



**Special Study Session City Council Meeting
6:00 PM, MONDAY, MARCH 3, 2014
City Council Chambers
23600 Liberty Street
Farmington, MI 48335**

SPECIAL STUDY SESSION MEETING AGENDA

1. ROLL CALL

Roll Call

2. APPROVAL OF AGENDA

3. PUBLIC COMMENT

4. REVIEW OF PROPOSAL FROM OHM

1. Review of Proposal from OHM Regarding Grand River Traffic Analysis

5. REVIEW OF PASER ROAD RATING SYSTEM

1. Review of PASER Road Rating System -Matt Parks OHM

6. DISCUSSION - GRAND RIVER/HALSTEAD PLAZA

1. Discussion - Grand River/Halstead Plaza Redevelopment Planned Unit Development Concept Plan

7. NATIONAL LEAGUE OF CITIES

1. National League of Cities Service Line Warranty Program

8. CLOSED SESSION - LAND ACQUISITION

9. CLOSED SESSION - LABOR NEGOTIATIONS

10.COUNCIL COMMENT

11.ADJOURNMENT

**Farmington City Council
Staff Report**
Council Meeting Date:
March 3, 2014

**Reference
Number
(ID # 1490)**
Submitted by: Vincent Pastue, City Manager

Description: Review of Proposal from OHM Regarding Grand River Traffic Analysis

Requested Action:
Background:

One of the goals established by the City Council is to evaluate the opportunity to create more on-street parking along Grand River Avenue and to examine whether it is feasible to utilize the surplus lanes for other modes of transportation. Since this is a Michigan Department of Transportation (MDOT) trunkline, it is necessary to conduct a traffic analysis to determine whether this can be accomplished without a significant loss of service.

Matt Parks and Steve Dearing from Orchard Hiltz and McCliment (OHM) will be at the study session to discuss the proposal. The study area begins at Shiawassee and Grand River, and proceeds east to Orchard Lake Road.

Financial Considerations - The estimated cost for this is \$35,000. I will be requesting that the Corridor Improvement Authority contribute \$10,000 toward this study, the same amount from the Downtown Development Authority, with the remainder coming from the Major Street Fund.

Other Considerations - The intent is to place this item on the March 24 City Council agenda. I think it is important to present to the community on television the scope of the project and the desired outcome. If City Council is comfortable with the proposal, we can let OHM proceed with the project and formally ratify at the March 24 meeting.

Agenda Review
Review:

Vincent Pastue Pending
City Manager Pending
City Council Pending

EXHIBIT A

Understanding of the Project

The City of Farmington has been working on efforts to revitalize the retail climate for the community for the past number of years. Starting with the historic downtown, Farmington has made significant changes to address the balancing of issues, namely, limiting traffic congestion while promoting a vibrant, shopper-friendly business district. The City has successfully completed work on the stretch of Grand River Avenue from just west of Farmington Rd. to Grove St., as well as Farmington Rd from Grand River northwards to Shiawassee. They have programmed improvements for the segment of Farmington Rd. from Grand River southward to Orchard St.

The City now wishes to turn their attention to other portions of Grand River Ave. During construction activities in the summer of 2013, when Grand River Ave. was choked down to only one travel lane in each direction, the City realized that traffic congestion was eminently manageable, and this spurred interest in considering a road diet for most of the balance of Grand River Ave within the City of Farmington.

Our project team recognizes the importance of these issues, and the importance of communication and cooperation, and is committed to ensuring the success of this project. Our scope of service will address and be able to answer the issues posed by the community.

Approach to the Project

Working in conjunction with the City, its DDA and their planners, we will seek to identify a series of measures to promote the goals of the community. We will be examining optional cross sections along Grand River Ave., to look at the interactions between safe and expeditious traffic movements and adding the use of on-street parallel parking and /or bicycle lanes. The evaluations will also look at improving operations at signalized intersections, by considering the addition of signal phases for turning vehicles.

We anticipate the study area is Grand River Ave. from Shiawassee to Orchard Lake Rd. Three options will be evaluated:

1. Existing 4-lane/ 5-lane configuration (do nothing baseline),
2. Reducing Grand River Ave. to 3 travel lanes (one through lane in each direction with a center left turn lane), and
3. An unbalanced 4-lane road with two through travel lanes in one direction, one lane in the opposite direction and with a center left turn lane.

Any parking areas should have marked stalls, and could be delineated in the short term through the use of flexible delineators, similar to what the City of Dearborn had been using on Michigan Ave. But eventually, the areas should be delineated by rebuilding the curb-line to “bump out” and protect the on-street parking areas. We have a clear working understanding of the requirements of the U.S. Access Board for providing barrier-free (handicap) on-street parking as part of these types of roadway improvements to comply with the American for Disabilities Act. We would also work closely with SMART to determine if near-side or far-side intersection bus stops would provide the best transit services to the corridor.

OHM typically would develop a detailed, phased plan for implementation of any measures desired by the City. The phasing plan will break down all the recommended improvements into priorities for the city to tackle, allowing the city to integrate these projects into its Capital Improvement Plan, based on funding availability.

EXHIBIT A

Scope of Services

The main goals for this project are to identify ways to preserve traffic flow consistent with the goals the community. With safety firmly in mind, we would be looking for opportunities to expand on street parking as appropriate. OHM will accomplish this by using a computer model of the corridor, allowing us the ability of evaluating 'what if' scenarios based on different improvement options. Any improvements recommended regarding Grand River Ave. will need to be coordinated between the City and the Michigan Department of Transportation (MDOT).

The following items discuss the various elements of our proposal. As seen in the outline below, the project plan has been organized into five major tasks:

Core Tasks:

1. Data Collection
2. Safety Analysis
3. Analysis of Existing Conditions
4. Develop and Evaluate Alternatives
5. Project Reporting

These core tasks are elaborated below.

Task 1. DATA COLLECTION

Work will begin to review the information provided by the various sources, as well as to conduct additional data collection as outlined below.

Subtask 1.1 - Compile and review existing counts, signal timing data and other related data

For this task, we will collect data from all available sources. We will also incorporate any traffic data and findings from previous studies that the City, Road Commission or MDOT have completed in the project area and additional information that may be relevant to this project. We anticipate collecting as much of the following information as is available:

- Signal timing plans
- Intersection plans
- Machine volume counts
- Manual turning-movement counts
- Operational features necessary for the analysis, such as speed limits, turn restrictions, etc.
- Transit route data

Within the signal timing plans, OHM will focus on information regarding the type of signal, cycle length, offsets, green time, change intervals, flash schedule, minimum pedestrian crossing times and other signal timing requirements by the local agencies.

Subtask 1.2 - Field review of sites

The project area will be visited. General geometric information will be tabulated, including number of lanes, lane uses and widths turn storage, pedestrian crossings, turn restrictions, on street parking limits and time restrictions, and posted speed limits.

