

MINUTES
CITY OF FARMINGTON HILLS
FARMINGTON HILLS CITY COUNCIL
CITY HALL - COMMUNITY ROOM
APRIL 24, 2023 – 5:30PM

The study session meeting of the Farmington Hills City Council was called to order by Mayor Barnett at 5:35pm

Council Members Present: Barnett, Boleware, Bruce, Knol, Massey and Newlin

Council Members Absent: Bridges

Others Present: City Manager Mekjian, City Clerk Smith, Assistant City Manager Valentine, Directors Kettler-Schmult, Mondora and Skrobola and City Attorney Joppich

PRESENTATION ON 2024 WATER AND SEWER RATES

Karen Mondora, Director of Public Services, stated that before City Council are the 2023/24 water and sewer rate recommendations. She introduced Raphael Chirolla, Drew Sandahl and Amy Ploof from WRC who were present to discuss the proposed rates.

Mr. Chirolla reviewed the basic rate calculation used to determine the rates. He reviewed the projected sewer and water sales for the city's system and noted that for FY 2024 they are estimating an average quarterly increase of \$22.93 in sewer rates and an average quarterly increase of \$14.86 in water rates per the average residential customer.

Director Mondora reviewed the major capital expenses for the water and sewer systems planned over the next 5 years.

Council inquired about minimum billing for those residents who are on a well and currently receive a flat rate water bill rather than a bill based on usage.

Director Mondora stated that staff discussed this issue and included in the resolution that will be coming to City Council in June for consideration will be the option for those residents to purchase a water meter so that their bill could be based upon usage rather than a flat rate. The cost for the water meter and for installation will be the responsibility of the homeowner. She cautioned that while it could reduce the costs for some residents, others may be surprised by their actual usage.

It was noted that there were 717 such properties in the city and discussion was held on potential assistant programs that residents may qualify for to assist them with their water bill or potentially the purchase and installation of the meter.

In response to Council, Mr. Chirolla stated that the proposed rates are for Farmington Hills only and do not include any costs or subsidies for other communities.

Discussion was held on potential state or federal funding to assist with infrastructure upgrades. Director Mondora explained the Farmington-Evergreen sanitary sewer system and how that works and explained that the city and or county is seeking funding where available.

Council inquired about the effectiveness of the Middlebelt Tunnel. Mr. Chirolla indicated that the Middlebelt Tunnel project is working effectively to reduce sanitary sewer overflows for which it was designed.

Council suggested educating the 717 customers on wells about their options for purchasing the meter. Director Mondora suggested that a letter could be included with the next bill.

DISCUSSION ON SHORT TERM RENTALS IN FARMINGTON HILLS

City Manager Mekjian stated that this issue was discussed with City Council at a previous study session and staff was asked to report back to Council on options for addressing the issues with illegal short term rentals of property.

Charmaine Kettler-Schmult, Director of Planning and Community Development discussed the tools being used to address these issues. She noted that short-term rentals are not a permitted use currently in residential areas and are only permitted in hotels or motels. Council will see a suggested amendment to the ordinance and definition of hotels/motels as another tool for the city to utilize as enforcement. She stated that some residents are not only renting out their homes, but pools, basketball hoops, parking areas, etc.

Information had been distributed to Council regarding the issues experienced over the past year and an example letter of how the city has addressed the concerns. She stated that in discussing this matter with the City Attorney's Office and 47th District Court, staff is suggesting that residents who receive a ticket for these violations will have to appear in person in court and will not be able to simply pay a fine. The issue was that a simple fine has not been enough to deter continued violations by residents.

City Attorney Joppich further clarified that municipal civil infractions can allow for injunctive relief and that is how the city and 47th District Court is proposing to handle future violations of this nature.

Director Kettler-Schmult and City Attorney Joppich explained the procedures that would be followed once a ticket was issued that included the courts flagging the ticket for a formal hearing and the city requesting injunctive relief. If found guilty by the court, the Judge would issue an order as such and if further violation continued the person could be found in contempt of court, which would be determined by a Judge in District Court. There is potential for jail time or if they failed to show at a hearing, a bench warrant may be issued.

Council inquired if the Police Department upon being called for a disturbance or other violation could shut down a party. Attorney Joppich responded that each call would continue to be handled on a case-by-case basis and it may not be shut down or even known that evening if violations for short term rentals are occurring but may be handled later through code enforcement.

City Manager Mekjian explained the need for more communication between departments for residences with known complaints and issues.

Council inquired if cars could be towed from Heritage Park if they are parked there after hours and if so, is there a sign to that effect. Staff confirmed there was a sign for no parking in Heritage Park after the park closes; however, they would check into the exact language and review strengthening that if needed to allow for towing of vehicles.

Director Kettler-Schmult pointed out that Council also received a proposed amendment to the ordinance for the definition of hotels/motels to provide staff another tool in dealing with these issues and this is where this type of short-term rental is currently permitted. There is also the option of reviewing no parking signs on public streets in certain locations, but that is typically requested by the neighborhood.

Discussion was held on short-term rentals that included overnight or weekly rentals versus monthly or longer that would fall under the city's home rental inspection program.

Council requested staff to look into Meridian as there have been many complaints on social media from Novi residents that this Farmington Hills business has been causing a lot of noise for their area.

Council also expressed concern with the increase in issues at the area hotels and motels and the challenge to keep up with those incidents.

It was mentioned that the city would be addressing any issues on a complaint basis or addressing concerns already known by the city and that it has not been past practice for the city to investigate or search for these rentals in order to issue violations.

DISCUSSION ON LIQUOR LICENSE POLICY/PROCESS

City Clerk Smith explained that the city currently has one quota liquor license available and 3 quota licenses still under a moratorium. Recently, City Council amended their liquor license policy to view applications as they were received and further clarification is needed as the Clerk's Office has received three applications, two of which have completed the review process and are ready to come before Council for consideration and another that is in the process but could be ready before the next meeting as well. Clerk Smith stated that she is seeking direction on whether Council wants all applications through the review process to come before them at the same meeting or if they want one at a time as the applications were submitted and completed the review process.

Considerable discussion was held on whether the Council should lift the moratorium on the other 3 quota licenses, the master plan process and potential for redevelopment licenses or development licenses through a Corridor Improvement Authority (CIA) district.

Attorney Joppich cautioned that the process of establishing additional CIA districts involves other entities and their approval.

The majority of Council agreed that the moratorium on the 3 quota licenses should be lifted earlier than fall to allow other applicants to pursue the licenses. Some members of council requested more information on the potential for redevelopment and CIA licenses prior to lifting the moratorium and the opportunity to vet the businesses requesting a license because once that license is issued, it essentially belongs to that business owner and could be placed in escrow or sold to be used outside of the city. Once issued, it is very difficult for the city to get the license back.

Clerk Smith indicated that as applications are brought to Council some of that information being requested such as investment in the community and financial stability will be provided or could be answered by the applicant at that time.

The consensus of Council was to bring the one application for a quota liquor license that was submitted and through the review process first to the next City Council meeting of May 8, 2023; receive more information from staff on the redevelopment and CIA licenses and master plan process and consider lifting the moratorium earlier than fall.

It was noted that if the last available quota license is issued at the May 8th meeting, the Clerk will notify the other two applicants but mention that Council is considering lifting the moratorium earlier than anticipated and once that is done, their applications may be submitted to City Council for consideration.

ADJOURNMENT

The study session meeting adjourned at 7:24pm

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'P. Smith', written in a cursive style.

Pamela B. Smith, City Clerk