

MINUTES
CITY OF FARMINGTON HILLS
CITY COUNCIL STUDY SESSION MEETING
CITY HALL – COMMUNITY ROOM
MAY 11, 2015 – 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, Bruce, Knol, Lerner, Massey and Steckloff

Council Members Absent: None

Others Present: City Manager Brock, City Clerk Smith, Assistant City Manager Boyer, Assistant to the City Manager Geinzer, Director Mekjian and Attorney Dovre

GEORGETOWN ENERGY PRIZE UPDATE

Assistant to the City Manager Geinzer explained that they have no official data on the City's ranking in the competition yet, but should have more information in June. He stated that the City Manager's Office Intern, Lydia Macklin-Camel, will walk Council through the update.

Lydia stated that they have branded the competition with a new slogan and logo. She displayed the logo with the slogan "Putting Your Money Where it Counts". She explained that the 3 objectives are to help residents save money and make their homes more comfortable, provide for a sustainable future and bring home of the \$5 million prize. She provided an overview and timeline of the competition and scoring process and discussed the education being provided to the community and involvement of students in the competition. Lydia noted that the City has promoted the competition at several events including the kick-off event, Earth Day, Ladies Night Out and at Homeowner's Association meetings. They are working on engaging the community through social media and having a presence at more community events as well as marketing the competition to bring more meaning to the prize money and what it could accomplish.

Mayor Brickner mentioned the home energy audits that are available that Mayor Pro-Tem Massey had done at his home and that he is having done at his own home.

DISCUSSION ON GREAT LAKES AUTHORITY/DWSD UPDATE AND RATE APPLICATION

Water Resource Commissioner James Nash mentioned that a new lease agreement with Detroit Water and Sewer Department should be signed within a month's time. He stated that Oakland County is leading these efforts and his staff has been working very hard on this issue. He introduced his staff that would be presenting information on water and sewer rates this evening.

Jody Caldwell, WRC Representative, indicated that the minimum increase for the average household for total combined water and sewer was estimated at 2.9%. He discussed the proposed water rates outlining the basic rate calculation, 2014 water sales that were 14.5% lower than budgeted and projected 2015 and 2016 water sales. He noted that the projected water loss for FY2016 is 5%. The average increase for water rates from 7/1/15-6/30/16 is projected at 11.3% and is largely a volume issue from declines caused by several factors. Mr. Caldwell indicated that the Farmington Hills Water Tower resulted in an estimated saving of \$3,540,360. He further reviewed the water revenue requirements and rate summary, noting that the FY2016 estimated average quarterly decrease per residential customer was \$3.21 and minimum quarterly decrease of \$1.33.

Tim Prince, WRC Representative, explained that sewer sales are forecasted to decline by 6.3% for FY2016 compared to the prior year. He reviewed the sewer revenue requirements and stated that since sales are going down this will result in an increase in expenses. He reviewed the summary rates and noted that the estimated quarterly increase for FY2016 per residential customer was \$10.64 and minimum quarterly increase of \$4.26.

Mr. Prince noted that the capital investments for each system include the water storage tank at \$20.6 million for the water system and the Middlebelt Tunnel project at \$25.3 million for the sewer system. He discussed the project combined rates over the next several years noting a slight decrease in 2017 and then increasing in 2018 and being fairly stable over the next couple of years.

Councilmember Lerner inquired if the Eight Mile Road sewer project was included in the rate summary projections. Mr. Prince responded that this project would most likely be part of the 3 year projections beginning in 2021/22 and would mostly likely be a significant project bonded by the system.

ADJOURNMENT

There being no further discussion, the meeting adjourned at 6:50 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'P. Smith', written over a horizontal line.

Pamela B. Smith, City Clerk