

MINUTES  
CITY OF FARMINGTON HILLS  
FARMINGTON HILLS CITY COUNCIL  
CITY HALL - COMMUNITY ROOM  
APRIL 10, 2023 – 6:00PM

The study session meeting of the Farmington Hills City Council was called to order by Mayor Barnett at 6:00pm.

Council Members Present: Barnett, Boleware, Bridges, Bruce, Massey and Newlin

Council Members Absent: Knol

Others Present: City Manager Mekjian, City Clerk Smith, Assistant City Manager Valentine, Directors Schnackel and Skrobola and City Attorney Joppich

**SPORTS FACILITIES ADVISORY OPTIMIZATION REPORT**

Gary Mekjian, City Manager, stated that before Council is the final draft report after months of staff working along with Sport Facilities Company (SFC) to evaluate facility needs and operations of the special services department in order to close the gap in the budget from previous years now that The HAWK community center is in full operation. Evan Eleff, representing The Sports Facilities Company, is in attendance to walk Council through the report that was provided to them last week that includes a multi-year plan with recommendations on how to close that budget gap. He thanked Director of Special Services, Ellen Schnackel and Finance Director Tom Skrobola and their staffs for their time spent with SFC to provide this report.

Mr. Eleff, SFC, indicated that Sports Facilities Advisory (SFA) was lead on the development of the report. The evaluation was broken down into 4 components: Introduction of SFC and the plan, Physical Asset Evaluation and Recommendations for both the Costick Center and The HAWK, Financial Performance Evaluation and Recommendations and Conclusions and Questions. He provided background information on the company and explained their optimization process. He noted that the drivers of the project were the definitions of success established that included:

- Reducing the financial gap to “pre-HAWK” performance levels
- Maintaining access to high level participative programs
- Enhancing the reputation of The HAWK
- Enhancing Farmington Hills’ reputation as a top-tier community

Mr. Eleff reviewed the report with Council that provided strategies for the evaluation process and physical asset evaluation of the Costick Center and The HAWK facilities and options for reducing the \$6.2 million budgetary gap. He reviewed costs associated with those options that included rebuilding on the Costick Center site a new center to accommodate 50 and better needs/services or building an annex at The HAWK site that would include amenities to service residents 50 and better.

Due to costs and efficiencies, Mr. Eleff stated that SFA was recommending to Council to build an Annex on The HAWK site. He reviewed funding options and stated that with proper oversight and management of the budget that this recommendation is estimated to reduce the budgetary gap to \$2.1 million that is lower than the “pre-HAWK” budget and meets that ultimate goal as well as meeting all other definitions of success established. This plan was proposed over a five year period from FY 22-23 to FY 27-28.

One of the funding strategies included a parks and recreation millage to cover \$1.2 million of the debt and Council inquired what that millage would cost per household.

Finance Director Skrobola stated that the millage would cost approximately \$60/household.

Council had the following inquiries, comments or requests:

- Requested information on the current indebtedness of the city and past Parks and Recreation Millage renewals and increases
- Inquired if the estimated costs for the annex included escalation and inflation
- Was selling the Costick property and that revenue reviewed
- How naming rights could generate revenue to off-set some debt
- Inquired about the maturation date for the golf course debt
- Why the additional parking suggested for the annex was not included in the cost estimates. Council thought those costs should be included
- Were partnerships with neighboring communities pursued to determine if they would be interested in a joint community center at the Costick Center as it could help their communities provide those same services to their residents.

Staff indicated they would provide the figures and information requested on past millages and the golf course debt.

In response to Council inquiries and comments, Mr. Eleff responded that the proposed estimated costs did take into consideration inflation costs. The city would most likely want to target mid-size to larger corporations for sponsorship and naming rights. Selling the Costick property was discussed but it was his understanding that there has been no full value assessment of the property to date. If that were done it could be funding that was included as part of the funding to be provided by the city. He added that he would include the parking cost estimates as part of the final report as this was only a draft at this time.

Director of Special Services Schnackel reported that she has had discussions with neighboring communities and they were not interested in such a partnership as they know their residents are already using it. She could pursue this option further if Council wished.

Discussion was also held on the Innovation Center and proposed funding for that venture and potential grant opportunities and other funding options for the recommended annex.

Some members of Council expressed that they were not fully in on the idea of an annex at The HAWK as they were hearing from residents on how they preferred the Costick Center site and parking at that location. It was also mentioned that the city would be spending \$16.5 million for an annex to close a \$6.2 million gap and that perhaps the city needed to review public/private partnerships to take over some of the programming.

Mr. Eleff stated that they reviewed that option as he previously outlined and understands there is a lot of passion for the Costick Center, but the data for best location and operational efficiencies and cost all pointed to The HAWK location. If Council felt differently, his company could certainly further evaluate other options, but his job was to make a recommendation based on the information gathered.

City Manager Mekjian stated that in light of upcoming budget discussions, he suggested a committee is formed with member of the Parks and Recreation, Innovations, Children, Youth and Families to gather

public input on the appetite for a millage and to explore partnerships with public entities. He added that SFC should remain involved in this process and Council agreed having an outside company with no passion or bias is important.

City Manager Mekjian stated that Council will likely see ongoing consultant services for SFC included in budget document.

**ADJOURNMENT**

The study session meeting adjourned at 7:28pm

Respectfully submitted,



Pamela B. Smith, City Clerk