

**MINUTES
CITY OF FARMINGTON HILLS
FARMINGTON HILLS CITY COUNCIL
STUDY SESSION
CITY HALL – COMMUNITY ROOM
SEPTEMBER 14, 2026 – 5:30PM**

The study session of the Farmington Hills City Council was called to order by Mayor Rich at 5:30pm.

Councilmembers Present: Aldred, Bridges, Dwyer, Knol, Rich and Starkman

Councilmembers Absent: Boleware

Others Present: Acting City Manager Mondora, City Clerk Lindahl, Directors Davis and Kettler-Schmult and City Attorney Joppich

UPDATE FROM THE DIRECTOR OF SPECIAL SERVICES

Director of Special Services Ted Davis presented a comprehensive update approximately 100 days into his tenure. Director Davis described his work to date as encompassing the evaluation of facilities, programming, operations, and staff, noting he had met with or scheduled meetings with all full-time staff members.

Director Davis outlined his priorities, which include building a comprehensive 10-year Capital Improvement Plan to consolidate park amenities and facility needs into a single planning document. He reported on ongoing operational changes, including the implementation of a resident priority registration system beginning with the Winter 2027 season, effective November 16th, which would provide residents with a two-day registration window ahead of non-residents. He emphasized this was not punitive toward non-residents but rather an affirmation of the value of Farmington Hills residency.

Director Davis provided updates on several grant and design initiatives. He reported that a competitive Michigan Department of Natural Resources (MDNR) grant award of \$500,000 had been received for Heritage Park playground and parking lot improvements, with design services currently going out to bid and a contract award anticipated within one to two months. He noted that the new activity center design process was three meetings in, and at a very preliminary stage focused on understanding space needs and programming.

Regarding the third floor of the Hawk, Director Davis described a plan utilizing Michigan Economic Development Corporation (MEDC) grant funds to relocate staff offices from prime second-floor real estate to the third floor, converting that vacated space into additional fitness class space. He also proposed relocating the Hawk's Nest childcare area to the larger, more visible space currently occupied by the after-school youth program and moving the after-school program to the third floor. A longer-term vision includes converting Harrison Hall into an indoor play area for young children.

Acting City Manager Karen Mondora added that the third floor was also being considered as a location for early voting, election equipment storage, and City Clerk space, which would relieve scheduling pressure on the new activity center.

Councilmember Dwyer raised concern about the accessibility of a third floor voting location. Acting City Manager Mondora responded that the handicap-accessible ramp would be reconstructed within weeks

and that elevator access from the east side of the building would be available. Mayor Rich emphasized the importance of clear signage.

On financial performance, Director Davis stated that Special Services is not a low-performing department but must improve its net income. He outlined a series of fee alignment measures, including Ice Arena revenue rate increases starting in September 2026, projected to yield an additional \$50,000; a standardized flat 20% surcharge on all non-resident program fees; and a \$5 across-the-board increase in Farmington Hills Golf Club fees beginning in 2027, projected to generate approximately \$200,000 in additional annual revenue.

Director Davis presented significant changes to the Hawk passholder program, set to take effect January 1, 2027. These changes include incorporating fitness classes into the standard passholder membership, consolidating what had previously been a separate fitness membership, as well as offering passholders a 10% discount on Hawk programs including swim lessons, priority registration for programs and summer camp, and access to the multi-sport simulator. Individual fitness-only membership fees would decrease from \$70 to \$30 per month as the programs are consolidated. The overall passholder fee structure would increase by approximately 25%, but Director Davis emphasized the increased value proposition. He projected that if passholder numbers remain at their current level of approximately 5,600–5,700, these changes would produce a net revenue increase of over \$200,000. The broader goal is to grow passholder numbers to 10,000, which would represent an additional \$1,000,000 per year in revenue.

Director Davis stressed the need for a more deliberate programming philosophy at the Hawk, noting that the facility has been over-rented and over-programmed, leading to persistent parking complaints and degraded experience for core users. He stated the priority must be on creating a positive experience for the "mom and two kids on a Saturday", the family-oriented user the facility was designed to serve. In response to a question from Councilmember Bridges regarding fees charged to the North Farmington–West Bloomfield youth football program, Director Davis expressed that large-scale, recurring rental events of that nature negatively impact the Hawk's core passholder experience and parking availability, and that the department needs to be very deliberate about what rental arrangements it enters into.

Councilmember Bridges acknowledged the approach but urged sensitivity to the perception that improvements are not coming at the expense of the paying public. Director Davis agreed, noting that an imperfect but well-intentioned schedule will always generate some dissatisfaction.