Subtask 1.3 - Conduct pedestrian, vehicle volume and turning-movement counts

We anticipate that most, if not all, of the needed traffic data available for our analysis is now so old as to be unacceptable for use. Thus, OHM is planning on conducting additional counts at the following intersections:

- Grand River at Drake
- Grand River at Farmington
- Grand River at Shiawassee
- Grand River at Grove

EXHIBIT A

- Grand River at Power
- Grand River at Orchard Lake (west)
- Grand River at Orchard Lake (east) / 9 Mile

OHM can provide traffic data collection on a lump sum basis. Alternately, we can arrange for counts to be conducted by Traffic Data Collection, Inc. and their effort billed directly to the City. For the purposes of this proposal, we assume OHM staff will conduct the counts.

Task 2 SAFETY ANALYSIS

One of a traffic engineer's most important contributions to traffic safety is the analysis of crash locations and the recommendation of improvements to correct deficiencies and to make the roads safer. However, it is not known if there are safety problems at this location. Further, this project will be evaluating alternatives that are significantly different from current operations, so that the existing crash patterns may not be applicable and germane to the discussion.

OHM proposes a minimal initial review to see if there are any unusual crash characteristics of this location. Crash data will be obtained for the study area from TIA. The data will be for the most recent three years. We will perform a cursory review to check if this location is a crash 'hot spot' relative to county-wide crash statistics and if there are crash patterns that may influence our evaluations.

Task 3 ANALYSES OF EXISTING CONDITIONS

The data collected will be used in the analysis of the existing conditions. The traffic patterns within the study area will be analyzed during the a.m. and p.m. peak hours. The turning-movement data and roadway geometric data collected for the roadway network will be input and evaluated in the most recent version of Synchro / SimTraffic™. OHM has used Synchro / SimTraffic successfully for many projects of this nature, and its use is accepted by MDOT.

The corridor traffic deficiencies will be noted based on various measures of effectiveness (MOE's) for the a.m. and p.m. peak hours. It is recommended that the MOE's for this project would include level of service and delay, and will be discussed further at the kick-off meeting.

Subtask 3.1 – Update the existing roadway network model

The City of Farmington is fortunate that a complete Synchro / SimTraffic scaled model of the roadway network of the City is already available from the Road Commission. We will verify that this model has the correct geometric data for the study area, and input any needed changes such as new traffic count data.

Subtask 3.2 - Analyze existing network for MOE's

After the existing conditions network has been verified and all related inputs checked, the software would allow the determination of traffic operation deficiencies, based on various measures of effectiveness (MOE's). It is recommended that the MOE's for this project include level-of-service (LOS) and delay.

The existing network will be evaluated for the a.m. and p.m. periods to determine the baseline MOE's.

OHM will assess, using Synchro, the vehicle queuing at all locations for all periods to evaluate the adequacy of the existing turn lane storage lengths.

Task 4 DEVELOP AND EVALUATE ALTERNATIVES

As part of this task, OHM will endeavor to identify and evaluate any alternatives that would address maintaining the vitality of the project area, pedestrian and vehicle safety and congestion relief. Measures to be considered include: modifications to traffic signals and pavement markings, and roadway improvements sufficient to address the concerns. Preliminary cost opinions will be provided for all

EXHIBIT A

recommendations. Incremental improvements would be noted, with the degree of relief afforded to the deficiencies indicated.

During this task, OHM will develop a detailed, phased plan for implementation. The phasing plan will break down all the recommended improvements into priorities for the city to tackle, allowing the city to integrate these projects into its Capital Improvement Plan, based on funding availability.

Immediate Needs Phase: Will concentrate on improvements that can be implemented at low cost, possibly within existing budget constraints. These improvements usually consist of adjustments of the signal timing and items such as modifications to signs and pavement markings.

Short Term Needs Phase: This may include substantial needed improvements that may require future year budgeting for the outlays, but not beyond the levels associated with requiring special outside funding. Examples here may include signal modifications, and preventative maintenance activities.

Long Term System Needs: This category would encompass any upgrades and improvements needed that are of sufficient scale and scope that funding applications are expected.

Subtask 4.1 – Three-lane Option

OHM will evaluate Grand River Ave. on a 'road diet', modifying it from having a four-lane / five-lane cross section to having three lanes; one through lane in each direction and a center lane for left turn traffic. Changes needed to pavement markings, lane use and turning restrictions would be noted. These proposed changes can then be measured against the existing condition MOE's to determine their impact.

Subtask 4.2 – Unbalanced Four-lane Options

OHM will also analyze the operational impacts of retaining Grand River Ave. as a four-lane road, but changing one of the inside through lanes to a center lane for left turns. As with Subtask 4.1, the signal operation of the intersection will be studied to see if it would be appropriate to add left turn arrows to Grand River. As it is not self-evident whether east or westbound traffic should suffer the loss of a through lane, we will need to evaluate this type of change for both directions.

Task 5 PROJECT REPORTING

OHM takes pride in providing our clients with timely documentation of work progress and results. We will be responsive and prompt in meeting the project reporting requirements.

Deliverables

A considerable amount of information is expected to be collected and analyzed as part of this project. A complete list of the deliverables is shown below:

- Traffic data:
 - Manually taken pedestrian and vehicle turning-movement counts in hard copy. Any diagrams and tables can be provided hard copy as well as computer files.
 - Machine counts in hard copy.
- Crash analysis:
 - Individual intersection crash rates and frequency
- *Synchro* simulation:
 - Model of existing network in electronic form
 - Models of various scenarios in electronic form
 - Summary of MOE outputs by scenario
- Traffic signal operations:
 - Recommendations for modified traffic signal equipment and operations

EXHIBIT A

- Traffic signs and markings:
 - Report on control deficiencies, i.e. needed maintenance, incorrect usage, etc.
 - Recommendations on modifications to change operations, i.e. additional signage, new lane assignments, turn restrictions, parking modifications, etc.
- Roadway geometry:
 - Recommendations on modifications to improve safety and/or operations, i.e. addition of turning lanes or extending lane storage, revised geometry, traffic calming features, etc.
- Cost opinion for recommendations

Subtask 5.1 – Project Report

OHM will submit ten (10) printed copies and one electronic copy in PDF format of the final report summarizing our findings and recommendations. The report will include the deliverables itemized above. The report will also feature the documentation and procedures used for the study.

Subtask 5.2 – Presentation to City / MDOT

OHM proposes to meet with the City to present our final report and recommendations. We will also then be available to meet with MDOT.

Responsibilities of City

The OHM staff will need access to available City records for the study area. The following information and materials will need to be provided in a timely manner:

- A request from the City to the Road Commission to release a copy of the Synchro /SimTraffic network model(s) to OHM.
- Any proposed or approved site development plans in the study area.

