

MINUTES
CITY OF FARMINGTON HILLS
CITY COUNCIL SPECIAL BUDGET SESSION MEETING
CITY HALL – VIEWPOINT ROOM
May 4, 2016 – 6:00PM

The Study Session meeting of the Farmington Hills City Council was called to order by Mayor Massey at 6:00pm.

Council Members Present: Bruce, Lerner, Massey, Rich and Steckloff

Council Members Absent: Bridges and Knol

Others Present: City Manager Boyer, City Clerk Smith, Assistant City Manager Mekjian and Director Gajda

Budgets were reviewed for the following:

CITY ATTORNEY

City Attorney Steve Joppich commented that the firm is located in Farmington Hills and is doing very well. He mentioned that they have increased the office space by approximately 3,000 feet in anticipation of future expansion. The firm currently consists of 26 municipal attorneys and it is a very stable firm.

Attorney Joppich mentioned some of the challenges with developments or special project that the city has faced and in which he has assisted the City; and noted that the number of lawsuits were down from last year. He explained that he was requesting an increase in his retainer fee and has added a line item for special projects that would include such projects as Independence Commons, Boards and Commission Policy review, business license review and possibly other directed special assessment districts. He added that these are projects that would typically take additional day-to-day activity between him and the City. Attorney Joppich explained that the proposed increase is offset by reduced prosecutions and court fees and a reduction in tax tribunal legal services resulting in an overall increase of 1.5% over FY15/16.

Councilmember Rich questioned if Attorney Joppich felt the city's budget would cover expenses based on a potential lawsuit and tax tribunal appeals. Mayor Massey felt this question may be better addressed with the Finance Budget.

Attorney Joppich stated that if his court defense budget is approved as presented he feels that from that standpoint, the budget is sufficient.

Mayor Massey thanked Attorney Joppich for all of the work that he provides for the City and stated that he appreciates his steady and calm demeanor and good advice.

Councilmember Rich requested that in the City Attorney update reports provided to Council each month that the report highlights which cases or updates are new information since the last report. Attorney Joppich confirmed he would clarify that in future reports.

PLANNING AND COMMUNITY DEVELOPMENT

Director Ed Gardiner commented that the expenditures and activity are fairly consistent for his department. He noted that some of the challenges include potential employee retirements that could affect his sick/vacation budget and the replacement of Inspectors. He stated that he is proposing to fill the

current vacant position of Staff Planner, which has remained vacant for the past couple of years and is working on the proper transition of staff due to anticipated retirements.

Councilmember Rich inquired if there has been a change in policies that has caused fewer Zoning Board of Appeals meetings than in the past.

Director Gardiner responded that City Council had adopted several new ordinances that eliminated the need for ZBA approval with regard to special events and seasonal sales and the Planning Commission also has more discretion over certain developments such as those within Planned Unit Developments.

Councilmember Bruce inquired why there has been a decrease in the number of inspections completed within 24 hours. Director Gardiner stated that the current figure is more realistic as he only has one Inspector doing both mechanical and plumbing inspections and one other Inspector on staff. He added that it is also very difficult to find part-time inspectors to fill the gaps when staff takes time off.

Discussion was held on inspection times and staffing and the lack of qualified tradesman in the state.

Councilmember Bruce inquired about the increase in sign inspections. Director Gardiner stated he authorized a couple of Saturday inspections and encouraged the Zoning Supervisor to put more emphasis on the enforcement of signs based on City Council's comments and request for increased enforcement.

The sick/vacation budget amount was questioned. City Manager Boyer commented that they ask departments to budget for any anticipated or potential retirements.

Community Development Block Grant

Assistant City Manager Mekjian explained that this budget only reflects only what is received after it is expended.

City Manager Boyer added that if there is a big project coming up, the City may decide to carry over the grant money for that particular project.

PUBLIC SERVICES

Assistant City Manager Mekjian reviewed the goals and objectives for Public Services, Road and Building Maintenance, Engineering, DPW Maintenance and Waste Management and Recycling budgets. He mentioned that the Department won a state award for the goat management project and will be presenting this program at the national level.

Mr. Mekjian noted that the strength of the Department is in staff's ability to organize and deliver services to residents. He stated that they are integrated heavily with the Police and Fire Departments with regard to clearing roads, accident reconstruction, etc. The challenges of the Department include attracting and retaining qualified staff.

Mr. Mekjian mentioned that there will be some large expenses associated with environmental storm water projects in the near future that will impact the City's general fund.

Mayor Massey commented that other than health care costs and workers compensation that the Council has noted increases across the board; the budget remains fairly flat for Public Services.

Road Maintenance

Councilmember Bruce inquired about the increase in liquid de-icer.

