

MINUTES  
CITY OF FARMINGTON HILLS  
CITY COUNCIL SPECIAL BUDGET SESSION MEETING  
CITY HALL –COUNCIL CHAMBER  
MAY 10, 2017 – 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: Knol, Lerner, Massey, Rich and Steckloff

Council Members Absent: Bridges and Bruce

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

**CITY ATTORNEY:**

City Attorney Joppich spoke of his firm and team of attorneys that represent the city. He noted that the bottom line budget from FY 16/17 to FY17/18 reflects a decrease based on the forecast of cases looking ahead. He stated that the legal retainer includes a 2% increase and the court defense portion of the budget has increased due to a couple of issues that are currently in court at this time.

City Manager Boyer commented that he has had the opportunity to work with Attorney Joppich for the past 2 years now and the attorneys have had a lot on their plate in that period of time and have done an excellent job for the city. He stated that it has been a pleasure working with Attorney Joppich and his staff.

Councilmember complimented Attorney Joppich on his reports and keeping them informed.

**PLANNING AND COMMUNITY DEVELOPMENT:**

Director Ed Gardiner highlighted various projects within the community including new developments and redevelopments of existing property or buildings. He stated that they are trying to encourage the development of outlots and they have been successful in filling a lot of vacant buildings. He spoke of the residential development in the community and stated that it was good to see that there is still interest in residential development.

Mr. Gardiner mentioned that staffing levels have been static for the past few years and he is proposing to hire a part-time clerical staff member for the Building Department to help them keep up on paperwork.

Councilmember Rich inquired about cross-training between departments with existing staff to assist with clerical work.

Director Gardiner stated that they use this practice now between the various divisions within his department as they have 3 different counters to staff; but extra help is needed to keep up with the paperwork to allow other staff to be out in the field or assisting the counters.

City Clerk Smith added that probably 90% of the FOIA requests her office receives is for building department information that they are required to search for and provide within certain time frames and many times it is information that is stored in the basement, older files, etc.

Councilmember Lerner stated that the city has discussed in the past expediting the permitting process and making it easier to work with the city in order to be business-friendly and if there is going to be an increase in residential and business development, he feels additional staff is needed.

**Community Development:**

Director Gardiner explained that the rental inspections have been consistent over the last couple of years but will drop next year as they are 3-year permits. He stated that his department continues to seek information on the ones that did not respond to the initial mailing by the city. The first step was to target non-homestead properties to determine if they were rentals.

Mr. Gardiner reported that the Community Development Block Grant Program includes a new HVAC and outdoor lighting for Fire Station #3.

Councilmember Knol mentioned that the city had a resident complain about the lack of sidewalk connections at the southeast end of the city and questioned what was being done in that area.

Mr. Gardiner stated that there were funds in the CDBG for sidewalk work but that the Public Services Department provides for the ratings and prioritizing of sidewalk projects.

Assistant City Manager Mekjian added that prioritization is also based on public input.

Councilmember Knol stated that they have had input from one resident and she is also expressing her interest for connecting sidewalks at the southeast end of the community. Councilmember Steckloff concurred.

**Planning Department:**

Mr. Gardiner pointed out that the Planning Commission has initiated their 5-year review of the city's Master Plan for future land use and Council will be asked to authorize the opening up of the Master Plan for that purpose as proper procedure.

**Zoning Division:**

Mr. Gardiner highlighted the sign inspections, which was a main focus of this division last year. In response to Councilmember Lerner, he noted that the increase in sick and vacation was due to a couple of retirements.

Councilmember Lerner commented that the Rebuilding Together team has mentioned that they are finding it difficult to find applicants for their projects.

City Manager Boyer stated that the city could assist them with marketing their program.

Councilmember Lerner reiterated that the city needs to continue to work on expediting permitting and being easy to work with.

Mr. Gardiner agreed that the city should be viewed as customer-friendly.

**HUMAN RESOURCES:**

Director John Randle commented that some of the challenges the city will experience moving forward is with regard to the number of employees that are eligible for retirement so a goal for FY1718 is encouraging and assisting departments to develop succession planning.

Discussion was held on the number of potential retirements in the Police Department and what can be done to keep the hiring up to speed with the pace of retirements.

Director Randle stated that he sits in on the oral boards for the Police Department and the city will continue to hire to fill positions. He commented that there are fewer people going into that line of work and every department is going after the best of the best and it is a very long process. One thing the city has started is to make conditional offers to Officers so that they know they will have a job offer subject to passing all of the required tests, physicals, etc. and he feels that is working to get new hires.

Council suggested that the city may need to look out of state for officers.