Time Schedule

OHM is prepared to begin conducting the initial field review within 10 working days of the notice to proceed. The preliminary report would be available no later than 50 working days after we receive the notice to proceed. The final report would then be available within 10 working days after review comments are received from the City and highway review agencies.

Proposed Fee

We will invoice the City on an hourly basis monthly like all other projects. We will provide a project budget to the City Manager prior to authorization. A monthly update on progress with invoices will be delivered.

Additional Services

You may wish to request additional services not covered within the scope of this proposal. Examples might include attendance at additional meetings, analysis of possible mid-block crossings once . We would be happy to provide these or any other additional services on a time and materials basis utilizing the existing rate schedule with the City, which is three times payroll cost.

**Farmington City Council
Staff Report**
Council Meeting Date:
March 3, 2014

**Reference
Number
(ID # 1491)**
Submitted by: Vincent Pastue, City Manager

Description: Review of PASER Road Rating System -Matt Parks OHM

Requested Action:
Background:

Matt Parks will review the City of Farmington's pavement management assessment conducted last fall. Mr. Parks prepared a Power Point presentation that will explain the assessment process and how it can be utilized as part of the City's road capital improvement and maintenance program.

One of the benefits of the program is that it provides insight as to whether you are providing enough funding to maintain your road infrastructure. While the majority of our streets are rated fair to good, we should be allocating additional funds for road repairs. The amount the City annually allocates for road improvements has dropped over the last ten years. The millage rate was reduced from 1.6 mills to 1.0 almost ten years ago when the financial downturn began and the city's streets were in very good condition. Furthermore, as property values decline, one mill generated considerably less.

The existing road millage is scheduled to expire this year. I will be recommending that the City Council consider a renewal of the 1.6 authorized with the 1994 referendum with the August primary election. The ballot language would need to be approved by the City Council at the May meeting.

Agenda Review
Review:

Vincent Pastue **Pending**
City Manager **Pending**
City Council **Pending**

**Farmington City Council
Staff Report**
Council Meeting Date:
March 3, 2014

**Reference
Number
(ID # 1493)**
Submitted by: Kevin Christiansen, Economic Community Development Director

Description: Discussion - Grand River/Halstead Plaza Redevelopment Planned Unit Development Concept Plan

Requested Action:
Background:

The purpose of this agenda item is to introduce the City Council to the concept plan for the redevelopment of the Grand River/Halsted Plaza. This is an opportunity to meet with the developer, ask questions, and provide input.

The Planning Commission held a pre-application conference at their February 10 meeting. The applicant, Farran Group, LLC of Missoula, MT submitted a PUD concept plan for the redevelopment of Grand River/Halsted Plaza which includes an existing conditions survey of the site, a proposed layout/site plan, and an elevation/perspective of a proposed building. Also attached is an aerial photo of the site.

The PUD process ultimately requires approval by the City Council of a development agreement. City Attorney Tom Schultz can provide more details at the study session regarding the elements of the PUD agreement. Familiarity with the project will help expedite the process for the developer.

At the study session we will discuss a likely timeline for the approval process and ultimately when the agreement would likely be presented to the City Council for approval.

Attachments

Agenda Review
Review:

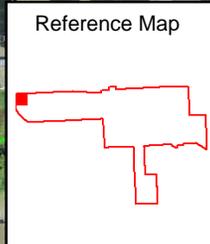
Kevin Christiansen Pending
City Manager Pending
City Council Pending



MAP COMMENTS:
GRAND RIVER/HALSTEAD

MAP LEGEND:

- CITY BOUNDARY
- RIVERS-STREAMS
- MULTITENANTBUILDING (Type)
 - BUILT
 - PROPOSED
- COMM_INDUST BLDGS
- RAPHAEL STREET(POLY)2
- RAPHAEL STREET(POLY)
- PARCELS
- ROADS OUTSIDE FARMINGTON
- RIGHTOFWAY
- MULTITENANTPAVING
 - ROW EXTEND
- LOT HISTORY
- OPEN WATER (FEATURETYP)
 - DetentionPond
 - StreamRiver
 - LakePond
 - Channel
 - SwampMarsh
- 2010 AERIAL PHOTOS (Image)



Map Scale: 1 inch = 150 feet
Map Date: 2/07/2014
Data Date: February 7, 2014



Sources: City of Farmington, Oakland County GIS Utility, River's Edge GIS, LLC.

Disclaimer:
Note: The information provided by this program has been compiled from recorded deeds, plats, taxmaps, surveys, and other public records and data. It is not a legally recorded map or survey and is not intended to be used as one. Users of this data are hereby notified that the information sources mentioned above should be consulted for verification of the information. Once again, USE AT YOUR OWN RISK !!!



SIEGAL/TUOMALA
ASSOCIATES
ARCHITECTS &
PLANNERS INC.

29200 northwestern hwy
suite 160
southfield, mi 48034

p • 248 • 352 • 0099
f • 248 • 352 • 0088
www.sta-architects.com



project name:
Grand River &
Freedom Road
Mixed-Use
project location:
Farmington Hills, MI

date/ revision:

- 01/24/14
- 01/31/14 Plan Com

sheet title:
Perspective

project number:
2296

sheet number:
P3

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project name:
Grand River & Freedom Road Mixed-Use
project location:
Farmington Hills, MI

date/ revision:

- January 14, 2014
- 01-21-14
- 01-31-14 Plan Com.

sheet title:

