

FARMINGTON CITY COUNCIL
SPECIAL MEETING

A special meeting of the Farmington City Council was held on Monday, March 27, 2006, 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 McShane.

COUNCIL MEMBERS PRESENT: Buck (arrived 7:02 p.m.), Knol, McShane, Sutherland, Wiggins.

COUNCIL MEMBERS ABSENT: None.

CITY ADMINISTRATION: Clerk/Treasurer Cantrell, City Manager Pastue, Assistant City Manager Richards.

APPROVAL OF AGENDA

03-06-055 MOTION by Knol, seconded by Wiggins, to approve the Agenda as amended. MOTION CARRIED UNANIMOUSLY.

CONSIDER RESOLUTION OF SUPPORT FOR MDNR GRANT APPLICATION

City Manager Pastue advised that according to Congressman Knollenberg's office the \$500,000 federal grant received by the City for Shiawassee Park does not require a local match. He further advised that the City reduced the amount of matching funds from \$250,000 to \$150,000 and reduced the MDNR grant request from \$500,000 to \$350,000, in order to strengthen the City's Michigan Department of Natural Resources (MDNR) grant application. Pastue recommended Council's authorization and direction to apply for a MDNR Recreation Trust Fund grant in the amount \$350,000, for a total project cost of \$1,000,000. Also, administration recommended a local match totaling \$650,000, of which \$500,000 is a federal grant and \$150,000 is city general funds.

Pastue recommended amending the MDNR Grant Application resolution adopted at the March 20, 2006 meeting to reflect these changes.

RESOLUTION 03-06-056 Motion by Wiggins, seconded by Sutherland, to adopt a resolution, amending Resolution No. 03-06-48, authorizing City administration to submit a grant application to the Michigan Department of Natural Resources (MDNR) for Shiawassee Park improvements. **[SEE ATTACHED RESOLUTION]**.

ROLL CALL

AYES: McShane, Sutherland, Wiggins, Buck, Knol.

NAYS: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

STUDY SESSION ITEMS

REVIEW RECOMMENDATIONS FOR GOVERNOR WARNER MANSION

Pastue reviewed recommendations to establish a non-profit, independent board of directors for funding development and new programs; alternative recommendation of maintaining the status quo.

Pastue stated that a private non-profit organization could be involved with operation of the Mansion. He noted the City would have to be involved for a period of time with maintenance of the grounds and building.

Councilmember Sutherland asked what recourse the City had if the non-profit group did not work out. Pastue replied he was not sure how dissolution would be handled, but it could be done. Sutherland inquired if there was interest by any concerned parties to take over the operation. Pastue stated there had been interest.

Councilmember Buck inquired about the viewpoint of Mayor McShane and Dick Carvell regarding the options discussed. McShane asked how a new board "was different" from the last committee created to address these issues and questioned what the goals and funding would be for it. She stated if there was no direction they wouldn't know where they were going. McShane recommended increased representation from the Historical Commission since they have a special interest in historical preservation. She questioned the structure and function of the independent board. McShane noted a previous "board" in 1999 was unsuccessful.

Councilmember Knol noted that a 5013C Corporation with an independent board would set their own goals and direction. Assistant City Manager Richards commented that a paid director would act as coordinator. Councilmember Wiggins inquired if such a director would serve in a full-time position. Pastue responded it depended on availability of funds.

Pastue stated that if there were to be more programs, events and activities; the Mansion would be better served by an independent board.

McShane stated she was in favor of creating a sound structure.

Councilmember Wiggins asked about the Farmington/Farmington Hills Community Foundation as the managing agency. He stated Farmington Hills has a similar situation with Longacre House and will be looking for a proprietor and funding. McShane stated the Foundation is a conduit for distribution of funds resulting in a better tax advantage. Pastue commented the Foundation is looking to expand the collections of donations. McShane noted the Farmington/Farmington Hills Foundation would welcome the addition of the Warner Mansion. Sutherland asked if this Foundation was already created.

