

FARMINGTON CITY COUNCIL
SPECIAL MEETING
June 30, 2008

A special meeting of the Farmington City Council was held on Monday, June 30, 2008, 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 7:03 p.m. by Mayor Knol.

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

COUNCIL MEMBERS ABSENT: Buck.

CITY ADMINISTRATION: City Manager Pastue (arrived 7:40 p.m.),
Deputy Clerk Pohto.

APPROVAL OF AGENDA

06-08-116 MOTION by McShane, seconded by Wright, to approve the agenda as presented. MOTION CARRIED UNANIMOUSLY.

DOWNTOWN DEVELOPMENT AUTHORITY INTERVIEWS

Present: Annette Knowles, Downtown Development Authority (DDA) Director

Council interviewed John Bowman and James Moran for open positions on the Downtown Development Authority Board.

Mayor Knol requested Director Knowles provide feedback to Council on the candidates.

Director Knowles commented the DDA would ask all candidates if they would consider serving on another committee, board or commission in the future if not selected for the present DDA opening.

Councilmember McShane inquired as to Marketing and Promotions Committee. Knowles responded committee members have been weighted down with activities and commented the DDA will be more selective regarding future events in order to commit more time to marketing.

McShane asked about the work plan for Krista Wolter. Knowles explained a large amount of her time is involved in marketing and promotions and the streetscape work plan. She explained Ms. Wolter's plans to work on an informational piece similar to a magazine promoting downtown Farmington as a destination place.

Mayor Knol thanked Director Knowles for all her hard work and continued support as Council continues to interview DDA candidates.

UPDATE - DETROIT WATER AND SEWER DEPARTMENT (DWSD) MASTER WATER CONTRACT NEGOTIATIONS

City Manager Pastue shared his thoughts regarding his recent meeting with Detroit Water & Sewer Department (DWSD) representatives. He commented significant cost reductions in the City's purchase of Detroit water can be achieved through a few modifications to the City of Farmington's water system.

Pastue reviewed DWSD recommendations for regulating water usage and the specifics of Level 1 and Level 2 recommendations. He identified Level 1 and Level 2 of Exhibit B as a public information campaign recommending property owners using irrigation systems irrigate on an odd/even basis between 11:00 p.m. and 5:00 a.m. He explained DWSD stresses reductions during peak hours.

Councilmember McShane asked why only sprinkler systems will be addressed. Pastue responded the amount of water used by hoses is substantially lower and not a DWSD concern.

City Manager Pastue then recommended a public information campaign program:

- Direct mail to every property owner.
- Hand delivered mail to property owners with irrigation systems by DPW/DPS.
- Cable television using a short video information piece.
- Website video to be followed by written material.

Pastue discussed amending the Water & Sewer Ordinance to mandate odd/even days and late evening hours for sprinkler system usage.

Councilmember Wright asked for additional clarity of Level 1 and 2. Pastue responded DWSD views Level 1 as a public information campaign and Level 2 as public information supported by ordinance.

Pastue advised Level 3 represents substantial savings that would result from changes to the City's water system's flow. He stated Director Gushman and Vyto Kaunelis of Orchard, Hiltz and McCliment, would meet to discuss those changes and establish a schedule for Level 3.

Pastue explained the water flow from Grand River at Drake and Halsted can be monitored and controlled by a valve and telemetry system located at Eight Mile and Farmington Road allowing the water tank to regulate itself early in the morning during peak hours. He requested Council move forward with Level 1 and 2, amending the Water & Sewer Ordinance at the next regular meeting on July 21st.

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Mayor Knol asked for clarification regarding implementation of Level 3. Pastue responded at the July 21st meeting Council will discuss the adoption of a resolution

that would commit the City to the proposed changes to the water system. He stated this would allow time to set up and then begin using the new system that would realize savings in the first few reads prior to the beginning of the 2009 DWSD fiscal year.