Proposed Site Plan - Round About 2

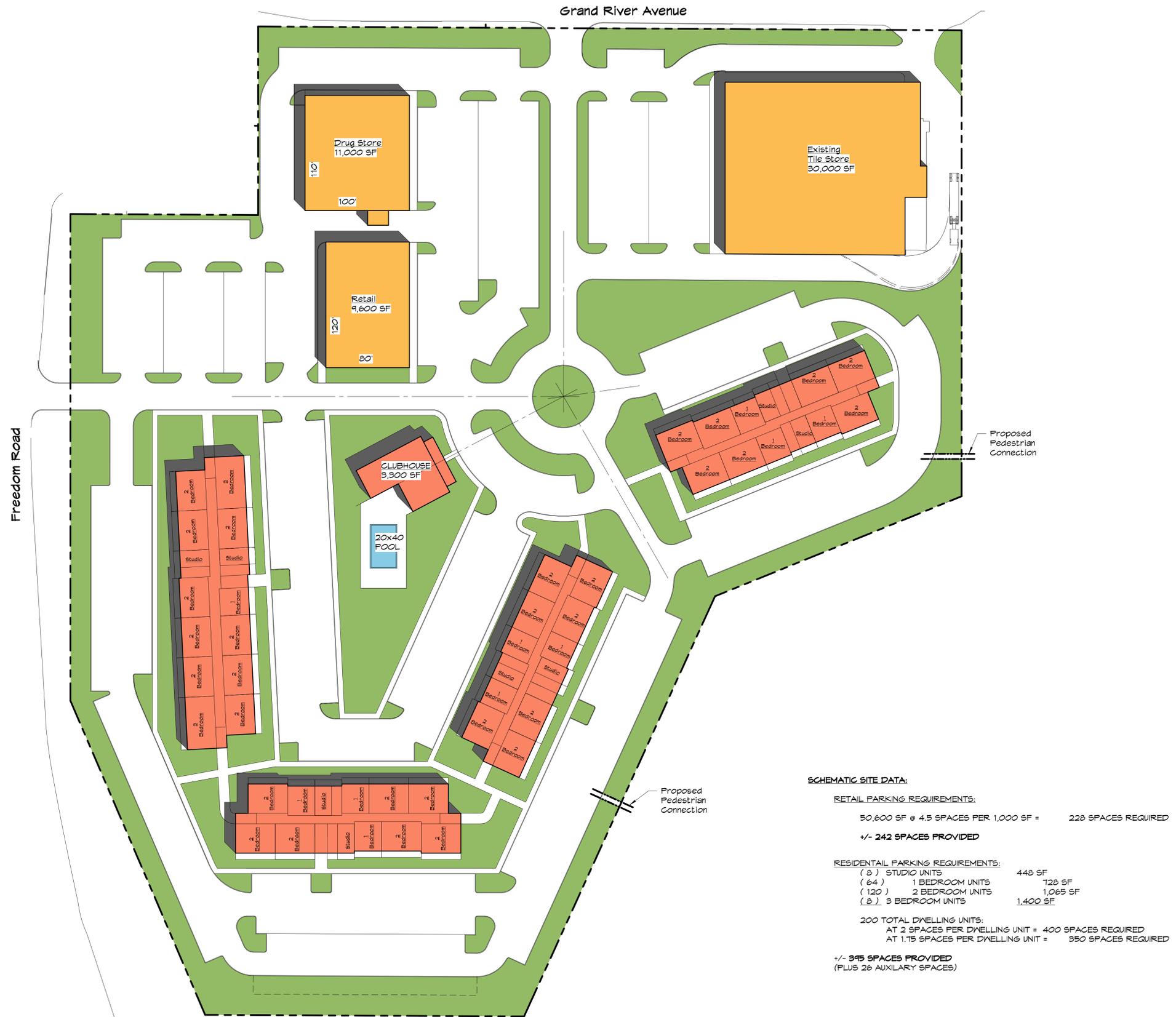
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2296

sheet number:

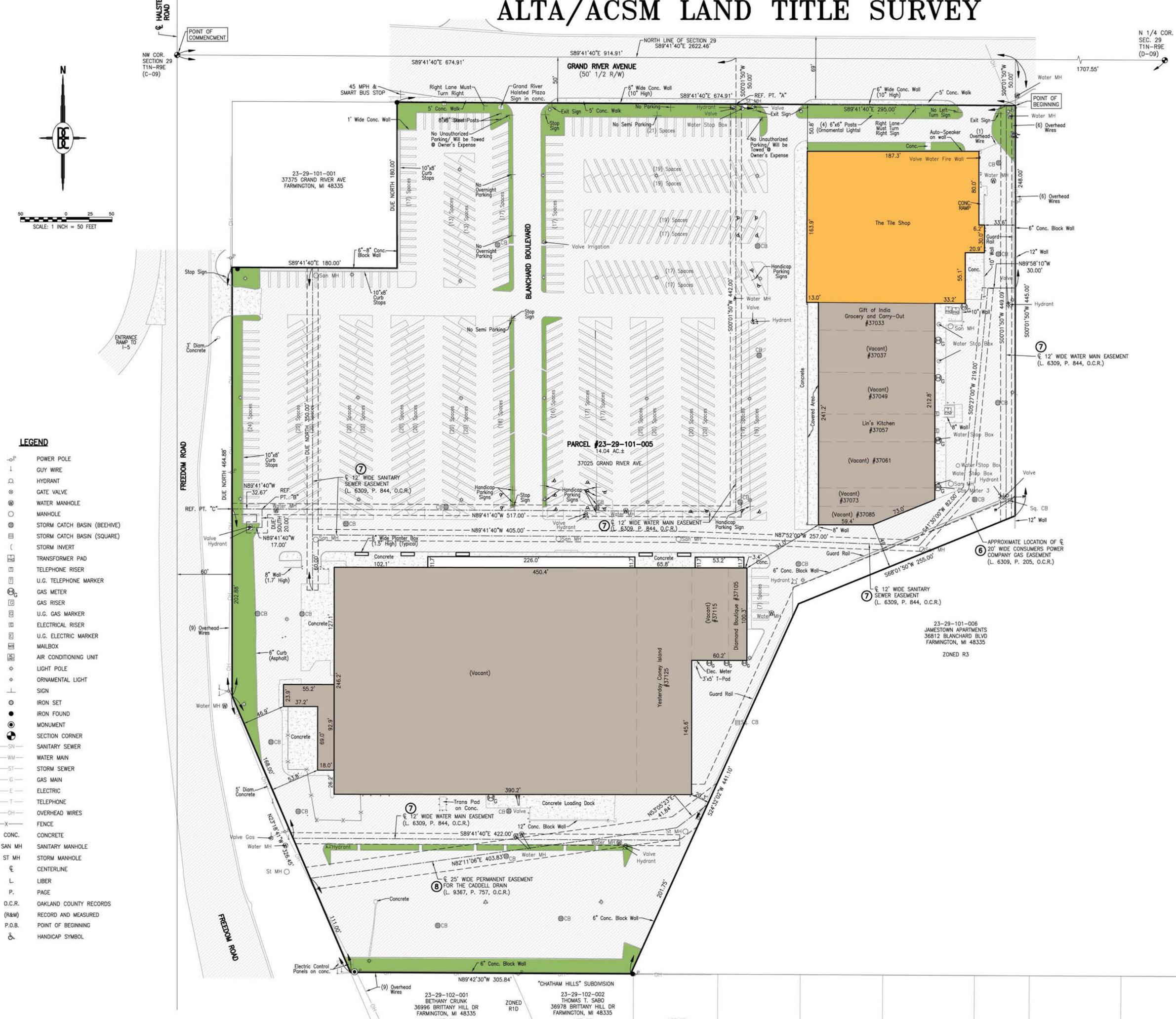
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Proposed Site Plan
SCALE: 1" = 50'-0"

