

FARMINGTON CITY COUNCIL  
SPECIAL MEETING  
May 3, 2010

A special meeting of the Farmington City Council was held on Monday, May 3, 2010, 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 7:05 p.m. by Mayor Buck.

**COUNCIL MEMBERS PRESENT:** Buck, Knol, McShane, Wiggins.

**COUNCIL MEMBERS ABSENT:** Wright.

**CITY ADMINISTRATION:** City Clerk Halberstadt, City Manager Pastue, Interim Director Schulz and Treasurer Weber.

**APPROVAL OF AGENDA**

**05-10-075** MOTION by McShane, seconded by Wiggins, to approve the agenda as presented. MOTION CARRIED UNANIMOUSLY.

**DOWNTOWN DEVELOPMENT AUTHORITY (DDA) BUDGET PRESENTATION**

Present: Annette Knowles, DDA Director

Director Knowles reviewed proposed FY 2010-2012 DDA budget which included the work plan comprised of three core themes: Walk ability, Downtown Promotion and Increase Commercial Employment.

Responding to a question from McShane, Knowles stated short term solutions to parking continue to be part of the work plan.

Responding to a question from Wiggins, Knowles stated the DDA did not work with the City relative to redevelopment of its website due to the difference in functionality of each site.

Knowles discussed budget highlights including: tax increment financing (TIF) is projected to decrease significantly in both years; waiver of increase to Principal Shopping District (PSD) funds; appropriation for bond debt retirement for the streetscape project; and by 2011-2012 all events are intended to be self-funded. She noted a new cost center was created to reflect the separation of TIF from PSD funds.

Knowles reviewed revenue sources for the DDA budget, noting the total projected revenue for FY 2010-11 is \$ 953,800, down from the previous year of \$1.3 million, and \$896,500 for FY 2010-12. She briefly reviewed the revenues and expenditures of each cost center including: General Fund, Farmers Market, Founders Festival, PSD and Art on the Grand.

SPECIAL MEETING -2-  
May 3, 2010

Responding to a question from McShane concerning putting professional services out to bid, Knowles stated both the market analysis and website development will be put out to bid. She advised design services could be put out to bid and they could continue to use the services of Grissim Metz that are used by the City as well. She agreed it is prudent to put major cost items out to bid when possible.

Responding to a further question from McShane, Knowles stated the contract for seasonal flowers was not put out to bid given that the current contractor offered to hold the expenses to last year's level.

Responding to a question from McShane, Knowles advised the budget does not include a pay cut for employees, however, staff has experienced a pay freeze over the last two years and that freeze will continue for the next two years.

Responding to a question from McShane regarding the Art on the Grand Cost Center, Knowles stated under the arrangement with Farmington Hills, they will arrange for the artists and will collect and retain fees associated with the booth rentals. She continued to say all other revenue belongs to the DDA, including: the vendors that are serving food, sponsors, and the wine tent. She noted Farmington Hills is providing services for recruitment and placement of artists, as well as providing all of the staff support to the artists for the duration of the event.

Responding to a question from Knol, Knowles advised the cost reduction for part-time staff can be partly attributed to the distribution of salaries among the events. She continued to say that last year there were part time staffers cut due to the utilization of a fully compensated intern. They are looking to continue using interns, however, they are searching for an intern that is willing to be given a stipend at the completion of their internship. Knol suggested looking at Eastern Michigan University's Public Administration Master's Program for possible interns.

Buck commended Knowles on her focus on priorities and building a budget around them.

**REVIEW OF FISCAL 2010/11 PROPOSED BUDGET**

Present: Vince Pastue, City Manager

City Manager Pastue reviewed the Fiscal Year 2010-2011 Proposed budget as presented to Council at the April 19, 2010 regular meeting.

Pastue then presented a second budget that did not include a millage increase or concessions from collective bargaining units, but included layoffs and service reductions. He advised that in the area of administration functions, including City Manager's Office, City Clerk's Office, City Treasurer's Office, and some administrative personnel in DPW, there would be a personnel reduction including eliminating one full time position, one part time position, and making one adjustment equivalent to one full time employee.

SPECIAL MEETING -3-  
May 3, 2010

Pastue advised reductions in the Department of Public Works would include: eliminating two DPW workers, one custodial position, and reduction of seasonal part-time employees. Public Safety reductions would include: eliminating a single dispatch position to start and elimination of four Public Safety Officers.

