APPROVED 8/10/2026

MINUTES
CITY OF FARMINGTON HILLS
FARMINGTON HILLS CITY COUNCIL
STUDY SESSION
CITY HALL – COMMUNITY ROOM
JULY 13, 2026 – 6:00PM

The study session of the Farmington Hills City Council was called to order by Mayor Rich at 6:01pm.

Councilmembers Present:	Aldred, Boleware, Bridges, Dwyer, Knol, Rich and Starkman
Councilmembers Absent:	None
Others Present:	Acting City Manager Mondora, City Clerk Lindahl, Directors Davis, Rushlow, Skrobola and Sullen-Winn, and City Attorney Joppich

DISCUSSION REGARDING SPONSORSHIP AND COPYRIGHT OF CITY LOGOS

City Attorney Steve Joppich introduced this item, noting that he had provided Council with a background memorandum on the subject. He explained that the matter arose approximately a year prior, when a private individual distributed a flyer bearing the City's logo in a manner that falsely implied the City was sponsoring the individual's business event. He was asked at that time to research the issue, and the item had since worked its way to the Study Session agenda.

City Attorney Joppich outlined three general approaches for protecting the City's logos. The first is the "do nothing" approach, under which the City retains common law rights to its logos but would face a more difficult burden of proof in any enforcement action. The second approach is formal trademark or service mark registration with the U.S. Patent and Trademark Office. He noted that while there is a general prohibition against trademarking municipal logos outright, registration may be achievable for specific purposes such as economic development and community promotion. He referenced the City of Wixom as an example of a community that successfully registered its logo through his office. The third approach is the adoption of a local ordinance prohibiting the use of City logos for commercial profit. He cited the City of Ann Arbor as a model, noting that Ann Arbor's ordinance had been challenged by the ACLU and subsequently adjusted, making it a useful and legally tested template. He provided Council with a draft ordinance for review. City Attorney Joppich also noted that pursuing trademark or service mark registration would involve an application cost of approximately two thousand dollars, with no guarantee of approval.

Council discussed the matter at length. Councilmember Bridges asked whether any benchmark community research had been conducted beyond the examples cited. City Attorney Joppich indicated that research had been limited to Ann Arbor, Wixom, and one community in Indiana, and that broader research could be performed. Councilmember Dwyer expressed support for the ordinance as a protective safeguard, noting that while it would likely be enforced primarily through warnings rather than formal fines, its existence would serve as a deterrent. He also noted the ordinance would only create a civil, not criminal, infraction.

Councilmember Knol raised a practical concern regarding unintentional uses of the City logo, such as vendor presentations submitted to City departments, or student presentations from groups such as the Mayor's Youth Council or HOSA. She expressed a desire to ensure such uses would not be inadvertently penalized. City Attorney Joppich clarified that an exception for City-permitted uses could be built into any ordinance and suggested that vendor and consultant contracts could also include explicit authorization to use the logo for specified deliverables. He further noted that enforcement discretion would remain with the City, and that a cease-and-desist approach could be used in most instances before any fine is assessed.

Councilmember Knol also recommended that language prohibiting unauthorized logo use be added to City facility rental agreements as an immediate, low-cost measure, noting that many violations are likely the result of ignorance rather than malicious intent. There was general agreement on this point. Councilmember Aldred and Councilmember Starkman expressed support for proceeding with an ordinance, viewing it as a reasonable and proportionate step. Councilmember Boleware supported the ordinance as well and raised the additional scenario of vendors using the City's logo in their own marketing materials to indicate past clients—suggesting that any ordinance language address that circumstance.

Discussion then turned to the appropriate fine amount. City Attorney Joppich explained that Ann Arbor's ordinance carries a maximum fine of $10,000, which he attributed to Ann Arbor's significantly larger commercial market and national profile as a Big Ten university city. Council debated fine levels ranging from $1,000 to $10,000. Councilmember Boleware favored retaining the $10,000 maximum as a deterrent even if lower amounts would typically be imposed. Councilmember Knol preferred simplicity and suggested a cap of $1,000. Councilmember Bridges proposed a hybrid approach, with a standard base fine and escalating penalties for repeat violations or cases where the violator derived significant commercial benefit. Mayor Rich proposed a maximum of $5,000, which Council accepted as a workable compromise. Mayor Rich also noted that the prohibition's language in the draft ordinance—focused on use intended to deceive, mislead, or create a false impression of City endorsement for commercial gain—appropriately captures the intent-based nature of the violation.

Council reached consensus to proceed with the following: adoption of a city ordinance prohibiting unauthorized commercial use of City logos, with a maximum fine of up to $5,000; and incorporation of logo use prohibition language into City facility rental agreements.

<u>DISCUSSION REGARDING CONSTRUCTION MANAGER FOR SENIOR ACTIVITIES CENTER</u>

Mayor Rich opened this item by framing the discussion within the City's current financial context. She noted that the City has been drawing on its fund balance in each budget since FY13 and characterized the City's spending pattern as structural deficit spending. She reported that the State's recently adopted budget included zero dollars of the $5,000,000 that the City had sought for the Senior Activities Center. She further noted that a $1,500,000 federal earmark sought for a commercial kitchen remained uncertain given the current trajectory of the federal appropriations process. Mayor Rich also confirmed that Council did not reach consensus at the prior meeting to place a special services millage increase on the November ballot.

