

MINUTES
CITY OF FARMINGTON HILLS
CITY COUNCIL STUDY SESSION MEETING
CITY HALL – COMMUNITY ROOM
MAY 8, 2017

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

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

Council Members Absent: Bridges and Bruce

Others Present: City Manager Boyer, City Clerk Smith, Assistant City Manager Mekjian, Directors Mondora and Randle and City Attorney Joppich

DISCUSSION ON WATER AND SEWER RATES

Director of Public Service Karen Mondora explained that the discussion tonight would include the proposed FY 2018 water and sewer rates, an update on the Great Lakes Water Authority and water service agreement and an update on the Middlebelt Tunnel Project.

County Commissioner Nash introduced his staff. Tim Prince, WRC, provided an overview of the funding to be set aside for the sewer system and to replace water lines.

Raphael Chirolla, WRC, discussed the basic rate calculation formula and the actual and forecast sales for the sewer rates and actual and forecast sales and purchases for water. He noted that the City of Farmington Hills realized a \$4 million savings by having the city water tower. Mr. Chirolla stated that the combined water/sewer rates will result in a 4.6% increase overall for the average customer.

Councilmember Lerner requested information for all of Oakland County. Mr. Chirolla stated that he did not have that information this evening but could provide that to Council at a later time.

GREAT LAKES WATER AUTHORITY UPDATE:

Carrie Cox, WRC, explained the higher strength of flow in the Evergreen-Farmington Sewage Disposal System (EFSDS) as compared to the “wet” combined Great Lakes Water Authority (GLWA) customers has resulted in an increase of 10.2% to the EFSDS. She further explained how the cost shift is based on the strength of flow in the system.

She informed Council that the customers are splitting the costs owed by Highland Park for their customers who have not paid their water bills.

Council expressed concern that communities like Farmington Hills who were “drier” communities and who took care of their system were paying for other communities that do not take care of their systems and customer who are not paying their bills.

Ms. Cox and Mr. Prince confirmed that this is against everything that Oakland County tried to do with the Memorandum of Understanding and rate stabilization and they have tried to argue Oakland County’s position on this and why they don’t agree.

Mayor Massey inquired how much communities are paying for Highland Park. Ms. Cox responded that the costs are being split amongst customers and represents 3% of the increase of GLWA costs.

County Commissioner Nash added that Oakland County filed a lawsuit in 2013 and won in court and the fees were to be repaid by rolling it into the taxes, but a judge later ruled that it could not be paid in that manner as it would bankrupt the city and the water could not be shut off as that could create a health, safety and welfare issue.

Mayor Massey stated that the communities like Farmington Hills need to be represented in this agreement and GLWA is not abiding by those terms.

County Commissioner Nash stated that the County is continuing to try and work out this issue. It was noted that the GLWA Board has an upcoming meeting at which time this issue will again be discussed and a representative of WRC sits on that Board.

MIDDLEBELT TUNNEL PROJECT:

It was noted that the goal is to get the project done and stay on budget.

Kelsey Cooke, WRC, informed Council that the road is expected to be open the end of May with a completion date for the project by the end of June.

Mayor Massey stated that he thought the road would be open the end of this week. City Manager Boyer stated that they were paving the road today and that it was his understanding it should be open by the end of the week.

Councilmember Lerner stated that area businesses were suffering due to the project and inquired if any funds have been set aside to assist these businesses.

County Commissioner Nash stated that there is no funding set aside but that he could look into this matter. It was noted that there are no viable insurance claims for businesses affected by road construction projects.

Mr. Nash, in response to Council, noted that they do not expect to see a savings with the project but their goal is to be on budget. They are pursuing recovery of additional costs through negotiations with the insurance company and if it is not what they need to stay on budget, they plan to go to facilitation.

Mayor Massey wanted to know who will step up to fix these situations where communities that continue to look for ways to cut back end up paying more and unfairly have to pay the bills of others. This is a problem and he is hearing no solutions from the County.

ADJOURNMENT:

The study session meeting adjourned at 7:08pm

Respectfully submitted,



Pamela B. Smith, City Clerk