Director Davis also noted discussions underway regarding Farmington's fair-share contribution. He explained that preliminary conversations have returned to the terms of a 2008 handshake agreement, under which the City of Farmington would pay approximately \$300,000 annually, to Farmington Hills for recreation, cultural arts, and senior services. The revised approach would exclude The Hawk, golf, and the Ice Arena from the agreement, with Farmington residents charged non-resident rates for those facilities.

Acting City Manager Mondora indicated that City Attorney Joppich would draft a formal agreement for consideration by both city councils. City Attorney Joppich confirmed that no existing written agreement has been located, and that formalizing the arrangement is the next step.

Other items Director Davis flagged as forthcoming included: engagement with the Superlative Group on sponsorship opportunities; ongoing partnership discussions with the YMCA, Oakland County, and Mercy High School in connection with the new activity center; an RFP for a private-sector partner for The Hawk

third floor; implementation of a golf course online booking system by the start of the 2027 season; and a review of concessions operations at The Hawk, which currently operate at a loss, with an RFP for a third-party operator or an expansion of vending as likely outcomes within six to nine months.

Councilmember Knol asked about the cadence of the Ad-Hoc committee meetings related to the activity center and the senior population. Acting City Manager Mondora reported that the next Ad-Hoc committee meeting is tentatively scheduled for September 29th at 5:00 PM at the Costick Center.

UPDATE FROM DTE ENERGY REPRESENTATIVE

DTE Energy was represented by Director of Policy and External Affairs Dan Mahoney, Regional Manager Liz Vogel, and Lead Engineer Derrick Sanborn. Director Mahoney opened by acknowledging the challenges customers experienced during severe weather events in 2026, characterizing the year as particularly difficult following two favorable weather years in 2024 and 2025.

Director Mahoney provided an overview of the July 3rd storm, describing it as an event that was not anticipated, with only 60 to 90 minutes of warning of its severity. The storm created approximately 3,200 wire-down events across the service territory, with roughly 1% occurring within Farmington Hills. Approximately 1,200,000 customers were affected across Michigan and surrounding states, which Director Mahoney noted complicated the ability to bring in mutual aid crews quickly, as neighboring utilities were simultaneously responding to their own outages. He estimated the storm required a 100% increase in workforce compared to a standard storm response.

Engineer Sanborn presented a chart showing the number of outages per substation across the eight substations serving Farmington and Farmington Hills for three comparable storm events. Six of the eight substations showed improvement. The Drexel and Raven substations showed elevated outage numbers and were identified as areas requiring additional analysis and investment. Engineer Sanborn noted that ongoing reconducting and upgrade work in the northern Farmington Hills area had placed those circuits in an abnormal operating state, removing protective devices to safeguard crews, which increased vulnerability during the upgrade period. He indicated approximately three weeks of work remained on the Drexel substation.

Director Mahoney highlighted the trajectory of storm restoration performance across recent comparable events. A March/April 2026 wind event affecting 450,000 customers saw 99% restoration within 48 hours — a significant improvement over a comparable 2017 event that affected 750,000 customers and required up to a week or more to restore. A May 2026 event with a tornado resulted in 58,000 outages, with 99.91% restored within 24 hours. The Labor Day 2026 storm, which he noted involved three consecutive storm systems, resulted in 550,000 outages with 85% restored within 48 hours.

Councilmember Dwyer raised concerns about the quality of customer communications during outage events, noting that restoration estimates are repeatedly missed, that customers receive generic and inaccurate information, and that credibility is being lost. He described a specific instance during the Labor Day storms in which neighbors unnecessarily vacated their homes based on an inaccurate estimate, only to have power restored within hours.

Engineer Sanborn acknowledged that the accuracy and communication of restoration estimates has not matured at the same pace as other aspects of storm response operations, and that this represents the area of greatest opportunity for improvement.

Director Mahoney presented DTE's power improvements map, showing projects completed and planned within Farmington Hills over a five-year window, including 41 smart grid devices, 30 upgrade projects, and 6 tree-trimming projects.

Regional Manager Vogel reported that 8 reclosers had been installed ahead of the July 3rd storm, with 22 more planned for installation within six to eight weeks. She committed to following up with mapped data showing recloser locations and wire-down locations by address or nearest intersection.

Engineer Sanborn explained the function of reclosers and automation devices, describing how they enable sectionalizing of outages to limit impact and allow remote rerouting of power from DTE's System Operations Center in Detroit without requiring a field crew dispatch. He noted that these devices also provide more accurate outage localization.