He continued if these personnel reductions are implemented, the total loss of personnel since FY 2008 would include: 5 Administrative positions (33% loss); 5 Department of Public Works positions (28% loss); and 6 Public Safety positions (20% loss).

Pastue continued on with the adjustments to the original proposed budget that need to take place including: elimination of the proposed millage increase, elimination of wage and benefit concessions, elimination of some positions, and various other changes. He noted a reduction in Public Safety positions would result in reduced traffic fine collections.

Knol asked for clarification regarding eliminating wage and benefit concessions. Pastue responded if you eliminate the positions entirely you can't count the concessions.

Pastue explained the leaf and collection fee would be eliminated and the ability to meet the commitment applied to the COPS Grant would be eliminated. He stated approximately \$1,075,000 would be cut from the budget.

Responding to McShane's question, Pastue explained in making these changes the City would be very dependent on neighboring communities to contract for services. He continued the City can't ask for Farmington Hills to contract with us for shared services and then cut back on funds applied to Parks and Recreation services.

McShane asked if City property sales could be applied to offset the budget deficit. Pastue recommended funds from property sales be applied to debt service so as not to rely on a one time revenue stream.

Pastue reviewed adjustments that would need to be made from the proposed budget including: elimination of proposed millage increase; elimination of wage/benefit concessions; reduction in traffic fine collections; elimination of leaf collection; and elimination of the COPS grant; for a total of \$1,075,000.

Pastue reviewed personnel reductions in Administration, Public Works, Dispatch and Public Safety for a total savings of \$ 478,559 (includes adding back in the cost of unemployment insurance). He advised the shortfall after the reductions would still be \$596,441.

Responding to Wiggins question, Interim Director Schulz advised there would be 18 sworn officers remaining after the proposed reductions.

In addition to staff reductions, Pastue explained additional reductions/or eliminations would be needed including: leaf program; volunteer recognition; elimination of economic development; elimination of cable programming; 4-day work week and concessions; elimination of residential street lights; reduction of seasonal works; elimination of Civic

SPECIAL MEETING -4-  
May 3, 2010

Fund Transfer, DDA pension charges; DDA Increase Admin charge; reduction of DDA Capture to 75% and reduction of road millage to 0.1 mills; totaling \$596,441.

If DDA Capture was reduced to 75%, DDA Director Knowles commented she would be down \$110,000 not \$60,000 as indicated.

Pastue discussed the impacts that would be felt by the reductions proposed in the 2<sup>nd</sup> budget including the following:

Public Works Service Impacts:

- Close Park Restrooms
- Reduce Mowing of City properties
- Residential Street maling and mowing greatly reduced
- Eliminate Leaf Program
- Difficulty in meeting multiple service demands: water break, cemetery burial, snow plowing

Public Safety Service Impacts:

- Reduced fire response capability
- Significantly reduced detective capability
- Greatly reduced proactive police programs:
  - Eliminate the Apartment Watch Program
  - Eliminate Solicitor license background checks
  - Reductions the Neighborhood Watch Program
- Reduced Fire Inspections
- Reduced Community Safety
  - Car Seat/Automotive Safety Program
- Reduced Community Administrative Resources to secure grants
- Reduced Traffic Enforcement
- Reduced Infrastructure Investment
  - Roads
- DDA Programs and Events
- Reduced Resident/Business Access to City Facilities

Pastue explained there would be additional reductions within the Dispatch Department. He noted fire service will be diminished thereby making it potentially necessary to contract with Farmington Hills at an additional cost to the City.

Responding to a question by Knol, Pastue agreed it may be possible to re-hire a Public Safety officer or another staff person if the 2012 budget permits.

Councilmember Knol questioned the operational cost attached to the Warner Mansion. She suggested a program be established to raise money for part of the Mansion's operating expenses.

City Manager Pastue shared his concern about a decision regarding the Mansion and possibly losing all the hard working volunteers, docents and gardeners.

SPECIAL MEETING -5-  
May 3, 2010

McShane commented on the delicate balance that must be maintained in making decisions that may impact the quality of life in Farmington.

Responding to a question by Wiggins, Pastue answered if the City no longer operated the Warner Mansion the property would revert back to the Slocum family trust.

Council discussed the impact of the proposed cuts in services that are currently provided.

