

**MINUTES  
CITY OF FARMINGTON HILLS  
FARMINGTON HILLS CITY COUNCIL  
CITY HALL – COMMUNITY ROOM  
MAY 12, 2025 – 6:00PM**

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

Councilmembers Present: Aldred, Boleware, Bruce, Dwyer, Knol and Rich

Councilmembers Absent: Bridges

Others Present: City Manager Mekjian, Assistant City Manager Mondora, City Clerk Lindahl, Directors Kettler-Schmult, Rushlow, and Schnackel and City Attorney Joppich

**FISCAL YEAR 2026 WATER AND SEWER RATES PRESENTATION**

Staff present to support tonight's discussion included:

Jacob Rushlow, Public Services Director

Tammy Gushard, Senior Engineer

Raphael Chirolla, Financial Services Manager, Oakland County Water Resources Commissioner's Office

Drew Sandahl, Engineer, (WRCO)

Zachary Earp, Oakland County Water Resources Commissioner

Public Services Director Rushlow explained that Farmington Hills continues to see a downward trend in water and sewer sales, which is consistent industry-wide throughout Michigan. Costs continue to increase for operations, maintenance, and capital infrastructure investments.

City Manager Mekjian clarified the relationship between Oakland County Water Resources and the City: the City owns the water and sewer assets, while Oakland County Water Resources handles all operations, maintenance, rate negotiations with Great Lakes Water Authority, and develops the annual rate presentation for City Council consideration.

Utilizing the PowerPoint presentation *City of Farmington Hills Water and Sewage Disposal Systems FY 2026 Rate Proposal*, Mr. Chirolla and his team explained the following:

**Sewer Rates, FY 2026:**

- Basic rate calculation follows the standard formula: Total estimated costs divided by projected sales equals the rate per thousand cubic feet (\$/Mcf)
- Projected sewer system sales show a 1.8% reduction in volume, consistent with mature systems where people use less water.
- GLWA/Evergreen-Farmington sewage costs are increasing 4.8% over the previous year. The Evergreen-Farmington system overall increased 5.5%, but Farmington Hills benefits from a five-year rolling average that results in a below-average increase.
- WRCO operational increases are driven primarily by personnel costs and contractual services.
- Farmington Hills' internal sewer system operating costs increased 4.5%, driven mainly by contractual services.

- Reserves increases: Major maintenance reserve increased by \$650,000 (from \$2.275 million to \$2.925 million), and capital reserves increased by \$400,000. These increases are proactive measures to prevent large rate increases or debt financing in the future.
- Non-operating debt service: Includes participation in the 8 Mile cap project and the anticipated Walnut One pump station project, both part of the Administrative Consent Order Long-Term Corrective Action Plan. Both projects use SRF (State Revolving Fund) loans with phased-in payments based on anticipated disbursements.

**Council Discussion on Sewer Infrastructure:**

In response to questions, WRCO Engineer Sandahl explained that Walnut Lake Pump Station No. 1 is a pump station project at 14 Mile and Inkster that will provide additional capacity and discharge to the GLWA system, ultimately helping Evergreen-Farmington get out of its Administrative Consent Order, Long-Term Corrective Action Plan.

City Manager Mekjian provided further historical context about past sewer issues on Middlebelt and the previous retrofit of Walnut One station approximately 20 years ago to prevent sanitary sewer overflows.

**Sewer Rate Impact for individual customers, FY 2026:**

- Overall revenue requirement increase: 7.7%
- With 1.8% volume reduction, the net rate increase is 9.7%
- **Typical residential customer quarterly increase: \$21.22**
- **FY 2026 estimated quarterly bill: \$240.36 (based on 3.9 Mcf usage)**
- **Minimum quarterly bill increase: \$8.71 (from \$89.90 to \$98.61)**

**Council Questions on Sewer Operations:**

Mayor Rich requested information on the percentage of residents at minimum usage. WCRO staff said that this could be provided.

Councilmember Boleware asked about flooding and sewer backup issues. WRCO staff explained that while occasional backups occur, they do respond within hours. WCRO maintains a proactive 10-year cleaning cycle for the entire system using high-pressure water jetting to remove roots, grease, and debris. They also conduct condition assessments using standardized PACP (Pipeline Assessment Certification Program) scoring.

Councilmember Dwyer requested historical rate increase data going back to 2015 and asked about the impact of the Macomb County sewer issue. WRCO staff clarified that the Macomb County interceptor issue does not affect the Evergreen-Farmington system.

WCRO staff explained that Farmington Hills has over 1.7 million linear feet (330+ miles) of gravity sewer main and over 8,000 manholes. WCRO's capital improvement plan projects proactively replacing approximately 26,000 linear feet annually.

**Water Rate Impact for individual customers, FY 2026:**

- Water rates use a three-year average for projections
- Projected water sales show a 2.2% reduction in volume
- GLWA Purchased Water Costs increased 4.8% for a reduced volume. Farmington Hills saw an actual 5.7% increase based on GLWA's calculation methodology.

