

MINUTES
CITY OF FARMINGTON HILLS
FARMINGTON HILLS CITY COUNCIL
CITY HALL - COMMUNITY ROOM
MAY 23, 2022 – 6:00PM

The study session meeting of the Farmington Hills City Council was called to order by Mayor Barnett at 6:06pm.

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

Council Members Absent: None

Others Present: Assistant City Manager Valentine, City Clerk Smith, Assistant City Manager Valentine, Directors Brockway and Mondora and City Attorney Joppich

DISCUSSION ON WATER AND SEWER RATES

Karen Mondora, Director of Public Services, stated that before City Council are the 2022/23 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 2023 they are estimating an average quarterly increase of \$13.26 in sewer rates and an average quarterly increase of \$6.51 in water rates per the average residential customer. This results in a combined average quarterly bill for both water and sewer in the amount of \$362.47.

Discussion was held on how rates are calculated and how water usage effects the rates.

Mr. Chirolla stated that the water tower is still paying off for the city and the estimated savings to the city through 2023 is \$20 million.

Director Mondora explained that the tower includes three million gallons of water reserve in the event of a major fire. This also helped the Fire Department's ISO rating, which affects homeowners insurance.

Director Mondora reviewed the city's major capital expenses for the water and sewer systems through 2030. She explained that the city has good water quality but there are some 50-60 year old cast iron water mains that need to be replaced.

In response to Council, Assistant City Manager Valentine stated that the city expects to receive some federal infrastructure funding but how much and what exactly it can be used for is yet to be determined.

Information on minimum billing and average use was requested so that rate payers are not being charged more than necessary and Council also inquired about hardship programs.

Director Mondora noted that there are multiple programs through which a couple hundred Farmington Hills rate payers have been assisted.

Mayor Barnett commented that she does not want to approve any water or sewer rates until she knows that Highland Park's costs are not included as it is not fair for Farmington Hills rate payers or other communities to pay for their portion. She also requested a link on the city's website to the assistance programs available.

Council requested receiving the data on minimum billing and the portion owed by Highland Park to City Council by June 13th prior to the water and sewer rates coming before City Council for approval on June 27, 2022.

Mayor Barnett stated that she wants full restitution for payments made for Highland Park's portion of the rates and expressed concern with sprawl and GLWA extending new lines and neglecting existing infrastructure.

Attorney Joppich stated that his office has been working to get more information on the status of the Highland Park debt and agreements in place and will report back to City Council on their findings.

Assistant City Manager Valentine suggested a meeting with representatives from GLWA and WRC to further discuss the issue of infrastructure needs.

In response to City Council, Mr. Chirolla reported that approximately \$170,000 or 1.2% of the overall sewer rate increase and approximately .2% or \$31,000 of the overall water increase is related to the Highland Park debt.

Council also requested data on the number of people taking advantage of the assistance programs and trends.

Assistant City Manager Valentine stated that the city's current position would be to recommend approving the rates as proposed and reviewing any recourse with regard to the Highland Park debt once the city receives the report from the City Attorney's Office.

UPDATE ON BUSINESS INCUBATOR PLAN AT THE HAWK

Tim Dempsey, Vice President of Public Sector Consultants, stated that they were before City Council previously to discuss the feasibility study for the Innovation Center at the HAWK and tonight's discussion will focus on the feasibility analysis and proposed business plan.

He explained the feasibility study was conducted to understand the market demand and he summarized uses they would not recommend that included stand-alone office space due to the low demand and a kitchen incubator since there are alternate facilities in the city. Mr. Dempsey outlined the business plan that focused on life science businesses, with development of wet labs and services; configuration of the site, funding the facility build out through grants and/or partnerships and having a long term horizon to achieve financial stability over 6-10 years focusing on the core space only and basing that on industry standards. Other recommendations included up front funding of debt service through grants, strong partnerships with colleges and universities and the need for robust managers with clear roles and accountability.

The potential for partnerships with universities and state funding was discussed.

A proposed resolution was presented that staff would like to put before City Council at their next meeting asking City Council to endorse the project so that staff and the Economic Development Corporation members could pursue conversations with other entities for potential partnerships and create a synergy for additional state and county funding.

In response to Council, Attorney Joppich stated that any agreements for partnerships or tenants would be reviewed by his office.

ADJOURNMENT:

The study session meeting adjourned at 7:29pm.

Respectfully submitted,

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

Pamela B. Smith, City Clerk