

MINUTES
CITY OF FARMINGTON HILLS
CITY COUNCIL STUDY SESSION
CITY HALL – COMMUNITY ROOM
JULY 14, 2014 – 6:00PM

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

Council Members Present: Brickner, Bridges (arrived at 6:15pm), Bruce (arrived at 6:55pm), Knol, Lerner, Massey and Steckloff

Others Present: City Manager Brock, City Clerk Smith, Assistant City Manager Boyer, Assistant to the City Manager Geinzer, Directors Mekjian and Randle and Attorney Joppich

DISCUSSION ON LOCAL ROAD FUNDING AND POSSIBLE MILLAGE QUESTION:

City Manager Brock explained that while the city has been in good shape with regard to road funding the last couple of years, state revenue for road funding has decreased and it is time for Council to make some decisions on how the city will continue to fund major and local road needs.

He stated that staff has worked with Orchard, Hiltz, McCliment (OHM) who will provide some information on the current road conditions and staff will be presenting information with regard to suggested funding by way of a millage proposal possibly for the November, 2014 ballot. He added that if it is Council's desire to pursue a millage proposal, formal discussion would need to take place at the next Council meeting in order to finalize ballot wording and have that certified to the County Clerk in time to appear on the November ballot.

Director of Public Services, Gary Mekjian, stated that his staff worked with OHM and provided them with a road condition assessment for all major and local roads in the community, and Rhett Gronevelt of OHM will discuss this process with City Council.

Mr. Gronevelt, OHM, explained that OHM partnered with the city engineers to put together an assessment of conditions and needs for major and local roads in the city. He stated that there are 299 miles of roads in the city with 59 miles of major roads and 240 miles of minor or local roads. He noted that the approximate value of the city-owned roads was \$285,000,000.

Mr. Gronevelt explained the systems used to rate the roads, which included Roadsoft software that MDOT encourages communities to use in order to standardize the evaluation process; and PASER, which is a 1-10 rating system with 1=total fail and 10=new roads. He confirmed that the rating was done by way of visual observation of staff driving through the city.

Mr. Gronevelt discussed the pavement life cycle and various surface treatments that could be applied. He reviewed the road conditions with City Council, noting that 124 miles of the roads were rated in poor condition, 90 miles in fair condition and 64 miles in good to very good condition according to the PASER rating system. He stated that gravel roads are provided a neutral rating.

Mr. Gronevelt provided an analysis of costs for major, local and industrial roads over a period of 10 years that included a mix of different road treatments at various investment levels.

Councilmember Bridges commented that it appears the local roads are in need of the most repair and questioned this was due to residents not requesting road improvements for their area.

Director Mekjian commented that staff has reached out to the residents of those subdivisions where the roads are in the worse condition, but there has been little response.

Mr. Gronevelt stated that Farmington Hills has completed just under 30 miles of road improvements through special assessment districts (SAD) in the past 10 years. He added that Farmington Hills has a good model for the SAD process and guiding residents through those steps. He went on to discuss historical funding trends with regard to roads, primary source funding (Act 51 monies), outside funding (grants), special assessment districts and reserve funds.

Director Mekjian stated that in years past, the city has had to pull from the fund balance in order to balance their budget when it came to road funding.

Director Mekjian explained the needs for additional road funding based on the review of the road conditions. He indicated that in terms of a millage proposal over a 10 year period, funding required for major roads would be approximately \$4 million dollars per year and local roads approximately \$1million per year in order to maintain the roads in fair or better condition. With 1 mill=\$3.2 million, staff's recommendation for a millage proposal if approved by City Council would be for 1.5 to 2 mills.

Further discussion was held on special assessment districts and Mr. Mekjian suggested that Council may want to consider city-initiated special assessments in those subdivisions where roads were rated 3 or less for curb appeal as well as to address potential safety concerns.

City Manager Brock added that it is the policy of Council to consider special assessments only where there are over 50% of the residents in favor of the project. He suggested that Council could consider improvements where there is a lesser percentage in favor, especially if health or safety issues are of concern.

Mr. Mekjian stated that additional funding through a millage would help with local matches required for major road projects as well as preventative maintenance for local roads and the city's contribution for special assessments. He added that the city may also want to consider special assessments for maintenance purposes only.

(Mayor Pro-Tem Bruce arrived)

Councilmember Lerner commented that he feels there will be minimum state revenue and that the city should assume they are on their own for road funding. He feels the city should continue with appropriating funding from the city budget as it has even if they go to the voters with a millage proposal.

City Manager Brock indicated that it would be the intent that the millage would be in addition to funds already allocated for roads.

Further discussion was held on a possible millage proposal and if 2 mills would be sufficient.

Mr. Brock stated that he feels if the city wants to be able to maintain or fix local roads and match funding made available for major roads, the additional funding is needed. The city can make its case and let the voters decide.

Councilmember Lerner commented that he would be in favor of reviewing special assessment requests from residents with a lesser percentage in favor of the project for those subdivisions that have roads in poor condition rather than the city initiating a special assessment.

City Manager Brock explained that one of the issues is that there is no organized homeowner's association for some of these subdivisions; and therefore, nobody to initiate the project on behalf of the residents.

Councilmember Massey stated that he is not opposed to the possibility of a millage proposal but questioned if the city would maintain the SAD process and how the millage would help with those subdivisions where there is no formal association.

Mr. Brock stated that it would be the intent to maintain the SAD process and the issue with the subdivisions with no organized Association would be a policy issue for Council.

Some concerns were expressed with residents being assessed through the SAD process and then being taxed through a millage.

Councilmember Knol inquired if the city could provide an incentive to residents by increasing the percentage the city would contribute towards an SAD. City Manager Brock responded that the City Charter limits the amount the City can contribute.

Councilmember Bridges inquired if a millage proposal would restore the 7 year road maintenance schedule the city once had. City Manager Brock responded that he anticipates that a millage would move that schedule back up to 7 years if not sooner.

Considerable discussion was held on the timing of a proposed millage.

Councilmember Massey stated that if the Council agrees to a millage proposal, he would like the wording to clearly include the intent and outline the goals.

Councilmembers Steckloff and Knol indicated that they felt there was a need to determine how to handle special assessment districts going forward before ballot wording for a millage proposal was approved.

It was the consensus of City Council to have staff prepare language for a millage proposal for 2 mills for road funding and for the matter to be placed on the July 28, 2014 regular City Council meeting agenda for consideration and public input. The issue may need to come back to Council at their August 11, 2014 meeting for final approval of ballot wording and to determine timing.

CONSIDERATION OF DISCUSSION FROM THE CITY COUNCIL STUDY SESSION OF JUNE 9, 2014 (ANNUAL JOINT MEETING):

There was not sufficient time to discuss this item prior to the start of the regular City Council meeting; therefore, it was determined that the item would be moved to the next Council meeting date of July 28, 2014 to be discussed at a study session prior to the regular meeting.

ADJOURNMENT:

Mayor Brickner adjourned the study session meeting at 7:25pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'P. Smith', with a stylized flourish at the end.

Pamela B. Smith, City Clerk