

FARMINGTON CITY COUNCIL
SPECIAL MEETING

A special meeting of the Farmington City Council was held on Monday, November 5, 2007, in Council Chambers, 23600 Liberty Street, Farmington, Michigan. Notice of the meeting was posted in compliance with Public Act 267-1976.

The meeting was called to order at 7:01 p.m. by Mayor McShane.

ROLL CALL

COUNCIL MEMBERS PRESENT: Buck, Knol, McShane, Wiggins, Wright

COUNCIL MEMBERS ABSENT: None.

CITY ADMINISTRATION: City Manager Pastue, Recording Secretary Schmidt, Treasurer/Finance Director Weber.

APPROVAL OF AGENDA

11-07-191 MOTION by Wiggins, seconded by Buck, to approve the agenda as submitted. MOTION CARRIED UNANIMOUSLY.

MULTICULTURAL MULTIRACIAL (MCMR) STEERING COMMITTEE

Present: Karen Bolsen

Mayor McShane welcomed Karen Bolsen from the Multicultural/Multiracial Steering Committee. Ms. Bolsen talked about her background including growing up in a multicultural and multiracial community and obtaining a degree in Racial and Ethnic Studies from Michigan State University.

Ms. Bolsen stated the MCMR Committee is comprised of different groups including the schools, community organizations, libraries, businesses, faith leaders from major religions, government officials, and residents. She noted Mayor McShane's involvement.

Ms. Bolsen reviewed the history of the Committee and stated the mission statement and guiding principles for maintaining a healthy, diverse community. She noted the changing demographics in the community and stated the student population often changes quicker than the general population. She also noted the kaleidoscope of Farmington's diversity, which is the major ethnic groups and languages in the community, and she commented on the changes by percentages in the groups of ethnic students.

Ms. Bolsen noted the past and upcoming activities of the MCMR and stated forums will be replaced by a television show. She thanked Councilmember Knol for her participation in the Heritage Week Kick-off. She commented that additional community education; neighborhoods and housing, programs and services and business and employment were areas that still needed to be addressed.

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Ms. Bolsen stated their website is still in the development stage, but the Committee is promoted through their cable show and future monthly articles in the Observer. She noted their office is now located at the Longacre House.

Ms. Bolsen concluded her presentation by reviewing some of the projects that the Committee will be working on and noted they will be attending the Michigan Alliance Against Hate Crimes Conference.

City Manager Pastue commented that the breakout group discussions with City employees were helpful in dealing with other ethnic cultures. He stated the manner of funding and the implementation of the Master Plan is changing. He commented he would approach Council with a budget amendment to support specific workshops.

Ms. Bolsen thanked Council and Administration for their support.

Mayor McShane stated this group is made up of unpaid volunteers and Ms. Bolsen has devoted so much of her time to this Committee. She commented she was proud of Ms. Bolsen and the other volunteers for their proactive efforts in the community. McShane informed Ms. Bolsen they could use the Civic Theatre or the pavilion for a fundraiser.

PLANTE MORAN-CITY OF FARMINGTON FINANCIAL REPORT, JUNE 30, 2007

Present: Gordon Krater, Bill Brickey, Carrie Shay.

Treasurer/Finance Director Weber introduced Gordon Krater, Bill Brickey and Carrie Shay from Plante & Moran, LLP who would present the audit of the financial statements of the City of Farmington for the year ended June 30, 2007.

Gordon Krater stated the audit went well, financial records were in good shape, and Farmington once again received an unqualified opinion. Mr. Krater discussed the condition of the City's Major Funds, noting they are in good, fiscal shape. He noted Farmington continues to maintain excellent financial records.

Carrie Shay gave a power point presentation on the City's General Fund revenues expenditures. She noted the new auditing standards that became effective June 30, 2007. She stated the changes for 2008 would increase City staff time in preparation for the audit.

Bill Brickey elaborated on the new audit standard, Communicating Internal Control Related Matters, which states any significant items found in the audit must be reported in the letter to the City, which could include small items such as journal entries. He stated everything included in the letter from Plante & Moran to the City is of a legislative update nature. Mr. Brickey reviewed State Shared Revenue, Changes to Michigan's Tax Structure, New Michigan Business Tax, Property Taxes, Property Tax Legislation, New Cable Franchise Legislation, and Post Employment Benefits. Mr. Brickey commended the City for having the foresight to begin pre-funding "annual required contribution" related to health care promises to retirees, much in the same way that pensions are handled. He noted in fiscal year 2007-2008, the City will be required to measure its retiree health care liability through actuarial valuations that are to be

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performed biannually. He stated the City would have to decide in 2009 whether to fund the health care promises to retirees by actuarial basis or continue to contribute to the fund.

Mr. Krater discussed the possible repeal of the new State Sales Tax on Services and the effect on local government.

In response to a question from Councilmember Wright, Mr. Brickey responded that if the City were at its millage capacity, than the Headlee rollback would reduce their revenue to inflation. Since the City is at 11.0523 mills, then the millage could be increased to the amount permitted by Headlee. Mr. Krater commented that at the present time Farmington has a safety valve of approximately 5 mills.