Mayor Rich reported that the City's fund balance is currently projected at $59,000,000 as of June 30, 2027 and noted that the Finance Director's recommendation is to maintain a minimum fund balance of 50 percent of expenditures and transfers out—approximately $45,000,000—so long as the City continues to run structural budget deficits. This threshold is designed to preserve the City's AAA bond rating. Under this framework, approximately $14,000,000 from fund balance would be available for capital use without jeopardizing that rating.

Mayor Rich indicated that administration believes an additional $11,000,000 could potentially be identified through a combination of reassigned bond proceeds (approximately $5,000,000 from bonds issued in 2025/26), future use of Costick Center excess land, Brownfield Authority contributions of approximately $1,500,000, federal earmarks, fundraising, naming rights, and sponsorships. Based on this analysis, the working project budget is $25,000,000.

Councilmember Bridges asked Finance Director Skrobola for clarification of the basis for the 50 percent fund balance recommendation, and Director Skrobola affirmed that the calculation is based on Unassigned Fund Balance in the General Fund divided by expenditures and transfers out of the General Fund.

Councilmember Bridges wanted to confirm that Director Skrobola had previously affirmed that a fund balance policy of 25-35%, rather than 50%, was appropriate for maintaining a AAA bond rating. Director Skrobola reaffirmed that a fund balance policy of 25-35% would be appropriate for maintaining a AAA rating, but only if the City adopted and projected a structurally balanced General Fund Budget where expenditures and transfers out of the General Fund do not exceed revenues and transfers in to the General Fund.

Councilmember Bridges asked Director Skrobola whether the City should expect ongoing deficits beyond the current fiscal year. Director Skrobola confirmed that the FY 2026-27 budget and fiscal plan as adopted by City Council includes continued deficit spending, and that all budget projections reflect that trajectory, which is why a 50% General Fund unassigned fund balance is recommended.

Director of Special Services Ted Davis and Director of Public Services Jacob Rushlow provided context on the construction management approach and project scope.

Director Davis referenced a recently completed comparable project in Livonia - a combination of new build and renovation totaling approximately 30,000 square feet for the senior center component - which came in at a Guaranteed Maximum Price (GMP) of $26,600,000, inclusive of furniture, fixtures, equipment, kitchen equipment, and wayfinding technology. He noted the per-square-foot cost for that project was approximately $465, excluding the pool. He cautioned that the larger the scope—particularly with respect to pools—the more expensive the project becomes, as pools are costly both to build and to operate.

Councilmember Knol asked whether a building designed for a $25,000,000 budget could include the core program elements—general activity and classroom space, a commercial kitchen, a pool, and parking—while also being designed to accommodate a second pool as a future phase addition. Director Davis confirmed that phased design is entirely feasible and is a standard approach in such projects.

Director Rushlow explained how the construction manager is engaged early in the design process, working alongside the architect to provide real-time cost estimating, value engineering recommendations, and life cycle cost analysis throughout design development. He noted that the construction manager commits to a Guaranteed Maximum Price once design reaches sufficient completion, and that early bid packages can be issued for foundational and structural work to compress the overall project schedule. He confirmed that Council would be involved at two key formal decision points: the award of the RFP, and the approval of the GMP as a contract amendment.

Director of Central Services Michelle Aranowski confirmed that an RFP would be issued through the MITN procurement platform, mirroring the process used to select the architect and engineer. She anticipated receiving between 10 and 15 responses, which would be shortlisted to approximately five firms for interviews. She estimated the process would take approximately three to four months.

Councilmember Dwyer expressed support for proceeding but emphasized the importance of designing the building with future expansion in mind, including cost projections for any phase 2 elements that cannot be accommodated within the current budget.

Mayor Rich confirmed that the project's non-negotiable elements remain unchanged: a commercial kitchen, activity and classroom space, space for the Cenex program, and a pool.

Mayor Rich noted that once the architect and construction manager are both under contract, the Senior Activities Center Ad Hoc Committee would be reconvened. She also suggested that the architect be invited to present at a Commission on Aging meeting so that seniors could provide public comment on the project.

Acting City Manager Mondora confirmed that the architectural contract had been finalized on the legal side and was awaiting the firm's signature, with a kickoff meeting scheduled for August 11, 2026. She noted that the architect would be advised of the forthcoming construction manager RFP at that kickoff meeting and would be invited to weigh in on the RFP language.

Council reached consensus to proceed with issuing an RFP for a Construction Manager for the Senior Activities Center, with a project budget not to exceed $25,000,000, and with the RFP to include language addressing phased construction and future expansion.

ADJOURNMENT

Mayor Rich closed discussion and adjourned the meeting at 7:05pm

Respectfully submitted,

Carly Lindahl, City Clerk