ALTA/ACSM LAND TITLE SURVEY



- LEGEND**
- P— POWER POLE
 - G— GUY WIRE
 - H— HYDRANT
 - V— GATE VALVE
 - W— WATER MANHOLE
 - O— MANHOLE
 - S— STORM CATCH BASIN (BEEHIVE)
 - STORM CATCH BASIN (SQUARE)
 - ()— STORM INVERT
 - T— TRANSFORMER PAD
 - R— TELEPHONE RISER
 - M— U.G. TELEPHONE MARKER
 - G— GAS METER
 - R— GAS RISER
 - U— U.G. GAS MARKER
 - E— ELECTRICAL RISER
 - U— U.G. ELECTRIC MARKER
 - M— MAILBOX
 - A— AIR CONDITIONING UNIT
 - L— LIGHT POLE
 - O— ORNAMENTAL LIGHT
 - S— SIGN
 - I— IRON SET
 - F— IRON FOUND
 - M— MONUMENT
 - C— SECTION CORNER
 - S— SANITARY SEWER
 - W— WATER MAIN
 - S— STORM SEWER
 - G— GAS MAIN
 - E— ELECTRIC
 - T— TELEPHONE
 - O— OVERHEAD WIRES
 - X— FENCE
 - C— CONC. CONCRETE
 - S— SAN MH SANITARY MANHOLE
 - S— ST MH STORM MANHOLE
 - C— CENTERLINE
 - L— LIBER
 - P— PAGE
 - O.C.R.— OAKLAND COUNTY RECORDS
 - (R&M)— RECORD AND MEASURED
 - P.O.B.— POINT OF BEGINNING
 - H— HANDICAP SYMBOL

- GENERAL SURVEY NOTES:**
- CURRENT ZONING: C3 (GENERAL BUSINESS DISTRICT)
 - MINIMUM SETBACK REQUIREMENTS:
FRONT = 25 FEET
SIDES = 10 FEET; (20 FEET SIDE SETBACK WHEN ABUTTING A SINGLE-FAMILY USE OR DISTRICT)
REAR = 20 FEET; (25 FEET SIDE SETBACK WHEN ABUTTING A SINGLE-FAMILY USE OR DISTRICT)
 - BEARINGS WERE ESTABLISHED FROM DESCRIPTION PROVIDED FROM FIRST AMERICAN TITLE INSURANCE COMPANY, COMMITMENT NO. 13416, WITH AN EFFECTIVE DATE OF 9-11-12 AT 8:00 AM.
 - SUBSURFACE UTILITIES NOT LOCATED FOR THIS SURVEY MAY EXIST. IT IS THE RESPONSIBILITY OF THE OWNER OF THE RESPECTIVE UTILITY TO ACCURATELY LOCATE SUCH UTILITIES.
 - EASEMENTS OR RESTRICTIONS OF RECORD NOT DEPICTED ON THIS DRAWING MAY EXIST.
 - OWNER OF SUBJECT PROPERTY: GRAND RIVER - HALSTEAD SHOPPING PLAZA, LLC, SUCCESSOR BY CONVERSION TO GRAND RIVER - HALSTEAD SHOPPING PLAZA, A MICHIGAN CO-PARTNERSHIP

LEGAL DESCRIPTION PER FIRST AMERICAN TITLE INSURANCE COMPANY UNDERWRITTEN BY REPUTATION FIRST TITLE AGENCY, COMMITMENT N 13416, WITH AN EFFECTIVE DATE OF 9/11/12 @ 8:00 A.M.

Land situated in the City of Farmington, Oakland County, State of Michigan:

Part of the Northwest 1/4 of Section 29, Town 1 North, Range 9 East, more particularly described as: Beginning at a point, said point being South 89 degrees 40 seconds East 914.91 feet along the North line of said Section 29 on South 00 degrees 01 minutes 50 seconds West 50.00 feet from the Northwest corner of said Section 29; thence proceeding South 00 degrees 01 minutes 50 seconds West 445.00; thence South 68 degrees 01 minutes 50 seconds West 255.00 feet; thence South 24 degrees 32 minutes 02 seconds West 441.10 feet; thence North 42 degrees 42 minutes 30 seconds West 305.84 feet; thence North 23 degrees 18 minutes 41 seconds West 326.45 feet; thence due North 464.89 feet; thence South 89 degrees 41 minutes 40 seconds East 180.00 feet; thence due North 180.00 feet; thence South 89 degrees 41 minutes 40 seconds East 674.91 feet to the point beginning.

Commonly known as: 37025 Grand River Ave.
Parcel Tax No. 23-29-101-005

- SCHEDULE B - SECTION II EXCEPTIONS PER FIRST AMERICAN TITLE INSURANCE COMPANY, UNDERWRITTEN BY REPUTATION FIRST TITLE AGENCY, COMMITMENT NO: 13416, WITH AN EFFECTIVE DATE OF 9/11/12 @ 8:00 A.M.**
- All matters set forth in that certain Easement in favor of Consumers Power Company recorded in Liber 6309, Page 205, Oakland County Records. (AFFECTS SUBJECT PROPERTY AS SHOWN ON DRAWING.)
 - All matters set forth in that certain Easement and Right of Way in favor of City of Farmington recorded in Liber 6309, Page 844, and Liber 6309, Page 845, Oakland County Records. (AFFECTS SUBJECT PROPERTY AS SHOWN ON DRAWING.)
 - All matters set forth in that certain Right of Way recorded in Liber 9367, Page 757, Oakland County Records. (AFFECTS SUBJECT PROPERTY AS SHOWN ON DRAWING.)

CERTIFICATION:

To: FARMINGTON PROJECT LLC, A MICHIGAN LIMITED LIABILITY COMPANY,
BERNARD FINANCIAL GROUP,
FIRST AMERICAN TITLE INSURANCE COMPANY,
REPUTATION FIRST TITLE AGENCY;

This is to certify that this map or plot and the survey on which it is based were made in accordance with the 2011 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items NO ITEMS of Table A thereof. The field work was completed on October 29, 2012.

Date of Plat or Map: October 31, 2012

Attachment: Grand River Halstead Plaza - Site Survey (1493) - Discussion - Grand River/Halstead Plaza Redevelopment

**Farmington City Council
Staff Report**
Council Meeting Date:
March 3, 2014

**Reference
Number
(ID # 1492)**
Submitted by: Vincent Pastue, City Manager

Description: National League of Cities Service Line Warranty Program

Requested Action:
Background:

I am recommending that the City of Farmington consider participating in the National League of Cities Service Line Warranty Program. Attached are the details associated with the program. The program provides insurance for property owners that in the event of a sewer lateral failure, the lateral repairs would be covered up to \$4,000 which is the responsibility of the program; another \$4,000 is available for road restoration. The program does not cost the city anything and its participation by residents is totally voluntary.

Given that we have an older city in which many of the sewer laterals are prone to failure, I feel this is a good program. Many property owners are not aware this is their responsibility and it can be costly; it is one of the more difficult conversations our Public Works Department has with property owners during a crisis period. I have always been somewhat skeptical of these types of programs because of the lack of information and details associated with the coverage. However, because this is endorsed by the National League of Cities, as well as been implemented by other cities in Metro Detroit, I am comfortable with the program. The cost per homeowner is \$7.75/month. In meeting with the business representative, he indicated that in some southeast Michigan communities their participation rate exceeds 50%.