Councilmember Wright asked why there is a budget and then an amended budget. Mr. Brickey stated if the budgeted expenditures exceeded the initial budget it would have to be amended. City Manager Pastue replied that the adopted budget of some government units are at significant variance with the actual amount spent during the year.

Councilmember Knol commented that having a budget and an amended budget tells the governing body that if it is constantly being amended for the same item there is either too much or not enough money allotted in the original budget and a history is shown.

McShane stated that with today's economy, she is happy to receive the excellent report from the auditors. She praised Treasurer/Finance Director Weber and his predecessors for their fine work.

McShane proudly noted that the City had maintained an unreserved fund balance of 25%, an AA bond rating, gaining assets in the theatre, and a stable property tax millage rate. She stated Farmington was one of 100 best cities in the United States. She thanked Plante & Moran for their report and their fine work.

Council recessed at 7:50 p.m. to allow setup for the next agenda item and resumed at 7:54 p.m.

RRRASOC-DRAFT SOLID WASTE AGREEMENT

Present: Mike Csapo, Executive Director of Resource Recovery and Recycling Authority of Southwest Oakland County (RRRASOC)

Mr. Csapo was present to discuss the savings generated by the procurement process and recycling services provided to residents. He reviewed the objectives of RRRASOC and noted their goal to maintain local control.

Csapo stated RRRASOC wants to seek innovation by taking advantage of any changes in the market place and changes in technology to provide additional benefit to the City's residents and meet the service quality standards expected by the community. He stated they want to meet the physical restraints of each community.

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Csapo noted they try to encourage their private sector partners to submit proposals that include: innovation, best practices, new ideas, alternative or new facilities, and alternative proposals.

Csapo stated RRRASOC sought competitive private sector proposals for solid waste management services such as hauling and collection, land filling, composting, recycling and innovative services such as bio-gasification to try and create energy.

Csapo discussed dual and single stream recycling. He noted that the City currently has dual stream which collects recyclables that are sorted into different sections of the truck. He stated for single stream recycling residents are provided a large container on wheels that is picked up in an automated fashion. He stated single stream recycling encourages residents to recycle. He commented that recycling would change from a cost center to a revenue center with a change to single stream. Single stream recycling generates more material and the revenues go up. Csapo discussed details of the various proposals.

Csapo stated FCR is willing to invest its own capital to retrofit RRRASOC's facility for single stream recycling, but there must be a substantial increase in volume.

Csapo advised plastic nos. 3 to 7, plastic bags, pizza boxes, gift wrap, ceramic dishes, small scrap metal, drink boxes, and cardboard milk cartons will now be recyclable in 2008.

Csapo stated a survey reflected that residents want more items to be recycled with less preparation and that is what will be provided next year.

Csapo discussed progress and success in the development of the recycling facility on Eight Mile.

Csapo discussed the benefits that will result with a change to FCR, noting there would be no tip fee; there would be a material, royalty guarantee based on market conditions, a concrete plan to move to single stream which would improve our position in the market, and asset positions would improve.

Csapo stated various contracts will be presented to Council in the near future which would award solid waste hauling to Waste Management and renew a MRF service agreement with RRRASOC. He noted with the new contracts services will improve and costs will go down.

Responding to a question from Councilmember Wiggins, Mr. Capo stated the other communities would also have the same agreement.

Councilmember Knol asked what had changed in sorting of plastics. Capo responded the vendors needed to be more competitive by accepting plastic nos. 3-7 and there is more of a market for them.

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Knol inquired if they were taking these plastics because more communities are making the demand and whether they are recycling or sorting and dumping them. Csapo responded they are not sorting and dumping, but they do have to sit for a while. Discussion followed regarding the market for recycled plastics.

Pastue commented the process for single stream has improved in the last 10 years.

Councilmember Buck asked for clarification of the net present value figures. Csapo stated the first set of numbers presented was RRRASOC total just for the recycling and the second set of numbers was just Farmington with a 5 year net present value. Csapo verified it would be 300,000 to 400,000 per year with a first year savings of \$35,000 to \$40,000 per year.

McShane asked if there will be bigger bins and Csapo replied bigger bins cost more money, but they were exploring going to an automated collection program. Discussion followed regarding the aspects of automated collection.

Pastue stated Csapo was comfortable with the Waste Management Agreement and is finalizing the agreement with FCR. He noted it would go to Council for adoption in December or January.

Mayor McShane thanked Mr. Csapo for his presentation.

DISCUSSION – COMMERCIAL REDEVELOPMENT ACT

Pastue advised Council had previously discussed the Commercial Redevelopment Act that was enacted in 2006. He noted it provided an incentive tool that would provide an abatement for the enhanced value of the building. The land value would fluctuate based on annual taxable value along with personal property. He stated the one component that would be frozen for up to 10 years is improved value. He noted after extensive review by the City Attorney and the State Legislative Services Legal Division, it was determined that a gradual reduction in the percent abated in order to allow a community to realize a gradual growth was not allowable.

Wright confirmed the abatement would be on real property.

Knol commented the abatement would be negotiable with the developer for the period of time.