Councilmember Wright asked how the valve affects the volume of water being read and a clarification of past practices. Pastue explained the water is currently metered but not regulated.

Wright inquired regarding the cost of the new system. City Manager responded the estimated costs are between \$200,000 - \$300,000.

Discussion followed regarding the cost savings that would be realized by managing water usage during peak times, specifically addressing filling the water tank and lawn and landscape irrigation

Mayor Knol asked if savings would be passed on to residents. Pastue felt the City should consider water billing reductions in the new fiscal year budget after a review of the new water and sewer rate study.

Wright asked for clarification regarding the scheduled implementation. City Manager explained the estimated time line for implementation:

- July – Public Information Campaign/Introduction of Ordinance
- August – Ordinance Adoption/DWSD Water Agreement/Approval
- September/October – Agreement presented to Detroit City Council

Discussion followed regarding the financial impact of a dual meter system.

UPDATE - VARIOUS CODE ENFORCEMENT CONCERNS

Pastue reviewed code violations and enforcement procedures under consideration for specific properties:

Farmington Plaza – OHM has completed their preliminary study suggesting Farmington Plaza be completely redone. This information then was forwarded to the attorney for review and together with code enforcement the complaint will be documented and addressed.

Annewood Residence – A request by the City Prosecuting Attorney has been made to Judge Brady to visit the property and for the Building Official to enter the home to evaluate the dangerous structure problems. Judge Brady didn't feel the problems were extreme. Code enforcement has ticketed the residence and a court order is underway.

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Orchard Lake Road Residence – Resident & insurance company haven't come to an agreement over the settlement. The City will issue a dangerous structure violation and within two weeks take action.

Hawthorne and Shiawassee Residence – The property owner has applied for a permit to complete work.

Mayor Knol asked if the residents have been informed as to the City's Involvement.

Councilmembers agreed Administration should keep residents updated on progress made in resolving violations.

Recreational Vehicles and Vehicle Storage – The City Attorney is continuing to research case law applying to vehicle storage.

Discussion followed regarding development of standards for vehicle storage and how other communities are addressing this issue.

Worldwide Center – The sale of the property did not take place as discussed. Code enforcement issued a warning ticket to paint the mansard roof.

Lee Lane Residence – Outdoor storage of refuse is an issue. The problem is being addressed and research continues to bring about a resolution.

Farmington Road and Shiawassee Road Residence – The property has been foreclosed and the grass has been mowed.

Sammy's Deli – A ticket has been issued regarding the unsightly condition of the parking lot. The property owner has considered putting down a seal coat. Code Enforcement continues to work with the property owner regarding this issue.

Recurring Garage Sales – Council will consider introducing an ordinance prohibiting more than two garage/yard sales not to exceed three days in length per year.

Councilmembers agreed there are many other concerns needing to be addressed.

Councilmember McShane inquired as to A-frame signage noting the wood painted sign outside of the New Attic.

Wiggins inquired as to the standards for A-frame signage.

City Manager Pastue agreed there needs to be a standard for A-frame signs.

McShane asked about garbage behind Ace Hardware. Discussion followed regarding placement of a dumpster behind the Downtown Center.

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McShane inquired if DDA would cover the cost of the trash receptacle.

UPDATE - SHARED SERVICES

City Manager Pastue proposed \$12, 322 be contributed to the Activities Center in Fiscal Year 2008-09.

Councilmember McShane asked about past contributions for Recreational Services and if money was allocated for this project. Pastue responded approximately \$250,000.

Pastue suggested hiring an independent consulting firm to conduct a cost allocation study utilizing fiscal year 2007-08 data for the following program areas:

- Senior Services
- Cultural Arts
- Youth Services
- Recreational Programs
- Golf Course (No debt service – eliminate any ownership claim)
- Ice Arena “ “

Pastue stated the study would include direct costs, department administration, central administration, depreciation of facilities, net of program revenues and grants utilizing an existing cost sharing formula. He explained both cities would share in the cost of this study equally.