Director Randle added that his office is in the process of meeting with departments to determine what internal talents the city has and what is needed to be filled from the outside.

Councilmember Rich expressed concern that the trained staff may also be approached by other communities and questioned if his department has conducted “stay” conversations with critical staff members. Director Randle responded that he has had one-on-one meetings with certain staff but the city has had a low turn-over rate.

City Manager Boyer added that the city typically is seeing people leave for retirement and not for other opportunities.

Mayor Massey inquired about the decrease in the safety, health and welfare line item for next year. Director Randle explained the funding was included in this fiscal year for the purchase of safety kits and those were a one-time purchase so that funding is not reflected in next year’s budget.

**PUBLIC SERVICES:**

Councilmember Lerner stated that he mentions this at budget time every year, and questioned if the city is going to provide for seal-coating for roads with a pacer rating of 4 or more or at least choose a location in the city to try it.

City Engineer Jim Cubera stated that staff has viewed this method in other communities and the written reports recommend that this option is not a good fit for the community.

City Manager Boyer stated that this method is used on more rural roads but is not holding up where it has been done in communities like Farmington Hills.

Director Mondora stated that Oakland County is going to try this in Brandon Township so they will keep an eye on how the process works in that community.

Councilmember Rich brought up the issue of the median areas and suggested that they are mowed.

Department of Public Works Director Kevin McCarthy responded that the community is split on whether they approve of the natural beauty look or consider them weeds but the city mows the medians once a year to get the seed and then lets it grow natural. He added that it would be the decision of Council to determine if they want the natural plantings removed.

Further discussion ensued on the median areas. City Manager Boyer stated that the city is addressing the end points of the city and replanting of flowers, but if the Council wants the natural median areas mowed staff would need that direction from Council.

Councilmember Steckloff inquired about the additional staffing. Director Mondora responded that there was an increase in one division of the department, which was offset by the decrease in another division.

Councilmember Rich inquired about the APWA Certification. Director Mondora explained that this represented the accreditation of the Department by the APWA that included a lengthy self-evaluation of the department's best practices. The accreditation was obtained but needs to be maintained.

Mayor Massey asked that staff provide the Council with options to consider for mowing of the median areas.

Councilmember Knol suggested using the community work program more during the week for various projects. City Manager Boyer confirmed along with staff that they utilize community program workers during the week when they can but there are not as many as they often work regular jobs.

Councilmember Lerner inquired about the number of contracts let decreasing. Director Mondora stated that this is due to the lack of local road special assessment districts for that year.

City Manager Boyer explained that the city is still planning for road projects in the coming year and will be ready to do those either through a special assessment or other means.

Councilmember Knol inquired about the increase in city service requests. City Engineer Cubera explained that the service requests/questions were mainly related to the strong special assessment program and questions related to those projects.

Mayor Massey inquired about the funding included in the fuel inventory account. Director McCarthy explained that this represents a city-wide account for the city fleet vehicles and then each department has a line item that is back charged for the fuel used. The account fluctuates based on bids for fuel and parts.

Councilmember Rich inquired about how to dispose of garlic mustard weed since it cannot go into the yard waste or trash. Director Mondora stated that she would ask RRRASOC about some alternate options. Dr. Rich requested that this information is shared on the city's Facebook page and website to get the information out to residents.

**FINANCE:**

Director Gajda stated that his department remains constant with the goals and mission statement the same. The objectives include compliance with new finance rules and regulations. He noted that the State has imposed a new audit rule with regard to gasoline tax per ACT 51 and while it is a state-imposed compliance audit, the city is required to pay for it. The City auditors, Plante & Moran, would provide the service and estimated the cost to be \$10,000-\$20,000.

Councilmember Knol felt that cost was high.

Mr. Gajda stated that Plante & Moran is currently working with the state and are waiting for direction.

Director Gajda stated that next year's budget represents a 3% increase and the city is maintaining the same level of service, his staffing is constant but the budget for this year reflects his retirement.

### **Assessing**

Director Gajda explained that the Michigan Tax Tribunal (MTT) prefers a licensed appraiser over the assessors when it comes to evaluations so he is suggesting that the city contract out with licensed appraisers in these cases. In response to Council, he stated that the assessors could become licensed appraisers but it is not common practice.

Councilmember Rich suggested communication with the State Representative Chris Greig regarding this state-mandated audit. It was determined that Dr. Rich would contact Representative Greig to set up a meeting and it was suggested that Director Gajda is included in those discussions.