Pastue stated that as they revise the Master Plan, it would be important to incorporate a strategic incentive program. He recommended that the City aggressively communicate to property owners that specific commercial areas would be eligible for this economic incentive. He noted the City might strategically focus on one or two centers and accept there will not be any taxable value growth on that parcel for a period of time. Pastue felt a more effective tool would be to request that the legislature consider an amendment that would allow for a gradual reduction in the amount abated over a period of time. He noted it would be offered to selective properties in the community such as K-Mart,

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Uptown Plaza, Big Lots, and Worldwide Shopping Center. He advised this economic incentive should be utilized only for significant development efforts.

Knol commented that Ferndale was interested in using this Act in their city along with interest from other communities. She noted in the long run there would be an increase in property taxes and it would also make the property more beneficial to the community.

Buck asked if this would be combined with rezoning and used for some of the properties. Pastue replied it could be arranged when apartments turn into condos and that the Master Plan would allow for more flexibility.

Discussion followed regarding the abatement. Knol noted that in many of the commercial centers improvements have not been made in 30 years and incentives are needed. She further noted the City has the option to say "no" and hoped more property owners would participate.

Wright stated that when the City takes a proactive attitude commercial property owners see that an opportunity is available to improve their site.

McShane stated the City needs to be proactive and that it is important to look at the new Master Plan and see how it fits into it. She noted the City had to go forward and promote the idea.

Wiggins asked if the Master Plan would reflect which properties were available for the Commercial Redevelopment Act. Pastue replied that if Council decided to go forward to implement the act they could advertise in the Observer and other media that this option was available.

Council concurred to go forward with the Commercial Redevelopment Act.

REVIEW OF PUBLIC WORKSHOP PROPOSAL

City Manager Pastue stated he and Assistant City Manager Bill Richards met with Dr. Joe Ohren from Eastern Michigan University to discuss his facilitation of a public session both prior and after the completion of a shared services/consolidation study. Pastue stated he was comfortable with having a public session to be scheduled in late November or December.

Wiggins stated that Dr. Ohren provided a good template to educate Council and the residents and that he was happy with the report from Dr. Ohren.

Wright asked if the information from the forum could be made available to the experts and Pastue replied they were advised it could be put in the report.

Buck stated it would help to shape the lens as to what to look through for the study in terms of the participants in this process.

Knol asked if Plante Moran was on target with their initial findings for December. Pastue replied it would probably be in January. She noted December is a very busy

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month for everyone. She also inquired how the notification would get out to the residents due to the short amount of time. Pastue replied they could put notices on the website, and word of mouth. Knol stated direct mailing would be the best method. Discussion followed regarding how to notify the residents of the meeting.

McShane noted the memo page of Dr. Ohren's report regarding challenges that face local units in the coming years. She stated she did not see in Dr. Ohren's report the questions that had been brought up with the residents such as: what are the abstract or social issues to consider, the quality of life issues, and losses that may occur with consolidation. She wanted these issues to be included since Plante Moran would not address them. Pastue stated Dr. Ohren would approach these issues.

Buck asked if the meeting would be limited to Farmington residents and Pastue replied it would be an open meeting available to everyone.

A tentative date of December 4th was proposed for the public meeting with registration at 6:30 p.m. and the meeting at 7:00 p.m. Wright suggested that residents use the website with follow-up questions.

OTHER BUSINESS

There was no other business.

PUBLIC COMMENT

There were no public comments.

COUNCIL COMMENT

Buck voiced concern about allocated costs from SWOCC regarding the 50/50 split. He felt there should be a study conducted to review cost allocation. McShane stated the issue could be part of Council's goals.

Buck discussed recognizing long time businesses in the community. Pastue noted City Clerk Halberstadt could obtain the information from the business-licensing database. Buck stated this issue could also be a part of goal setting.

Wiggins stated he was happy to see the communication tool Public Safety is using through the e-mail system.

Knol noted the awards won by DDA Main Street.

Knol stated she met with the Alta Loma Subdivision Board and suggested a work session to discuss how the City can address their issues.

McShane stated a council of residents would be beneficial to address concerns of each neighborhood.

McShane wanted the City to become more proactive regarding the rat problem. She felt the public needed to know what is being done to rectify the problem.

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Knol requested that more information regarding animal control, in general, be put in the spring newsletter to educate the residents as to what and what not to do.

Pastue stated the best time to put this in the newsletter would be in the spring and he would compile information regarding animal control at that time.

Knol noted that the main rule of government is public safety and residents perceive wildlife in their neighborhoods as a safety issue and it must be addressed.

McShane asked what is being done in Farmington Hills. Pastue replied they don't use bait boxes, but they issue citations. He stated there has not been any activity with the bait boxes in Farmington and they were removed.

McShane stated she would discuss the issue with the concerned resident.

ADJOURNMENT

11-07-192 MOTION by Buck, seconded by Knol, to adjourn the meeting. MOTION CARRIED UNANIMOUSLY.

The meeting adjourned at 9:30 p.m.

JoAnne M. McShane, Mayor

Susan K. Halberstadt, City Clerk

Janice Schmidt, Recording Secretary

APPROVED: November 19, 2007