The intent is to discuss the proposal. Assuming the City Council is supportive, we would have this on the March 24 regular agenda for approval

Agenda Review
Review:

Vincent Pastue **Pending**
City Manager **Pending**
City Council **Pending**



January 28, 2014

Vincent Pastue
City Manager
City of Farmington
23600 Liberty Street
Farmington, MI 48335

Dear Mr. Pastue,

I wanted to inform you of National League of Cities Service Line Warranty Program.

The NLC Service Line Warranty Program is two part program being offered through the NLC. The first portion of the program is an educational campaign which helps to inform resident on their responsibilities concerning their lateral water and sewer lines. The second portion of the program offers residents an affordable home protection solution for issues that occur to these lines. The program is offered at no cost to the city. It helps city residents save thousands of dollars on the high cost of repairing broken or leaking water or sewer lines. This is also a revenue generating program as the city receives a share of the revenue from the program. It is a full turn-key program for the city as we handle all marketing, billing, customer service, and claims management. All repairs are completed by a local licensed plumber, and we provide a personally staffed 24/7 repair hotline 365 days a year. Often times when problems do arise, homeowners will expect the city to pay for the repairs. This program can help eliminate frustrations between the homeowner and the city.

Local governments from Atlanta to San Diego are using these programs to help improve the integrity of their water and waste water systems, and help their local economies. There are now almost 200 cities participating in the program and this year we have just surpassed over 45 million dollars that we have saved residents on the cost of repairing lines. Several of these communities are in the state of Michigan including Huntington Woods, Berkley, Pleasant Ridge, Harper Woods, Saline, Roseville, and St Clair Shores.

I would be happy to meet with you and explain all the benefits this program can bring to the residents of Farmington.

Sincerely,

Mike Chambers
Regional Account Manager



National League of Cities Service Line Warranty Program

Michigan Participating Cities



For more information contact Mike Chambers at 724-678-6075

About Utility Service Partners, Inc.



USP's family of companies have been providing utility service line warranty products since 1998. USP has an A+ Better Business Bureau Rating and enjoys a customer satisfaction rating of over 95%.

About The National League of Cities



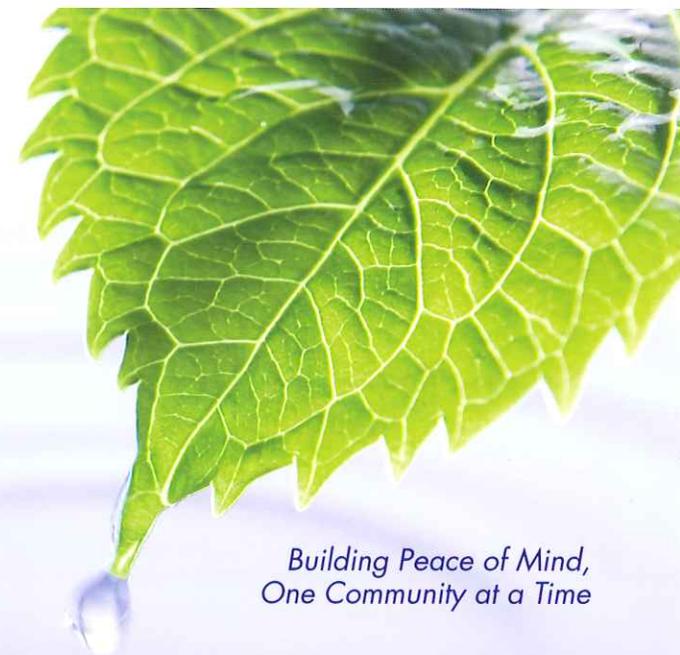
The National League of Cities is dedicated to helping city leaders build better communities, and serves as a resource and advocate for 19,000 cities, towns and villages, representing more than 218 million Americans.

Make a Difference in Your Community

To learn more about the NLC Service Line Warranty Program, visit NLC's website at www.nlc.org or contact 1-866-974-4801.



NLC Service Line Warranty Program



*Building Peace of Mind,
One Community at a Time*

Serving your local community



local plumbers who will contact the customer within one hour of filing a claim, and perform the repair, typically within 24 hours. USP provides a personally staffed 24/7 repair hotline for residents, 365 days a year.

Overview

The NLC Service Line Warranty Program, administered by Utility Service Partners, Inc. (USP), helps city residents save thousands of dollars on the high cost of repairing broken or leaking water or sewer lines. This program is offered at no cost to the city.

Based on implementation in more than one hundred cities, the program has proven to be an important educational tool, informing city residents of their responsibility for maintenance and repair of service lines on their property. The program offers the city an opportunity to educate residents and offers a voluntary warranty program through a reputable company.

“ This program is a win-win for the city. Implementation is easy because USP takes care of everything – from the marketing to the billing and customer service. It's great to be able to bring such a valuable program to our residents, they appreciate the peace of mind this coverage provides. ”

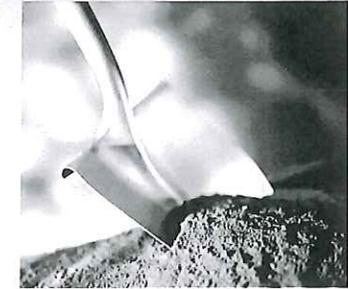
Emmett Pugh,
Mayor of Beckley, WV

Implementation

Once the city has approved participation in the program, the start-up process is simple. USP administers the program and is responsible for all aspects of the program including marketing, billing, customer service, contractor management and completion of all repairs according to local code.

The Implementation Process is Easy:

- 1 Execute a simple, one-page contract, provided by USP
- 2 Provide a few pieces of information for use in the marketing materials:
 - City seal artwork, if available
 - Name/title of designated signor and their signature
 - City address for outer envelope
- 3 Approve the marketing materials



The Solution

Most residents do not have money set aside for an unexpected, expensive utility line repair. The NLC Service Line Warranty Program offers an affordable solution: a low-cost warranty that will cover the expense of repairs, with no deductibles, service fees or lifetime or annual coverage caps.



Program Benefits

- NO COST for the city to participate
- Educates residents on their responsibility
- Affordable rates for residents that are discounted further during the campaign outreach
- Service from trusted, local contractors keeps dollars in the community
- All repairs are performed to local code
- Timely water line repairs conserve water and reduce city water loss
- Timely sewer line repairs minimize community water pollution
- 24/7 customer service, 365 days a year
- Peace of mind for residents
- Reduces local official's frustration because of fewer resident complaints
- Potential to generate revenue for the city through royalty payments
- Easy access to monthly reporting details via the web

A large background image showing a close-up of a green leaf with a single water droplet falling from its tip into a pool of water, creating ripples. The scene is set against a soft, blue sky.