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Richards stated the Foundation expects organizations to raise funds to be contributed to the Foundation and the Foundation is in control of distribution of the funds. He noted the Foundation is not anxious to disperse funds unless an organization is willing to raise them.

Discussion continued regarding the structure of the Foundation versus a separate 5013C organization.

Richards stated a private non-profit board would be compatible with an existing Historical Commission. Pastue commented that the City's involvement would have to be specifically tailored to the operation.

Buck expressed support for a leadership group that would increase the level of activity for the Mansion. He cited a need for more information and additional time to study a change. He expressed concern about the availability of leadership to take on the task. Discussion followed regarding various options.

Knol stated the Foundation would function in a similar way to the DDA where a governing board represents a variety of interests. She noted that a part-time person could be hired as director with a salary between \$15,000 and \$20,000. She liked the clear line between direction and authority with a paid director. McShane noted the director should have an interest in historical preservation and be a well-rounded person who would take a comprehensive approach.

Dick Carvell, Mansion volunteer, suggested that the Mansion could contract with conservators to work with volunteers and that the director should be business oriented and focus on fund raising. Discussion continued on how to proceed. Richards noted the stakeholders meeting focused on the director as a business manager.

McShane recommended holding another stakeholders meeting to provide feedback from Council's discussion and include "Friends of the Mansion" in that meeting. Pastue commented regarding deed restrictions and that the Michigan Historical Society would convey the deed to the organization established.

Buck stated activities at the Mansion needed to be coordinated with other community organizations.

REVIEW CIVIC THEATRE OPERATIONS

Pastue discussed several issues regarding the Civic Theatre including: a need to make a decision concerning the current business model of running second run films, consideration of operational changes, and coordination with the DDA regarding promotional activities.

Richards reviewed features and restrictions in running first-run movies.

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Sutherland asked if the City was unhappy with the way the Civic was run. Pastue responded that more attention is needed on maintenance issues. Knol noted cleanliness and staff issues. Richards commented that patrons of the Civic have indicated some problems. McShane noted the frequency of film breaks. Buck noted that the equipment might be older and that the film in a second run is weaker. McShane inquired if there were other theatre management companies who run "second run" films. Pastue replied he did not know. McShane commented that MKA stated the movies must be run on a regular basis, on the same days and the same times as interruption of this procedure would produce problems with attendance.

Knol stated that she would like to have a discussion with others interested in running the Theatre. Richards commented that Mike Mihalich, of MJR Theater Services, expressed interest. He questioned the reason for a first run theatre to have an interest in the Civic, is it to park their non-producing films in order to free up their screens.

McShane pointed out that the Theatre needs more attention to management.

Richards stated he has a special interest in the Civic Theatre and feels management fees could be reduced with the involvement of the City. He noted expertise would be needed in technical areas. McShane commented she would like to see an analysis including distribution of staff hours and costs.

Buck noted that before changing the business model, the City needs to know why people attend the Civic. He asked what the impact would be if there were first run films.

Annabelle Gabel, Farmington resident, requested to speak, commenting that she has enjoyed many movies at the Civic.

Knol stated she would like to see a proposal including costs, from a first run theatre operation. She noted the City should maintain flexibility for special events and more information was needed. McShane concurred.

Pastue stated he felt the proposal should be left open and detailed information requested. McShane expressed concern regarding a new manager. Knol stated a proposal should be provided to Council outlining other options. Richards and Pastue noted MKA manages the Civic Theatre as a courtesy to the City. Pastue noted potential problems if the business model is changed and that there is a need for the Theatre Committee to work more closely with the Main Street Promotions Committee. Richards noted the Civic Theatre Committee feels some restructuring is in order. Buck felt in order to change the business model there needed to be a compelling argument with nominal risk.