- Operating expenses remained relatively stable with negligible changes
- Reserves increases: Major maintenance increased by \$65,000, capital reserve increased by \$400,000 to support anticipated \$6 million annual water system improvements
- Non-operating debt service: Water tower debt from 2012 and 2014 re-funded bonds, with minimal fluctuation until payoff around 2035
- Overall revenue requirement increase: 4.8%

**Water Rate Impact:**

- Rate increase: 7.1%
- Typical residential customer quarterly increase: \$14.63
- FY 2026 estimated residential quarterly bill: \$219.77 (based on 3.9 Mcf usage)
- Minimum quarterly bill increase: \$6.00

**Water Tower Savings:**

- FY 2026 estimated savings including debt: \$3,229,000.
- Estimated total savings through FY 2026: \$29,210,000 (compared to original \$14 million tower cost)

**Combined Water and Sewer Residential Rates:**

- Overall combined rate increase: 8.4%
- Combined quarterly bill increase: \$35.85 (from \$424.28 to \$460.13) based on 3.9 Mcf usage
- Annual cost for average residential customer: approximately \$1,840

Mayor Rich pointed out that the City has no control over water and sewer rates, which are determined by WCRO.

Mr. Chirolla noted that Farmington Hills is one of their most proactive communities in terms of system maintenance, resulting in rates that are somewhat lower than less proactive communities.

**Council Discussion:**

Discussion focused on how often residents do not/are unable to pay their water bills, and the collection process for delinquent accounts, including:

- WRAP (Water Residential Assistance Program) program available through GLWA – designed to help people pay their bills, reduce past due balances, and conserve water through various initiatives.
- Hardship funds available through the County
- If water bills are not paid and the homeowner does not qualify for assistance programs, there is the possibility of water shutoff after multiple notification letters/collection efforts.
- Eventually unpaid balances are placed on tax rolls.

City Manager Mekjian noted that via communication with the WRCO, staff closely monitors delinquencies and are more accommodating for residential customers than commercial accounts.

Mayor Rich requested a report on water shutoff frequency and mitigation plans for those events.

Councilmember Boleware referenced a resident with a well who had complained about sewer rates. Assistant City Manager Mondora explained that a sewer-only customer program allowed well users – who do not have water meters – to install meters to record actual water usage from their well. Customers are then billed on their sewer bill based on their actual water consumption rather than the system average.

FISCAL YEAR 2026 WATER AND SEWER RATES will be on the June agenda.

**DISCUSSION ON THE USE OF CITY FACILITIES POLICY REGARDING SIGNATURE GATHERING**

Mayor Rich noted that this proposal appears on tonight's regular meeting consent agenda for potential action, depending on consensus being reached during study session discussion.

City Clerk Lindahl explained that during the April 14th study session there was consensus to develop specific areas where signature gathering would be permitted at three city facilities - the Costick Center, the Hawk, and City Hall. The packet includes maps showing the recommended areas that staff, administration, and the city attorney identified as best suited for this purpose.

City Attorney Joppich confirmed that the proposed locations were based on Council's direction from the previous study session, incorporating the specific guidance and questions raised by Councilmembers.

**Council Discussion:**

In response to comments from Councilmember Knol, City Attorney Joppich confirmed that signature gathering is allowed in open air areas of sports parks, with restrictions when sports areas are in use by private entities that rent facilities (similar to picnic shelter policies when rented).

Councilmember Boleware recalled previous conversation relative to renters inviting signature gatherers into their rented areas. City Attorney Joppich said that the city would be unlikely to take action against invited guests, effectively allowing invitees to participate in signature gathering within rented areas.

Councilmember Knol pointed out that while sports groups rent baseball/softball fields, they don't rent the walkways or sidewalks between parking lots and fields. She suggested that signature gathering should be permitted on these public walkways since they aren't part of the rented facility.

Special Services Director Schnackel agreed that signature gathering on walkways leading to sports fields makes sense, as the ordinance refers to "specific designated use" areas (the actual sports fields and facilities, plus picnic shelters), which wouldn't include general walkways.

Councilmember Aldred referenced Section C-1 regarding "forum designation of community uses," noting that city parks are designated as traditional public forums in open areas not designated for sports-specific fields. He interpreted this to mean that parks, except for areas being specifically used, would qualify as traditional public forum areas similar to Heritage Park, which excludes the amphitheater when in use.

Council requested that a "cheat sheet" regarding allowed signature-gathering locations be made available at the Clerk's office. After discussion, it was agreed that maps would be available at the various facilities showing where signature gathering is permitted. Information and maps will also be posted on the City website.

Council reached consensus to keep the item on tonight's regular meeting consent agenda for formal action.

**DISCUSSION ON ZONING TEXT AMENDMENT 3, 2025 INCLUDING REVISIONS TO OS-4 OFFICE RESEARCH DISTRICT AND OFF-STREET PARKING STANDARDS FOR MULTI-FAMILY RESIDENTIAL AND OFFICE USES**

Planning Consultant Jill Bahm (Giffels Webster) introduced two zoning amendments resulting from master plan implementation efforts: modifications to the OS-4 district and updates to parking standards. These amendments are intended to utilize existing ordinance frameworks to begin implementing master plan strategies.