**NATIONAL LEAGUE OF
CITIES SERVICE LINE
WARRANTY PROGRAM**

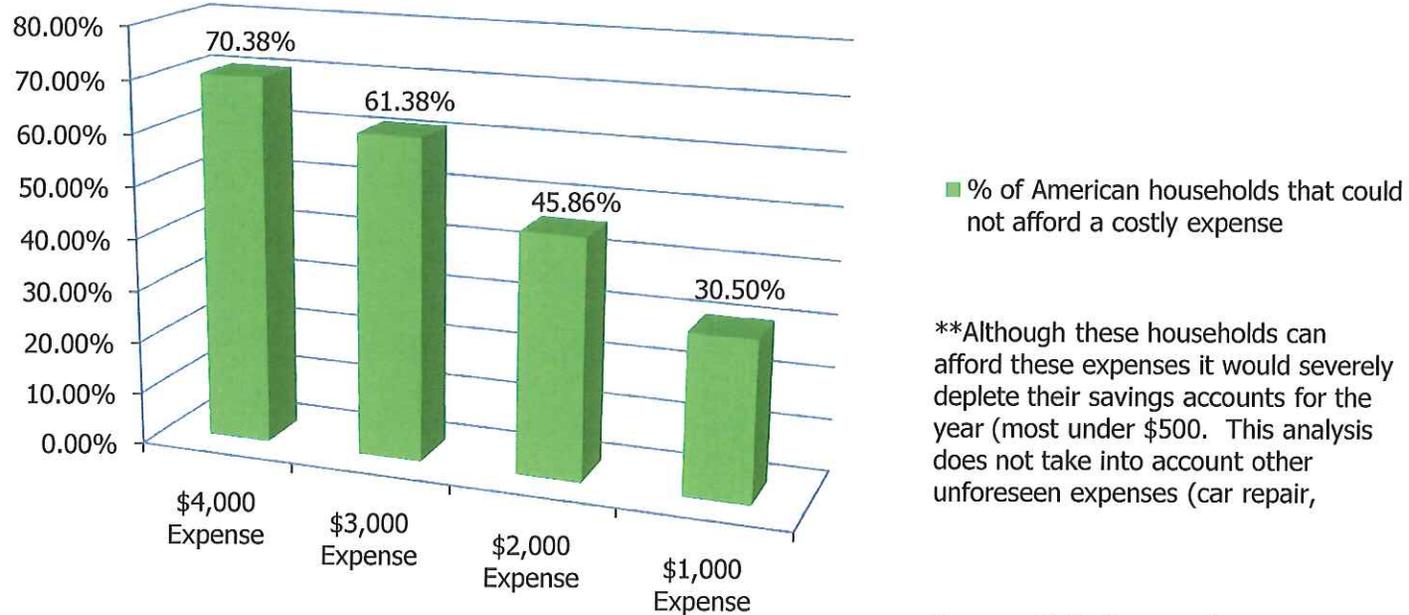
Building Peace of Mind, One Community at a Time

Families Struggle with Unplanned Expenses



- Did you know that less than 30% of American households can afford a \$4,000 unexpected expense? And did you know that the average age of a house is 37 years old? In most cases, this type of expenditure would severely deplete their savings account, leaving no room for other expenses such as medical bills, auto or home repairs, etc.

% of American households could not afford a costly expense



Source: U.S. Census Bureau

Lateral Service Lines Fail



- Occur at the most inconvenient times
- Homeowners are not aware it is their responsibility
- Repairs can be costly
- Can coincide with large water bills
- Causes the homeowner financial and emotional stress
- They usually call the Public Utility to “fix” the problem
- Problem is usually the homeowners issue and Public Utility is not able to help
- Repairs may not be done (or not performed to code)

Goals of the Program



- Create public awareness of the issue and offer an optional and innovative solution
- Reduce homeowners frustration
- Prevent red lining of communities
- Protect the homeowner from unethical contractors or telemarketers
- Ensure that repairs are performed to code
- Reduce Public Utility expenses while capturing additional revenue
- Help grow the local the economy
- Promote water conservation and prevent environmental hazards