DWP Superintendent Kevin McCarthy explained that because they now have their own production capabilities, the amount of de-icer on hand has increased and they are saving money by making the brine in-house. In answer to Councilmember Rich, he confirmed that they are able to trade the brine for salt with other communities as needed.

Councilmember Bruce inquired about the reduction in cold patch. Superintendent McCarthy responded that this is due to the special assessment projects to improve the roads and the mild winter.

Discussion was held on the mill and fill and crack sealing projects.

Councilmember Lerner commented that he had discussed with staff at last year's budget meetings the possibility of testing the crack sealing method on a road with a PASER rating of 4 to determine if that would increase the life of the road.

City Engineer Cubera stated that he is working with testing consultants to identify a road for this method and is also reviewing other possible alternatives.

Councilmember Steckloff inquired about the increase in vehicle maintenance. Superintendent McCarthy commented that the past winters have taken their toll on the dump trucks and they saw some equipment failures this year.

Building Maintenance

Mayor Massey inquired about the increase in service maintenance and service requests. Superintendent McCarthy stated that the City previously had no good method to track service requests but have purchased a new software program that will now help track those requests.

City Engineer Cubera commented that service requests are a function of construction and weather events may also be a factor. He added that if more water main replacement projects are done as planned, that may also increase the service requests.

Councilmember Bruce inquired about alternative fuels. Mr. McCarthy explained that they have purchased smaller vehicles for the city fleet including one electric hybrid and staff will continue to review alternate fuels as gas prices rise.

Councilmember Rich inquired what is done to ensure the safety of the work environment for employees. Mr. McCarthy stated that they have safety training once a month at their site and also have an employee that sits on the safety committee for the City.

Waste Collection/Recycling

Mayor Massey inquired about the decrease in the contract costs. Mr. McCarthy stated that services are increasing by 2% per the contract, but the Material Recovery Facility (MRF) is now up and running again following a fire. He explained that the higher costs this past year was due to the fire at the MRF and the need to ship material off-site, which was very expensive. He stated that the City should be reimbursed most of those costs.

Discussion was held on offering recycling at commercial establishments and recycling for apartment complexes.

Major Roads

Discussion was held on potential construction for 8 and 12 Mile Roads.

It was questioned how the goal to improve safety of motorized and non-motorized travel is measured. Mr. McCarthy stated that the Traffic Improvement Association of Oakland County tracks information that the City's engineering division may use to impose safety regulations.

Engineer Cubera added that they are trying to provide more shoulders on roadways for bicyclists to use and added that reviewing safety measures or improvements is part of any project.

Local Roads

Mayor Massey commented that this budget includes joint sealing and over banding and added that whatever contractor did the work in his subdivision this year did an amazing job and he has had at least 3 residents comment.

Related Capital

City Manager Boyer pointed out that the Costick Center parking lot improvements were included in last year's CIP budget but the work has not yet been done so that funding in the amount of \$540,000 will be moved to next year's CIP budget.

City Council took a 10 minute break at this time.

CENTRAL SERVICES

Director Michael Lasley stated that most of his budget is used for supporting other departments. He had one staff member retire this year and a replacement has been hired; and he downgraded that position to allow for promotion. He stated that he is still monitoring Farmington IT services. He distributed a graph of helpdesk calls that his department started tracking.

Director Lasley stated that he will soon be bringing a 5-year renewal agreement with Farmington for IT Services to City Council for consideration that will include a 2% increase in fees. The agreement has also included the option for GIS support and it appears that Farmington may want to add that service. Mr. Lasley added that the City also received a call from the Franklin Police Chief with regard to supporting their IT so he plans to visit their facility next week to evaluate their infrastructure.

Director Lasley stated that his budget includes funding for moving old microfiche files to laser fiche. The City website has been upgraded and they are now looking at doing the same for the intranet and also reviewing the possibility of card access to buildings.

Councilmember Bruce inquired if there was a way to live stream the City Council meetings. Mr. Lasley stated that to do so would require some investment in infrastructure, but it could be done. He stated that the videos are typically posted to the website within 4-5 days.

Councilmembers Bruce and Rich felt it would provide more options for residents and is more appealing to young families.

Director Lasley stated that the contract for connectivity is up in 2017 so he is starting discussions on that issue. A couple of big requests that had been cut from the CIP budget included a scheduling package for the Police and Fire Departments and a new city-wide phone system.

Mayor Massey commented on the increase in P-card purchases. Mr. Lasley stated that they are encouraging use of the city P-card where feasible as the City in turn gets reimbursements. The last reimbursement was in the amount of \$18,000.

Councilmember Bruce asked if the City could move away from paper expense reports and do this reporting on-line. Mr. Lasley responded that they could look into this option.

In response to Councilmember Lerner, Mr. Lasley commented that the on-line auctions are working well and eliminates the cost of hiring someone to run the live auction.

