forecast is very dismal. He further discussed budget reductions to programs including: City newsletter, HAVEN, Oakland Family Counseling Services, Library, volunteer/employee dinner, and additional belt tightening measures. Responding to a question, Pastue confirmed that Council's budget was reduced as a result of these measures.

Pastue discussed other proposed changes to the General Fund that included: website upgrade & maintenance, additional funds for planning, building space evaluation study, updating the retirement ordinance, increase in retirement contributions, and increase in medical insurance contributions. He further discussed changes to the Street Fund, Water and Sewer Fund and Civic Theatre Fund. He stated that for the long term the City would need to aggressively address budget shortfalls.

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Pastue discussed the next agenda topic concerning financial incentives for a proposed Planned Unit Development (PUD). He stated that communities like Farmington are not typically involved in offering financial incentives for developments. He explained the financial benefit of the proposed development. He stated that the City is looking at taxable value growth of \$2.55 million, which translates into additional annual revenue of \$48K.

Pastue explained that one incentive could be site acquisition, where DDA funds would be used to purchase the land and demolish the building, resulting in greater viability for the project. He cited other incentives including a waiver of water and sewer connection charges, which represents an opportunity cost to the City but would not result in an outlay of cash and infrastructure which may include road improvements or water and sewer extension projects.

Pastue discussed the need to develop incentive standards for approving financial incentives and he proposed standards that included: minimum of \$2 million taxable value growth, percentage increase in taxable value, provides a quick return, promotes master plan objectives, availability of sufficient resources, and demonstrates a need for financial incentives.

Council member Mitchell stated his support for the proposed standards and setting parameters to determine financial incentive need.

Council member Knol stated that a financial incentive for this proposed project is a win/win situation for both parties in that it promotes the type of development the City of Farmington is seeking and provides a huge tax benefit.

Council member McShane also stated her support for this development, citing its staying power and excellent land use.

Mayor Campbell recommended the development of a rating scale to evaluate projects.

Pastue recommended that both the City and DDA participate in providing financial incentives---using a 40/60 split.

Pastue discussed the subsequent steps in the approval process for the PUD agreement. Discussion followed regarding when the financial incentive for this project should be provided.

Discussion continued regarding the City's need to be progressive in seeking and promoting new development in the community.

Pastue addressed the next agenda item concerning road and street projects. He discussed streets in private developments and explained that in the early 70's a number of private developers, at the request of the City, "quit claimed" their entrances so that

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the City could increase its mileage with the Department of Transportation in order to receive additional Act 51 revenues. He further explained that the City currently receives about \$2,000 a year, however, reconstruction of the entranceways to these developments would cost hundreds of thousands of dollars. He suggested that the City consider vacating some of these properties. He noted that some patchwork to those private roads might be done.

Responding to a question, Attorney Schultz stated that the City can vacate any of its public roads, however, the question becomes as to what happens to the underlying property and does it revert to the owners adjacent to it. He stated that further research needs to be done to determine how the property was obtained in the first place. He further stated that the City needs to be prepared with a response to the question of why the City wants to vacate.

Pastue discussed the significant costs of reconstructing Shiawassee Road. He stated that based on a model forecast for the next seven years for road improvement, a one mil levy appears to be sufficient without diminishing Street Funds.

Responding to a question, Pastue stated that the City does not have funds earmarked for local match on Grand River Road repair. Discussion followed regarding funding for future road reconstruction. Responding to an additional question, Pastue stated that the Shiawassee Road reconstruction is projected to begin in June 2005. Responding to concerns, Director Gushman advised that reconstruction of Shiawassee would be done in such a way so as to minimize disruption to the Founders Festival, and that the condition of the infrastructure on that road would be evaluated at that time. Pastue noted that Power Road would be reconstructed the following year.

**04-04-067** Motion by Bush, seconded by McShane, to enter into close session. MOTION CARRIED UNANIMOUSLY.

Council entered into closed session, returning to open meeting to adjourn.

**04-04-068** Motion by McShane, seconded by Mitchell, to adjourn the meeting. MOTION CARRIED UNANIMOUSLY.

Meeting adjourned at 7:57 p.m.

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Arnold T. Campbell, Mayor

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Patsy K. Cantrell, City Clerk/Treasurer