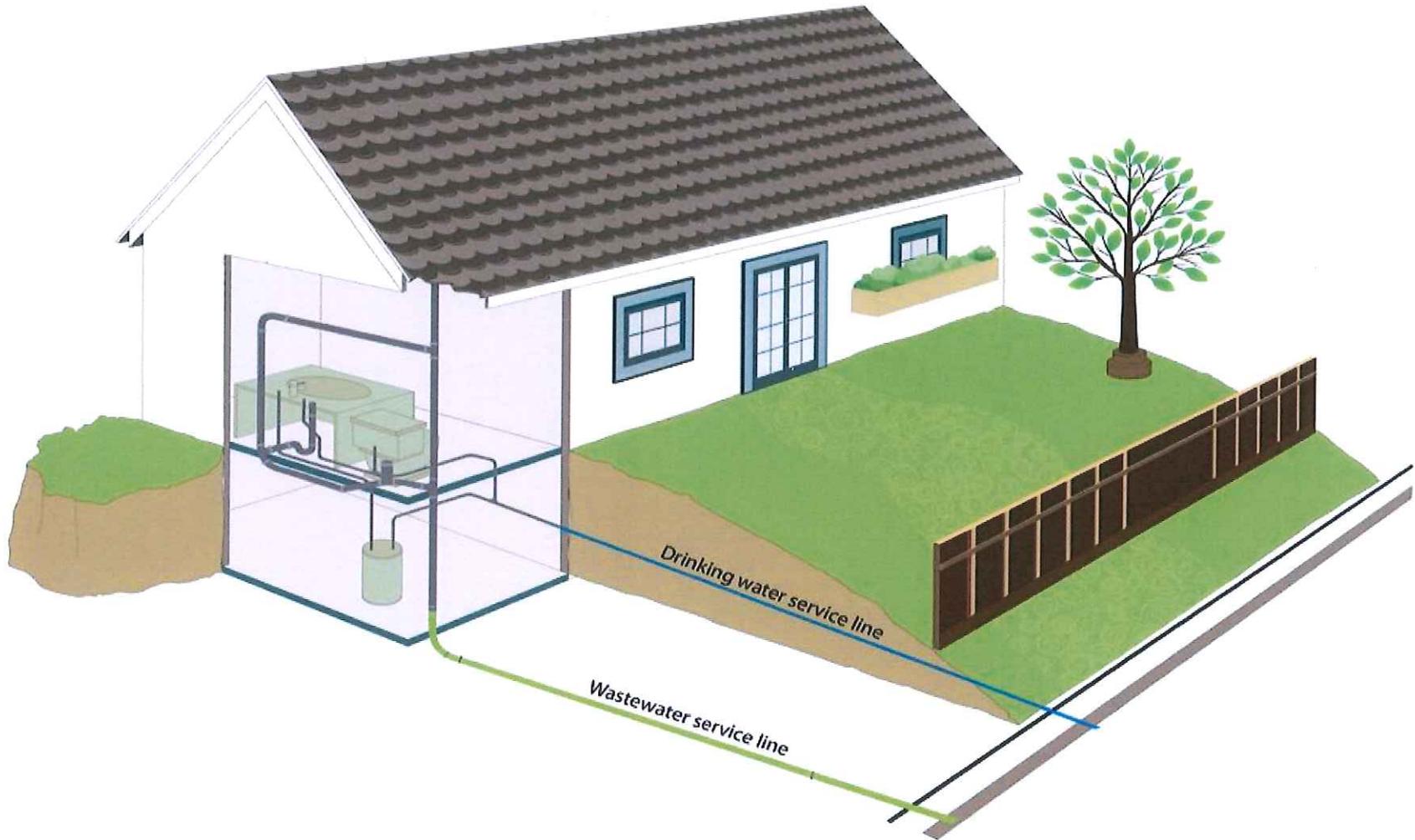
Superior Product and Program Design



- Critical factors for a successful program include:
 - Broad, customer friendly coverage in the Terms & Conditions
 - Ease of participation – easy to enroll, file a claim or cancel
 - Organizational culture focused on consumer advocacy (denied claims must be approved by Senior Management)
 - Affordable pricing, no hidden charges and attractive terms – month to month
 - Small, local contractors committed to upholding customer service standards
 - No up selling of other products



Provides protection from the point of entry at the home to the utility responsibility



External Water & Sewer Line Product Overview



Product	Coverage Description	Coverage Limits per Occurrence
External Water Line Warranty	Covers the repair or replacement of a leaking or broken single underground water supply line serving the home. The warranty covers the consumer owned portion of the water supply line.	\$4,000 plus \$500 for public sidewalk repair
Product	Coverage Description	Coverage Limits per Occurrence
External Sewer Line Warranty	Covers the repair or replacement of a broken underground sewer line from the utility's main sewer line to the internal point of entry to the home.	\$4,000 plus \$4,000 for public street repair

- No long term contracts, no life time or annual caps
- \$4,000 per occurrence, \$4,000 public street cutting, if necessary
- Optional and voluntary
- Service fees and permit fees are covered
- No Pre-existing Conditions

SLWA Coverage Details



<u>Coverage Includes:</u>	
Blue Poly Water Lines	✓
Repair under the foundation or slab	✓
Leaks or breaks at the City main line tap	✓
Claim caused by faulty construction and deferred maintenance	✓
Cost of Obtaining Permits	✓
Gradual non-emergency leaks due to normal wear and tear	✓
Repair or replacement requiring obsolete parts	✓
Residential homes larger than 5,000 sq ft.	✓
Investigative charges to assess claim, regardless of claim eligibility	✓
<u>Customer Service</u>	Overall satisfaction rate is 97% Claims Denial rate under 5%

Marketing Approach



- Rich history and deep experience producing optimal direct mail campaign results
- Second reminder letter produces a 45% lift in response rate
- Products perform best in the spring and fall
- Consumers can enroll one of three ways:
 - Calling the toll free number provided on the mailing;
 - Mailing in the Consumer reply portion of the letter in the envelope provided, or;
 - Visiting our consumer website www.slwofa.com at any time during or outside of a campaign cycle

Claims Processing



Customer Advocacy

- We take customer satisfaction very seriously.
- There are no forms or paperwork for the customer to complete.
- Internal call center with 24/7/365 availability.
- No further effort on the part of the customer is required.
- Our customer advocacy philosophy drives our customer satisfaction rating of 97%.
- The reason is simple – No claim can be denied without Senior Management review and approval.
- Given our customer advocacy culture coupled with our close working relationships with small local contractors, USP is able to approve 98% of all claims filed and 99.9% of all claims filed fall within our coverage caps.

Contractor Management



Contractor Selection

- USP recruits only locally owned contractors. The reason for this is that local contractors understand and appreciate USP's customer service standards which are some of the highest in the industry
- USP ensures that every participating contractor has both the desire and ability to quickly respond in their territory with the appropriate equipment and skilled labor.
- Using local contractors to perform repairs drives our customer satisfaction rating of 97%.
- Local contractors familiar with Public Utility code complete repairs effectively and efficiently, resulting in delighted customers.
- USP has a proven track record of developing and working with SBE contractors in cities such as Atlanta and Milwaukee.



The Company



- Utility Service Partners (USP) was formed in 2003 and is headquartered in Canonsburg, PA
- Maintain and service more than 400,000 warranty contracts
 - Representing 173 municipal clients from 33 states
- USP's vision is to be the leading provider of solutions to our North American municipal and utility clients by delivering programs that bring value to both the client and their constituents. We are committed to act with the highest level of integrity and ethics in our relationships with our clients, customers, employees, contractors, and shareholders.
 - Externally, we want our reputation built on integrity, trustworthiness, honesty, and working smart for everyone's benefit
 - Internally, we value humility, respect, good listening, ethical behavior, and speed but not at the expense of accuracy
- Proud of our relationship with National League of Cities
- Proud of our accredited A+ Better Business Bureau rating

Customer Advocacy Results



BBB ACCREDITED BUSINESS SINCE 9/7/2007

Utility Service Partners

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 bcarmichael@utilitysp.net
 http://www.slwofmi.com



On a scale of A+ to F
 Reason for Rating
 BBB Ratings System
 Overview

Customer Complaints Summary

[Read complaint details](#)

0 complaints closed with BBB in last 3 years | 0 closed in last 12 months

Complaint Type	Total Closed Complaints
Advertising/Sales Issues	0
Billing/Collection Issues	0
Delivery Issues	0
Guarantee/Warranty Issues	0
Problems with Product/Service	0
Total Closed Complaints	0

[Definitions](#) | [BBB Complaint Process](#) | [File a Complaint](#)

USP - Trusted Service Provider



- Endorsed by the National League of Cities
- Endorsed by North Central Texas Council of Governments
- Accredited by the Better Business Bureau with an A+ rating since 2007
- Clean Record with Regulatory Oversight with State Insurance Commissions and/or State Attorney General's Office
 - No fines, penalties, negative rulings, etc.
- Excel in all aspects of delivering successful programs to our clients
 - Marketing
 - Customer Service
 - Claims
 - Contractor Management

Implementation is Easy



- Obtain Commission approval
- Execute the Marketing Services Agreement
 - Provides for the use of City logo on marketing materials
 - Indemnifies the City
- Review and Approve Welcome Kit Materials
 - Press Release
 - Web Banner
 - Marketing Letter
 - Approve Mailing List
- Access to Partner Portal
 - Secure access to important information about enrollments, claims, and royalty payments

Program Highlights



- No cost or to the city to participate
- No liability to the city
- Helps strengthens the integrity of the utility system
- Generates revenue for the city and the local economy
- Affordable, convenient, and effective solution for your residents
- No long term contracts
- 24 / 7 customer service
- Service from trusted, local contractors
- All repairs performed to local code and permit fees collected
- Effective and honest solicitation
- Transparency and accountability