REVIEW 2006/07 CITY COUNCIL GOALS

Pastue reviewed the 2006 City Council Goals and Objectives. He listed the goal to "Maintain Strong Financial Management of City" with the objective to maintain the current overall millage rate, and adequate fund balance by adopting a policy regarding

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minimum fund balance levels as part of the FY 2006/07 budget process. McShane voiced concern regarding upcoming expenses and keeping Council abreast of expenditures to avoid funding problems. Pastue replied there are quarterly budget reviews and presentations and that having good policies and the discipline to maintain them is the means to continue having a financially strong system and to maintain the City's Standard and Poor AA bond rating.

Buck asked how the City would be prepared if property assessments dropped and voiced concern regarding the implications for the future. Cantrell responded that protection is provided by maintaining an adequate level of reserves. Buck noted the financial problems facing the schools. Pastue stated there has to be an ongoing review of finances. Richards commented that health care has been actively managed and there has not been an increase in staff or programs. Knol noted that school system problems have been caused by benefit programs.

Pastue stated further objectives are to maintain the Standard and Poor's AA bond rating, maintain City infrastructure, and to continue to closely monitor revenues and expenses, with revenue enhancements and expenditure reductions.

Cantrell requested that language regarding maintaining the security of investments be added to the revenue enhancement action strategy regarding investments, in line with the City's Investment Policy requiring that safety of principal be the foremost objective of the City's investment program.

Pastue reviewed the goal to "Develop and Implement a Comprehensive Business Retention and Recruitment Campaign", including the objective of partnering with the DDA to develop strategic recommendations. He stated it ties in with the objective to continue retention meetings with owners of large community properties and industrial sites, with the action strategy of meeting with all major property owners by October 31, 2006.

McShane asked if the "Comprehensive Business Retention and Recruitment Campaign" is going to be a City-wide program. Pastue replied there will be elements of both. McShane commented that the DDA has more resources than other areas of the City and she wanted to make sure the whole City was taken into consideration. She felt the meeting with the commercial property owners could be an objective of the committee. Pastue replied he didn't recollect forming a specific committee. Buck concurred with McShane that a committee should be formed to recruit and retain business and that the structuring committee could have that as their mission relative to the DDA. McShane commented that a committee could be formed to take care of unanswered problems. Buck stated the Economic Restructuring Committee (ERC) is moving in the direction of looking at the entire City. Richards commented the ERC could have a mission beyond the DDA to deal with City wide issues. Knol stated that the ERC met last week and formed 3 sub-committees. Discussion continued regarding the mission of the ERC.

McShane questioned if the ERC has the ability to take on business retention and recruitment for areas outside of the downtown. Knol responded the ERC is not in that

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position yet and voiced concern it would be difficult to find qualified people for two committees. Buck stated that the Committee was frustrated due to inactivity. Knol commented she would like to concentrate setting up the ERC properly and then review the mission. Buck asked how to make the ERC part of the broader mission. Knol replied the ERC is interested in broadening the mission and addressing development in all areas of the City. McShane voiced concern that all businesses would not want to be part of the Main Street Economic Restructuring Committee. Buck commented the dotted line in relationship to the ERC should not be through 2 or 3 levels of committee structure for something as important as business retention and recruitment and shared the Mayor's concerns. McShane questioned how to address business retention and recruitment. Pastue stated companies have brokers who have a vested interest in finding tenants for their property. Knol stated most recruitment is focused on industrial property and not strip malls.

Pastue commented the next direction would be to partner with the DDA and suggested continuing with the standard operating procedure. He wondered how to incorporate an organization whose purposes are business recruitment, retention, marketing, and code enforcement. McShane felt there could be more involvement with the Chamber and Farmington Hills and wondered how to implement it. Buck stated some things may have to be done on an informal basis. Richards commented expertise could be hired to implement a business and recruitment campaign for the City. McShane suggested looking at other communities.