Councilmember Knol raised concerns about the limitations of tree trimming as a long-term solution, citing the impossibility of controlling trees outside DTE's right-of-way and the difficulty of burying lines in older, fully developed communities. She asked what was being done to ensure that when a single line fails, the majority of affected customers can be rerouted.

Engineer Sanborn explained the loop structure enabled by reclosers and the sectionalizing function that limits customer impact.

Regional Manager Vogel confirmed that tree trimming in Farmington Hills operates on a five-year cycle, with the last trim completed in 2022 and the next scheduled for 2027

Mayor Rich identified the Costick Center, which includes the location of the city's cooling center and Meals on Wheels operation, and the surrounding area as having experienced a five-day outage followed by a two-day outage after restoration, and that the repeated outages have cost the city thousands of dollars and left seniors without meals. She requested that DTE give that area enhanced attention in its investment and restoration prioritization.

Mayor Rich noted that 38 downed lines during the July storm required the city to deploy firefighters to stand guard, pulling them away from emergency response duties at a time when there were active fire and medical emergencies. She stated the city is absorbing overtime and mutual aid costs to babysit DTE's lines and asked how the city would be reimbursed. Regional Manager Vogel acknowledged that there is no cost recovery program for tax-funded Police and Fire Departments. Mayor Rich characterized this as reducing DTE's incentive to respond promptly to downed lines.

Mayor Rich described instances during the July storm in which DTE field personnel told residents that the delay in restoring power was due to Farmington Hills DPW needing to remove a tree, a characterization she described as inaccurate, as city DPW does not remove trees from downed power lines. She asked that DTE address communications for crews dispatched to the city.

Mayor Rich requested that DTE representatives appear at a regular City Council meeting on either September 28th or October 12th to present specific commitments and actions taken in response to the issues raised. Director Mahoney agreed to confirm availability and respond promptly.

EDUCATIONAL PRESENTATION REGARDING DATA CENTER USES

Acting City Manager Karen Mondora introduced the item by clarifying that there are currently no data center proposals, inquiries, or applications before the city. She explained that the discussion was a follow-up to the City Council goal session held in February 2026, at which council requested ongoing monitoring of data center activity in the region, and to a legislative update provided by Senator Rosemary Bayer earlier in the summer.

Director of Planning and Community Development Charmaine Kettler-Schmult presented the current state of the city's zoning ordinance as it relates to data centers and computer processing centers. She noted that the use is currently classified as a permitted use in two zoning districts: the B-3 General Business District and the LI-1 Light Industrial District, both subject to site plan approval at a public meeting before the Planning Commission. Director Kettler-Schmult noted that two businesses currently operating in Farmington Hills engage in some level of data processing, neither approaching the scale of hyperscale data centers, and that the city's level of development makes it highly unlikely that parcels sufficient for a large-scale facility could be assembled without significant consolidation.

Councilmember Knol argued against a moratorium, expressing concern about legal exposure and citing the legal challenges facing the City of Wixom. She advocated instead for proactively initiating ordinance development.

Councilmember Knol noted that data centers exist along a wide spectrum of scale and that many businesses, including hospitals, manufacturers, and insurance companies, operate small data centers that are visually indistinguishable from standard office buildings. She urged staff to begin working through ordinance questions including appropriate zoning districts, water use requirements, and noise standards, emphasizing that inaction is functionally equivalent to a moratorium.

Councilmember Bridges expressed support for ordinance review and highlighted the importance of addressing potential impacts on the electric grid and water resources, as well as the broader economic implications of AI-driven demand for data center infrastructure.

Councilmember Dwyer agreed that a moratorium was not the appropriate path and supported an ordinance-based approach.

Councilmember Aldred expressed interest in limiting permitted data center uses to the LI-1 district only and suggested exploring size or energy consumption thresholds above which a special use permit or other heightened review would be required. He also expressed support for a short-term deferral to provide staff time to evaluate potential ordinance amendments, noting that under a deferral, applications could still be filed but decisions would be held pending the ordinance review.

City Attorney Joppich clarified the distinction between a moratorium and a deferral, referencing past deferrals related to medical and recreational marijuana uses. He noted that a moratorium involves suspending even the acceptance of applications, whereas the city's past deferrals have been narrower in scope and temporary in nature. City Attorney Joppich confirmed he would defer to his written legal memo on the relative legal risks.

Mayor Rich expressed support for a short-term deferral while staff investigates ordinance options, noting the very limited land area within the city that would currently be eligible for such uses.

The general consensus of council was to direct staff to begin the ordinance review process, with a short-term deferral serving as a protective measure in the interim.

ADJOURNMENT

Mayor Rich adjourned the meeting at 7:26pm

Respectfully submitted,

Carly Lindahl, City Clerk