Pastue stated park maintenance costs unrelated to the above programs will be a separate component and central service expenses related to the 47th District Court would be included.

Pastue suggested after the study is completed the City consider a buy-in developing a five or ten year agreement. He stated only after reaching an agreement regarding fair share proportional payment for both of the cities can Farmington consider consolidation of services.

Pastue felt there may be a need to complete a separate study regarding District Court costs.

Responding to a question from Councilmember Wiggins, Pastue stated the study would cost approximately \$40,000.

McShane expressed concern regarding how to fairly evaluate the use of the Warner Mansion, Civic Theater, parks, tennis courts, etc. Pastue responded that it would be impossible to measure fairly.

Pastue stated the City of Farmington needed to view themselves as a broader community willing to share high quality services proportionately.

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Wright stated Farmington Hills thought the City of Farmington needed to pay service fees making it imperative for the City to arrive at a depreciation cost before considering shared services.

Mayor Knol agreed the City should be viewed as part of a broader community but struggled with the fact that our resources such as the Warner Mansion and Civic Theater weren't included as shared services.

Discussion continued regarding a fair and equitable way to pay for shared services.

Pastue stated with the continued decline in housing values the City will need to reduce costs in order to consider enhanced shared services. He continued the allocation issue needed to be resolved in order to take a step toward additional dialogue with Farmington Hills regarding a comprehensive management plan for the Warner Mansion, Civic Theater and parks.

Wright shared his thoughts stating he couldn't see why the City would owe any amount of money for shared services above the one tenth or \$250,000 already paid. He disagreed with paying additional money for a study when in his opinion the answer is obvious.

Wiggins couldn't see the relevance of another study if it would not bring clarity to this shared services issue. He asked whether the City should consider spending more money on recreation services at this time. He questioned whether the City could consider increasing the amount allocated to recreation in light of today's economic climate.

McShane asked what other communities with populations under 11,000 pay per year for recreation and how does it compare to the City's cost?

Pastue responded there are some that pay substantially more such as Huntington Woods with their own recreation department. He noted the City of Farmington pays \$150, 000. in park maintenance fees alone.

Mayor Knol stated there needs to be good faith on the part of both councils in order to work together to reduce costs for both communities.

Wright agreed with Mayor Knol stating combining all the parks into a separate legal entity would give fair proportionality in terms of control. He then asked if Farmington Hills might support this idea.

Mayor Knol responded probably not due to it's complexity. She noted they have their own park millage and Farmington could contribute a ½ mill similar to their residents.

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Knol then pointed out difficulties in comparing communities due to too many fundamental differences in departmental procedure and policy guidelines relating to services.

Wright stated his confusion regarding the outcome of the last meeting with Farmington Hills feeling there should be more commonality and asked if the amounts proposed reflected both cities.

Pastue answered the proposed contribution amount was his attempt at commonality.

Discussion followed regarding differences in the proposed contribution amounts and the basis on which the calculations were made.

DISCUSSION - FISCAL YEAR 2008-09 WORK PLANS

Pastue presented a work plan for review by Council at the next meeting. He discussed fifteen areas where cost cutting could be achieved. He continued by noting the Council's commitment to stay within the current millage rate and maintain its infrastructure. He indicated some services may need to be contracted out.

Pastue stated the work plan is in lieu of a goal setting session and is of the utmost importance this fiscal year.

Pastue addressed his recommendations for economic development programs currently in place and the future sale of the old courthouse property suggesting implementation of monthly retention interviews.

Councilmember McShane questioned the interview criteria.

City Manager Pastue responded a list of questions addressing code ordinances, master plans, sign ordinance changes, etc. are the foundation of the retention interview. He then discussed plans to reduce calendar expenditures, improve communication with the residents via the web and SWOCC programming, expansion of taped Council meetings, and develop plan for future face-to-face neighborhood meetings.