Buck stated staff and volunteers could be energized to come up with the right plan. He noted he would like to see the ERC in a broader role for the City. Richards noted someone is needed to implement the plan, with Sutherland agreeing that a director is needed to develop a campaign.

Wiggins commented the ERC is the place to begin to expand the scope and assistance may be needed. Knol stated a service provider has been hired to do a trade analysis and obtain data but expressed concern about resources being spread too thin. She saw a difference between marketing and economic development and was favorable toward allocating resources to the ERC and to broaden their mission. Sutherland inquired if there was a plan in existence. Knol reviewed specifics of the trade analysis.

McShane stated she would like a timetable for implementing an action plan.

Buck suggested that under the action strategy of the goal, "Develop and Implement a Comprehensive Business Retention and Recruitment Campaign", the objective to "Commit Sufficient Resources" should be changed to (a) monitor the progress made by the ERC in establishing its "Retention and Recruitment Plan" and (b) report on the progress on a quarterly basis.

Pastue reviewed the goal to "Develop and Implement a Community Marketing Campaign" with the objectives to "Partner with DDA to Develop Strategic Recommendations and to Commit Sufficient Resources." He stated the action strategy is to determine expertise and cost requirements of a community marketing campaign

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which would include: (a) appropriating \$20,000 as part of the Fiscal Year 2006/07 Budget Process and (b) working with DDA to develop a Request for Proposal by October 31, 2006.

McShane stated the City should be marketed on a daily basis. Buck noted he would like to see Council take the lead instead of the DDA. He noted that Farmington is invisible in Southeast Michigan and awareness needs to be raised.

Knol expressed her belief that this goal was intended for increased communication with Farmington residents.

McShane, referring to a reference from the National League of Cities, asked "Do your residents know what your goals are."

Buck stated there must be a positive image. Knol commented that the Downtown is critical to branding. McShane stated the residents need more communication. Knol noted communications and branding are different. Buck replied that there is a close relationship between the two.

McShane suggested changing the goal to "Develop and Implement a Comprehensive Community Marketing Campaign." Discussion followed about whether another goal should be established dealing specifically with communications.

Council concurred to continue discussion of the 2006/07 City Council Goals at a future meeting.

PUBLIC COMMENT

Nancy Leonard, a Farmington resident, noted the numerous committees discussed at the meeting and attention be made to notify the residents of the impending detour. She discussed the DDA and asked if all directives from Main Street needed to be heeded. Pastue replied it is a successful model. McShane explained guidance and contributions come from the County and the City does not want to change a working program.

Mrs. Leonard noted caution needed to be taken in hiring a director at the Museum and that a flowchart at the Museum was never followed. She commented the steps at the park were made of railroad ties.

Carvell noted the public unveiling of the bust on May 11th between 7:00 and 9:00 p.m. at the Warner Mansion.

Annabelle Gabel, a Farmington resident, noted events at the Spicer House and also that she was happy to be a part of the Grand Opening of the Civic and the Pavilion.

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COUNCIL COMMENTS

Buck stated the workload of Council has increased as evidenced by the evening's long meeting in which they sought to do what is best for the City.

McShane presented packets for each Council member with helpful information from the National League of Cities meeting.

Wiggins noted the deteriorated condition of the house located at 32013 Valley View and stated the bank owning the property should be notified of the problem. He commented the residents needed to be contacted to inform them that action would be taken. Pastue discussed the condition of the property advising of actions taken. Sutherland stated a letter to the bank would help to show the neighboring residents that the City was working toward a solution. Pastue stated a letter would be drafted to the bank.

ADJOURNMENT

03-06-057 MOTION by Knol, seconded by Wiggins to adjourn the meeting. MOTION CARRIED UNANIMOUSLY.

The meeting adjourned at 10:14 p.m.

JoAnne M. McShane, Mayor

Patsy K. Cantrell, City Clerk/Treasurer

Susan K. Halberstadt, Recording Secretary

APPROVED: April 17, 2006