**Background and Overview:**

Planning and Community Development Director Kettler-Schmult explained that these amendments implement the master plan by addressing current conditions in the city's office use environment, particularly along the 12 Mile and Orchard Lake Road corridors. Large office properties developed decades ago face redevelopment difficulties under current ordinance requirements, but the vision from years ago no longer aligns with the city's future direction. Property owners in the affected areas have expressed strong interest in the proposed amendments, as they seek assurance about the city's long-term vision for these corridors.

The amendments include both OS-4 district modifications and parking standards updates, which are interconnected since changes to allowable uses require corresponding parking requirement adjustments. Current parking standards were established in the mid-to-late 1980s.

**OS-4 District Amendments:**

The OS-4 district encompasses strategically located areas adjacent to highways, originally designed for office use. The proposed changes include:

- Diversified uses beyond office buildings: multifamily residential, office-to-residential conversions (specifically called out), live-work units, other commercial uses, and artisan manufacturing accessible to the public in retail format.
- Height increases: from 50 to 65 feet generally, and up to 80 feet within 400 feet of the I-696 right-of-way.
- Height bonus option: up to 100 feet if 15% of the site is dedicated to accessible public space/park.
- Building setback modifications: maintaining 50-foot setback from 12 Mile Road, with reduced setbacks for internal streets on large parcels.

**Visual Impact Analysis:**

Staff provided graphic materials showing 12 Mile Road building height impacts from different perspectives. Due to topography, increased building heights would be most visible from I-696 rather than 12 Mile Road. The graphics included cross-sections showing 50-foot, 65-foot, 80-foot, and 100-foot building examples, plus perspective views from various vantage points.

**Council Discussion:**

Councilmember Knol supported the general concept of converting empty office buildings to mixed-use including residential, but expressed concerns about ensuring quality conversions. She emphasized that office-to-residential conversions must be done thoughtfully to avoid buildings that look inappropriately placed ("plopped down on existing sites"). Knol also questioned whether seven-story buildings fit Farmington Hills' suburban character. She requested renderings showing how individual tall buildings

would look among shorter buildings and examples of successful office-to-residential conversions in similar suburban areas.

Councilmember Aldred understood the need for increased height and supported freeway-adjacent placement, but had reservations about 100-foot heights. He did not believe 15% park space dedication was sufficient compensation for the additional height bonus to 100 feet.

Councilmember Bruce expressed concern about visibility from residential areas across the freeway, as well as potential light impacts on homes backing up to I-696 in neighborhoods like Trillium and Oxford Estates. Tall buildings should not negatively impact nearby residential areas.

Councilmember Boleware supported the recommendations, viewing the ordinance amendments as a catalyst for transforming areas that are currently "nothing but parking lots and asphalt." She saw potential for mixed-use development to generate demand for restaurants and amenities the city lacks. Boleware also noted that due to topography and tree coverage, light impacts across the freeway would likely be minimal.

Councilmember Dwyer agreed with other members' concerns about aesthetic considerations and spoke of the need to proceed carefully and slowly.

**Staff Input:**

City Manager Mekjian said that the proposed text amendment represents low-hanging fruit for master plan implementation. The 12 Mile Road corridor contains obsolete office space zoned in the 1970s and 1980s that no longer meets modern work patterns. He emphasized the need to make decisions for the next generation, removing barriers in order to attract redevelopment by national and international companies.

Economic Development Director Brockway reported on the ongoing corridor market study findings:

- Significant interest from property owners in office-to-residential conversions and mixed-use development.
- Current residential demand is 8 units per acre (double pre-pandemic levels).
- Recognition that large floor-plate buildings like Arboretum wouldn't easily be converted, but other buildings could accommodate residential or alternative uses such as artisan manufacturing.
- Property owners are conducting their own feasibility studies, many with deep market knowledge, having owned the properties for 40+ years.
- Steel construction requirements above four stories represent significant investment thresholds.
- Most interested developers look to 4-7 story buildings with mixed-use for better return on investment.

**Examples and Comparisons:**

Planning Consultant Bahm presented local examples of recent developments:

- Apex (Orchard Lake Road): New construction apartments in West Bloomfield, set back significantly from road
- Town Court apartments and townhomes: West Bloomfield development featuring donut-wrapped design similar to planned Emerson development

- Birmingham Pointe: Five-story mixed use development, 70 dwelling units per acre, described as "spectacular" though taller than surrounding buildings
- Office conversion in Southfield: Former County Services building converted with two additional new buildings and central park

Mayor Rich emphasized that the draft amendments fulfill commitments made in the master plan, which was approved a year ago. The amendments had been studied and refined by the Planning Commission over multiple meetings. She noted the I-275 corridor precedent where the city approved certain development options that remain available but unused. The goal of the ordinance changes is to help eliminate "seas of asphalt" along 12 Mile Road and bring buildings closer to the road to support restaurant and retail development.

**Next Steps:**

The discussion will continue at future meetings, including at the joint meeting with the Planning Commission in July.

**ADJOURNMENT**

The Study Session meeting was adjourned at 7:15pm.

Respectfully submitted,

Carly Lindahl, City Clerk