Lastly, Pastue stated his plan regarding infrastructure and capital improvement projects encompassing Grand River/Grove Street, Slocum Street and Shiawassee Park improvement projects.

Pastue summarized by stating other administrative projects will be addressed as the work plan comes to fruition.

Mayor Knol commented the plan is in line with the Council's goals for the City.

McShane asked about the status of the idea study. Pastue answered the study was progressing and a few remaining decisions needed to be made.

AUTHORIZATION TO APPROVE SEPERATION AND CONTRACTUAL SERVICES AGREEMENTS

Pastue asked Council to approve the general framework regarding the retirement and separation agreement for Assistant City Manager Richards. He requested authorization to prepare two separate agreements consisting of an early retirement/separation agreement and a professional services agreement. The services agreement would cover Mr. Richard's future part-time employment from August 1, 2008 – December 31, 2009 with additional time paid monthly.

Councilmember Wright requested clarification regarding the sick leave calculation and the one year service credit.

Pastue responded the sick leave calculation totaled \$48,000. plus the purchase value of one year of service at approximately \$13,000.

Wright asked if the City would be paying him twice by giving credit for retirement. Pastue cited past Clerk/Treasurer Patsy Cantrell as an example of the retirement/part time work transition period.

Pastue explained Mr. Richards would work as the Civic Theater General Manager and the City's Chief Labor negotiator at approximately 20 hours a week.

Discussion followed regarding the proposed hourly rate and accountability.

Pastue explained the basis for the professional agreement noting labor negotiations can require substantial time.

Mayor Knol felt Mr. Richards would want 20 hours or less and the \$4,125. monthly income figure was high.

Pastue commented this agreement should not be viewed as a retirement agreement but rather as a combination of continued employment/separation agreement.

Mayor Knol requested a projected and clearly defined list of goals and objectives for Assistant City Manager Richards.

Councilmember McShane agreed with Mayor Knol and questioned the healthcare applied to 20 hour a week employees.

City Manager Pastue explained the transition period and how healthcare is continued similarly to any employee but paid for differently.

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Responding to a question from McShane, Pastue stated the healthcare cost would be approximately \$1500 above the \$4,125 monthly income.

Wiggins asked if Mr. Richards would be entitled to healthcare based on 20 years of service and if he would start collecting a pension as of August 1st. City Manager answered yes.

Councilmembers then discussed the unique set of circumstances considered when paying out sick time, pension and early retirement.

McShane asked why the agreement needed to be 16 months binding on the City and all successors. Pastue answered explaining this was added as a consolidation provision that applies to the separation agreement as well as the employment agreement.

Council requested a list of goals and expectations in writing to review prior to making a decision regarding Assistant City Manager's Early Retirement and Separation Agreement.

Council then approved City Manager Pastue's request to draw up an agreement addressing all of the issues and concerns regarding Assistant City Manager Richards' Early Retirement and Separation Agreement.

OTHER BUSINESS

No other business was heard.

PUBLIC COMMENT

No public comment was heard.

COUNCIL COMMENT

Mayor Knol asked for the upcoming Council schedule for the months of July and August.

City Manager advised the first July and August meetings were eliminated leaving Monday, July 21, 2008 and Monday, August 18, 2008 meetings.

Councilmembers discussed possible meeting dates to complete DDA appointments.

Mayor Knol complimented Dick Carvell on the beautiful Warner Mansion Statue dedication.

CLOSED SESSION

Council concurred to enter into closed session to discuss the City Manager's performance evaluation at 10:35 p.m.

Council returned to open meeting at 10:50 p.m.

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ADJOURNMENT

Council concurred to adjourn the meeting at 10:50 p.m.

Valerie S. Knol, Mayor

Susan K. Halberstadt, City Clerk

Susan Pohto, Recording Secretary

APPROVED: August 18, 2008