Councilmember Bruce inquired why Michigan Tax Tribunal refunds appeared in the Central Service budget. Director of Finance Gajda explained that in reviewing the budget, they have moved some items to areas or departments where they make more sense and this was one line item budget that will be moved to the Finance budget next year. He explained that it shows on the books as a liability and the City estimates the refunds. He stated that they could eliminate it from the budget completely, but felt it was important to show this information.

Councilmember Steckloff inquired about the reduction in state health insurance claims tax. Comptroller Shu Fen-Lin explained that this line item started out as a single line item in the Central Services budget and was recently changed to be reflected in each department budget.

Related Capital

Director Lasley explained that City-wide technology is a place holder as technology changes to quickly that the City is not sure what might be needed.

FINANCE

Director Dave Gajda stated that other than the \$150,000 for Michigan Tax Tribunal refunds that will be moved from the Central Services budget to Finance, the Finance budget remains fairly flat. He stated that significant upcoming projects include allowing for credit card payments at city hall, drafting of a policy to deal with trust fund monies for projects, streamlining banking and policies for handling new grant rules and regulations based on the ordinance Council approved.

Director Gajda explained the workload increase is due to a significant increase in passport processing, the required pension calculation for staff due to the number of potential retirements and increase in special assessment district projects.

Councilmember Bruce inquired if the fees collected for passport services cover staffing costs. Director Gajda stated that they do not and that this is being provided as a service. Discussion was held on whether the city should continue to provide these services if they are provided by other entities and they are not only serving their residents.

Director Gajda stated that he would look into this issue further to determine how many people being serviced are residents of Farmington Hills.

Councilmember Rich inquired at what point the city would discuss policies related to pension plans. Mr. Gajda stated that the Retirement Board will be discussing this issue and feels that they need to make some decisions first.

In answer to Councilmember Bruce, Mr. Gajda stated that he does believe the City can reach AAA bond rating with Moody and he feels the City deserves that rating.

Post-Employment Benefits

Director Gajda stated that pension and health care contributions, other than for Police and Fire, are not increasing that much for the City.

Debt Service Fund

Director Gajda stated this budget is proposed to increase next FY in anticipation of the bond issue for special assessment districts.

BOARDS AND COMMISSIONS

Councilmember Lerner expressed concern with the City funding MCMR based on past issues and that the City does not approve appointments to that Committee.

Mayor Massey stated that over the next couple of study sessions, Council will be reviewing all boards and commissions to set basic standards.

Councilmember Bruce suggested increasing the Arts Commission budget as they provide for so many events. City Manager Boyer pointed out that their budget is supplemented by the Cultural Arts Division.

CITY COUNCIL

City Manager Boyer pointed out that there is an increase in conferences and workshops as there has been more attendance by Council.

CITY ADMINISTRATION

Councilmember Lerner questioned if the current staffing would remain. City Manager Boyer stated that he is currently reviewing that issue and feels that it would remain at the same staffing level for now with some type of full-time assistant being hired in this current budget year.

PUBLIC INFORMATION

With regard to SWOCC, City Manager Boyer stated that the staffing will include 4 to 6 members with only a change in part-time staffing. Office rentals fees have been included for the relocation of SWOCC to the Mercy Center.

BROWNFIELD

City Manager Boyer stated that the Authority is revisiting their direction to put more money back into the business sector. He stated that the A,T&G building is down but the property has not yet been sold. Once sold, the revenue would go back into the Brownfield Authority account.

CORRIDOR IMPROVEMENT AUTHORITY

Councilmember Lerner questioned what property they were acquiring. City Manager Boyer responded that the funding is allocated in anticipation of potential purchases.

Councilmember Bruce questioned if and when the city would start capturing funds. It was noted that no funds were being captured to date. Mayor Massey stated that a publication is currently being created on the vision and plans for the corridor.

WRAP-UP

City Manager Boyer indicated that any adjustments or changes discussed at the budget meetings will be included in the final budget, such as moving \$540,000 from the CIP budget from this current year to next year's budget.

Director Gajda stated that any changes will be highlighted when the final budget is presented to City Council for approval at the first regular meeting in June.

Councilmember Lerner stated that he would like to have a study session on the phone system.

Mayor Massey stated that the next two study sessions will be dedicated to reviewing the boards and commissions with the goal of developing some standards. He confirmed that the newly proposed Community Health Commission will be part of that discussion.

City Manager Boyer confirmed that once the Commission is formed, a small amount of money could be transferred to that Commission to get it up and running if needed.

PUBLIC COMMENTS:

There were no public comments.

ADJOURNMENT:

Mayor Massey adjourned the study session meeting at 8:50pm

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'P. Smith', written over a horizontal line.

Pamela B. Smith, City Clerk