Pastue discussed the General Fund public vote alternatives:

1. No millage Increase – Maintain Services  
Need to cover \$460,000  
Reduce Road Millage Levy - \$215,800  
Eliminate Switchback Project - \$244,200
  
2. No Millage Increase – Cut Services  
Second Budget Alternative

City Manager Pastue referred to information received from residents at the Community Forum held April 13, 2010. He explained public opinion was that the Civic Theatre subsidy, the leaf collection program, and reducing hours for City Hall operation ranked low in importance. He then reviewed cuts necessary in order to reduce the amount of the proposed millage increase including:

1. Eliminate Civic Theatre Subsidy - \$33,000
2. Eliminate Leaf Collection Program and the additional \$95,000  
Eliminate \$33.00 per household  
Cut one DPW position - \$40,000
3. Reduce the Hours for the City Hall Operations - \$196,118  
Includes additional administrative positions cut
4. Reduce millage by 0.58 mills

Pastue suggested the proposed 2<sup>nd</sup> budget be presented at the next Community Forum in order to give residents a sense of the changes being considered.

Knol inquired as to the resident notification sent out by the City for the next Community Forum meeting.

Pastue stated notification went to the newspapers, cable and has been added to the City website.

Knol asked if Pastue would present the four scenarios discussed at this meeting, 1) millage increase, 2) no millage increase, 3) a vote, and 4) a vote sustaining the millage increase either with cuts or maintaining services and reducing the park switchback as well as road millage.

SPECIAL MEETING -6-  
May 3, 2010

Answering a question by Mayor Buck, Pastue stated the City Community Forum agenda would include review of the three alternatives associated with the budget and additional public comment.

**OTHER BUSINESS**

Pastue noted the Historical Commission has advised the City that additional candidates are needed for the Historical District Committee. He advised another newspaper add will be placed as the commission continues to recruit additional people.

**PUBLIC COMMENT**

Bob Rock, President of DDA, a business owner and resident, expressed concern regarding the proposed millage increase and the impact on business owners who are already struggling in this economy. He complimented the City on the excellent services it provides and noted he understands the difficult decisions facing Council.

Greg Cowley, business owner and resident, expressed his concern regarding the proposed millage increase. He stated DDA is currently looking at fundraising opportunities for the current fiscal year. He noted DDA is considering helping the City support the Civic Theatre and the Governor Warner's Mansion. They would like to use these venues to contribute to the overall good of the City and downtown. Cowley stated attracting businesses to the downtown is the DDA's first and foremost mission. He explained DDA is the vehicle that has increased the TIF through redevelopment and asked that cuts be carefully weighed.

**COUNCIL COMMENT**

Joanne McShane commented on ordinance violations committed by the Winery. She stated it looked like a flea market. She noted Grand Dry Cleaners has signs all over their building that do not meet code. She asked that the traffic signal masts be painted prior to Art on the Grand.

Pastue advised the electrical contractor responsible for painting the masts has not been paid because they didn't finish the job. He noted the City may need to hire another contractor to complete the work.

McShane stated the street markings on the road left by AT&T need to be removed.

Responding to a question by McShane, Pastue stated he wasn't aware of the City receiving any applications for the Beautification Committee since advertising in the newspaper. She then asked when DDA interviews would be held. Pastue answered DDA interviews are on hold.

Responding to a question by McShane, Pastue stated Farmington Public Safety was not involved in the Muirwood Apartment Complex fire.

SPECIAL MEETING -7-  
May 3, 2010

**CLOSED SESSION – LABOR NEGOTIATIONS**

**05-10-076** MOTION by Wiggins, seconded by Knol, to enter into closed session to discuss labor negotiations.

**ROLL CALL**

Ayes: Knol, McShane, Wiggins, Buck.

Nays: None.

Absent: Wright.

MOTION CARRIED UNANIMOUSLY.

Council entered into closed session at 9:10 p.m.

**05-10-077** MOTION by McShane, seconded by Wiggins, to return to open session.  
MOTION CARRIED UNANIMOUSLY.

Council returned to open session at 10:00 p.m.

Discussion followed regarding the upcoming Community Forum scheduled for May 13<sup>th</sup> and strategy for publicizing the event.

**ADJOURNMENT**

**05-10-078** MOTION by Knol, seconded by Wiggins, to adjourn the meeting. MOTION CARRIED UNANIMOUSLY.

The meeting adjourned at 10:14 p.m.

---

J.T. (Tom) Buck, Mayor

---

Susan K. Halberstadt, City Clerk

APPROVED: June 7, 2010