Director Gajda pointed out that new to the budget is a request to hire a defined contribution consultant. He explained that 3 employees are identified to serve as trustees for the defined contribution program and it is the responsibility of the city to educate employees (new hires) coming on to this program. He stated that the city would develop an RFP for this purpose.

Director Gajda reported that the funding for capital outlay in his budget includes furnishings and equipment to make his department more efficient and more visually appealing to customers. Also included in the budget is a money counter that will assist staff in counting cash payments and would detect any counterfeit money received by the city.

### **Post-Employment Benefits**

Director Gajda reported that the retirement fund is currently 100% funded and if the contributions drop, the city is proposing to bump up their share of the contribution over what is required to keep that 100% funded.

### **Debt Funds**

Director Gajda stated that the city has a low debt burden so there is room to consider bonding larger capital projects. He noted that the chart on page 280 of the budget shows the debt service and opportunities.

Director Gajda explained that the city's financial advisor could provide an analysis for the city showing different scenarios with regard to debt and maintaining a good fund balance.

Councilmember Lerner inquired about pay off for the district court building. City Manager Boyer noted that the building would be paid off in 3 years.

### **BOARDS AND COMMISSIONS**

Discussion was held on the MCMR budget and structure.

City Manager Boyer indicated that their funding has increased as they are now doing more programming. Other boards and commissions and some of their events fall under other budgets such as the Arts Commission being under Cultural Arts. He added that the budget is split between Farmington, Farmington Hills and Farmington Public Schools and he serves as Treasurer and keeps a close eye on the funding.

Councilmember Knol felt that more programming could be done with other boards and commissions if their budget was slightly higher and that all boards and commissions budgets should be similar.

City Manager Boyer added that the MCMR has also just restructured the group and created new by-laws. It was suggested Council allow the group to operate under its new by-laws for the next year and review this again at that time.

In response to Councilmember Rich, City Manager Boyer noted that the increase in the Historic District Commission was for monument signs.

Councilmember Knol expressed concern with the Commission on Aging needing 5 new members. City Manager Boyer stated that some members have left and were not replaced in light of the new ordinance being drafted but now that the ordinance is moving forward, new appointments will be made as needed.

### **CITY COUNCIL**

Discussion was held on the City's membership in the National League of Cities (NLC). It was agreed that the City would no longer be a member and that the City should relay to NLC that Council and staff have not been happy with level of programming lately and that they may reconsider their membership in the future if programming improves.

City Manager Boyer noted that budget would reflect eliminating the membership cost and travel expenses for staff and Council for NLC.

City Council discussed and agreed with taking members of the Mayors Youth Council to local meetings.

### **CITY ADMINISTRATION**

City Manager Boyer noted that his budget reflects the elimination of the position for Assistant to the City Manager and a portion of that savings was shifted over to Special Services.

There would be a reduction in his budget as well due to eliminating travel expenses for NLC.

Councilmember Rich inquired about the status of the 20/20 vision reports.

City Manager Boyer responded that the 202/20 vision report was prepared and staff was asked to review that report recently and identify the goals and objectives listed that have been completed to date, those that are ongoing or not feasible, etc. This will all be reported back to Council in a study session.

Dr. Rich suggested color coding the items green for those items completed, yellow for ongoing efforts and red for those that have not yet been started.

Assistant City Manager Mekjian stated that staff has also been working on the management survey and will come back to Council at a study session with the questions proposed to be included on that survey.

### **PUBLIC INFORMATION**

City Manager Boyer noted that the Video Division has moved from the old SWOCC building to Sisters of Mercy building and that has been going very well and is costing the city less.

Mayor Massey explained that the City will be working with the City of Farmington and their attorneys on forming their own authority in order to meet legal guidelines for overseeing PEG funding.

**CORRIDOR IMPROVEMENT AUTHORITY**

Councilmember Lerner questioned the value in this Authority and plan for the city. Discussion was held and Councilmember Knol commented that there is no further cost to the city going forward and it was known that this was a long-term plan. She feels this is a corridor in the city that needs improvements.

**WRAP-UP**

City Manager Boyer commented that if the Council wishes to consider rolling the millage rate up, this conversation needs to be held soon.

Director Gajda stated that rolling up the millage would create an additional \$1.2 million in revenue for the city. A public hearing notice would be required and Council would have to make that final determination when approving the budget in June.

It was determined that City Council would discuss this issue at a future study session. Mayor Massey asked that Director Gajda include information on the different scenarios previously presented to Council.

**PUBLIC COMMENTS:**

There were no public comments.

**ADJOURNMENT:**

Mayor Massey adjourned the study session meeting at 9:19pm.

Respectfully submitted,



Pamela B. Smith, City Clerk