

MINUTES
CITY OF FARMINGTON HILLS
CITY COUNCIL STUDY SESSION MEETING
CITY HALL – COMMUNITY ROOM
JUNE 11, 2018

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

Council Members Present: Bridges, Bruce, Knol, Lerner, Massey, Rich and Steckloff

Council Members Absent: None

Others Present: City Manager Boyer, City Clerk Smith, Assistant City Manager Mekjian, Directors Barr and Mondora and City Attorney Joppich

ROAD MILLAGE DISCUSSION

Mayor Massey stated that Council has been discussing a potential road millage for well over a year as special assessment districts are no longer working as a means for maintaining local roads. He commented that the Council has heard loud and clear that the residents want different options. He stated that this evening's discussion will be focused on the possibility of putting a ballot question before the voters in November of this year. Mayor Massey reviewed past discussions and actions of Council that included approving language that would exempt residents in an active special assessment from the millage. This language was not approved by the Attorney General's office so staff was trying to work with legislators to pass legislation that would allow for this exemption. Mayor Massey stated that it is not known at this time where this legislation stands in the senate and unlikely anything would be approved in time to put a ballot question forward in November so the City Attorney was asked to review other options. He indicated that Attorney Joppich will provide an update on alternative options, staff will then provide an update on the roads and proposed ballot language will be reviewed. He added that staff is looking for a consensus of Council on whether or not they wish to move forward with ballot language on the November ballot..

(Mayor Pro-Tem Lerner arrived)

City Attorney Joppich explained that he was directed that if legislation is not approved to allow for the previous ballot language approved by Council to explore all possible alternatives. He stated that he evaluated all suggestions of Council and provided draft language to Council this evening. He explained that the proposed language would help Council achieve transition from the old funding method of special assessment districts to a millage for local roads. The millage amount suggested by staff was 2.75 mills and that was included as part of the language. Attorney Joppich summarized that the language includes a Charter Amendment that would eliminate the 80/20 cap funding and mandate an amendment of all unexpired special assessment districts for local road improvements to reduce the amount assessed so that all affected properties would have a zero balance due and those who had prepaid would receive a refund. He noted that the language also addresses defaults and special assessment rolls would be amended by way of the Charter language.

Attorney Joppich introduced Jeff Aranoff, Bond Counsel, who was also present in the event Council had questions on the special assessment bonds.

Discussion was held on the proposed ballot language.

Councilmember Bruce inquired if there could be tax implications for those residents who receive a refund.

Attorney Joppich responded that he could look into that question for Council, but typically residents would be directed to consult with their own attorney on such issues.

Council agreed that a lot of education on the proposal language would be needed as it may be a bit confusing to voters.

City Manager Boyer stated that 40% of the city's local roads are at a PASER rating of 2 or below so staff is suggesting 2.75 mills as part of the proposal language that would provide for approximately \$10 million a year for paving of local roads.

(Councilmember Steckloff arrived)

Mr. Boyer explained that if there is consensus from Council this evening to move forward with the proposed language, it will come back to City Council for approval at their regular meeting on June 25th. He added that if the language is not approved by the Attorney General's Office, staff would most likely come back to Council in July proposing a direct millage question as it is important for the City to continue to maintain the road system.

Karen Mondora, Director of Public Services, presented a powerpoint presentation showing the current local road conditions and how the proposed millage could improve the overall PASER ratings and road conditions in the city.

Councilmember Bruce commented that the slides clearly show that the special assessment district method is not working.

Councilmember Bridges inquired if the road millage funding approved in 2014 would be merged with the current proposal. City Manager Boyer responded that the money dedicated for road maintenance from the 2014 millage would be combined with the current millage to continue to maintain local roads. Mr. Boyer added that money would also be set aside to pave gravel roads if residents wished to have them paved.

Councilmember Steckloff mentioned that Council had previously discussed including language in any proposal that they would levy "up to" a certain amount so that the entire amount was not necessarily levied if additional funding was received by the State.

Attorney Joppich explained that legally the city does not have to levy the full millage amount but he could add the words "up to" in the language.

There was a consensus of City Council to move forward with the proposed ballot language including 2.75 mills and adding the words "up to" to the proposed language to be presented to City Council for consideration at their meeting on June 25, 2018.

Mayor Massey stated that if the ballot proposal is placed before the voters and it fails, the city can't allow the roads to further deteriorate and the only option at that point would be to revert back to the directed special assessment district process. He feels it is important that everyone who wanted another option helps the city educate residents on the millage language and what it will accomplish.

Discussion was held on the city's participation in educating voters. Attorney Joppich clarified that city funding can't be used to promote the millage proposal but staff can provide factual information and educate residents. He also confirmed that if a citizens committee is formed to promote the proposal, City Council could participate on that committee as a resident of the city.

ADJOURNMENT

The study session meeting adjourned at 7:05pm

Respectfully submitted,



Pamela B. Smith, City Clerk

