

**MINUTES
CITY OF FARMINGTON HILLS
FARMINGTON HILLS CITY COUNCIL
SPECIAL STUDY SESSION
CITY HALL – COMMUNITY ROOM
JUNE 1, 2026 – 6:00PM**

The special 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 Brockway, Davis, Kettler-Schmult, Rushlow, Skrobola, and Sullen-Winn and City Attorney Joppich

Discussion was held on reordering agenda items. By consensus, Council agreed to take up Item 5. Discussion on Funding Options for the New Activities Center first, followed by Item 3. Discussion on Utility Rate Model Options, and then Item 4. Discussion on Zoning Audit and Site Plan Review Process, if time permitted.

Acting City Manager Mondora advised that the only regular meeting in June was scheduled for June 8th, that the study session was already at capacity and that a closed session was set to begin at 5:30 PM that day.

DISCUSSION ON FUNDING OPTIONS FOR THE NEW ACTIVITIES CENTER

Mayor Rich provided brief background, noting that State Representative Slotkin had submitted a request for \$5,000,000 in state appropriations for the new Activities Center, and that testimony in support of that request had been given before a House committee earlier that same day. Mayor Rich emphasized that the \$5,000,000 was not guaranteed, as it was one of five requests submitted by the representative, and that a decision on the state budget was anticipated within approximately 45 days. She further noted that if Council wished to place a millage question on the November ballot, the resolution would need to be adopted at the June 8th Council meeting.

Finance Director Skrobola provided financial context, and Acting City Manager Mondora recapped the prior study session, during which various fund balance scenarios were modeled against the need to maintain a AAA bond rating. She noted that draft ballot language had been prepared by City Attorney Joppich and included in the Council packets for review.

Millage Language and Dedication

Councilmember Bridges asked City Attorney Joppich whether the proposed millage could be designated specifically as a "senior millage." City Attorney Joppich explained that the city's existing charter provision authorizes a parks and recreation facilities and programs special tax,

and that the draft resolution references the new Activities Center as a purpose in its whereas clauses, but the actual charter language—constrained to 100 words—would not specifically call out senior programs. He noted that specifically naming one category of service could raise questions about other categories and could complicate discretionary spending. City Attorney Joppich confirmed that Council could, as a policy matter on a year-to-year budget basis, direct that funds be dedicated to senior-related purposes through informational materials and the resolution language.

Farmington Parity

Councilmember Knol raised concern that a Farmington Hills–only millage increase would require Farmington Hills taxpayers to fund a facility also heavily used by City of Farmington residents, who pay resident rates under a 2008 agreement that has not been updated. She noted that approximately 25% of Costick users are not Farmington Hills residents. Acting City Manager Mondora confirmed that the city had recently met with the City of Farmington and provided updated cost information, but that no agreement had been reached. Council agreed that revisiting the Farmington cost-sharing arrangement was necessary, particularly in advance of any millage campaign.

Councilmember Boleware noted that non-resident usage extended beyond Farmington and that other communities benefit from Farmington Hills facilities without equivalent financial contribution.

Public-Private Partnership Opportunities

Councilmember Knol referenced a nonprofit organization in the community that operates similar recreational facilities in an aging building and suggested that a partnership arrangement could be explored to help offset ongoing operating costs of the new center. She noted that conversations had occurred, but no agreement had been reached. Council expressed general interest in continuing to pursue such arrangements.

Acting City Manager Mondora noted that several surrounding communities including Livonia, Southfield, and West Bloomfield, were each currently undertaking or completing their own new recreation or community centers, placing Farmington Hills behind the regional pace.

Fund Balance and Financing

Councilmember Bridges discussed the city's current general fund balance, which stands at approximately \$63 million—approximately 73% of annual general expenditures. He argued that this elevated fund balance represented a long-standing failure to dedicate accumulated reserves to capital needs, and that a draw-down to fund the new center was appropriate. Director Skrobola confirmed that using approximately \$23–25 million of the general fund balance, in conjunction with maintaining a structurally balanced general fund budget going forward, would result in a fund balance ratio of approximately 33–35%—within the range considered acceptable by Wall Street rating agencies and the Government Finance Officers Association.

Director Skrobola outlined the key components of the proposed financing plan:

- Approximately \$17–25 million drawn from the general fund balance
- \$7 million anticipated from donations, partner contributions, and grants
- \$5 million repurposed from existing bond proceeds originally designated for drain projects
- \$6 million in new debt issuance, at an estimated annual debt service of approximately \$650,000 over 20 years

Director Skrobola noted that the structural deficit in the General Fund would remain after drawing down the fund balance, and that the proposed millage—approximately 0.55 additional mills, increasing the parks and rec millage from approximately 0.448 mills to 1 mill—would generate roughly \$2.9 million annually to address that structural deficit and help balance the general fund going forward.

Councilmember Bridges asked whether the \$5 million state congressional appropriation request from Senator Peters and Representative Slotkin was factored into the model. Finance Director Skrobola indicated that one-time funding sources, while welcome, do not address the ongoing structural deficit and therefore cannot substitute for the millage component of the plan.

Councilmember Bridges expressed that, in his view, a \$25 million draw-down combined with the \$7 million in partnerships and the \$5 million from existing bond reserves could total approximately \$37 million toward the project without a millage increase and questioned whether debt issuance would be necessary. Director Skrobola clarified that the millage would not be needed to construct the center if sufficient fund balance and other resources were used but would be necessary to maintain the AAA bond rating by structurally balancing the general fund on an ongoing basis.

Councilmember Bridges also requested a future study session dedicated to establishing a formal fund balance policy with specific triggers—targeting a range of 25–35% of annual expenditures—to govern how excess reserves are identified and deployed.

Road Millage Offset Proposal

Councilmember Knol proposed that if Council moved forward with a parks and recreation millage increase, it could simultaneously reduce the major roads millage by a comparable amount—given the new state neighborhood road funding of approximately \$4–4.5 million annually—so that the net tax burden on residents would remain approximately neutral. She emphasized this would be a transparent, voter-approved swap, not a reallocation of dedicated funds.

Councilmembers Aldred and Knol indicated they could potentially support a millage going on the ballot under this offset condition. Councilmember Aldred summarized the logic: the city is receiving new road funding from the state, which would allow the road millage to be reduced without diminishing road program output, while the parks and rec millage increase would address the structural Special Services deficit.

Mayor Rich expressed discomfort with the linking of the two millages, citing concern that the city had just asked voters in November to approve road funding and that reducing that commitment would be problematic. Director Skrobola clarified that reducing the road millage by approximately \$2.8 million annually would, under the current budget plan, materially reduce the road and drain project program, since the new state road funding had already been committed to cover the transfer of drain projects from the general fund—a structural change enabling 8 new firefighters and 3 new police personnel to be added without worsening the structural deficit.

Council Positions on the Millage

Mayor Rich stated she would support placing the millage on the November ballot, citing in part the city's demographic trajectory—the population aged 85 and above is projected to double within the next decade—and the risk of continued deferral.

Councilmember Bridges stated he was not supportive of a millage increase given the existing fund balance level and the financing alternatives available, though he acknowledged the structural deficit argument made by Director Skrobola.

Councilmember Boleware expressed personal opposition to a millage increase due to broader economic pressures on residents but indicated she would not block the question from going to the voters.

Councilmember Knol stated she had difficulty supporting a millage increase as currently structured—particularly without resolution on the Farmington parity issue—but could support it if paired with a road millage reduction.

Councilmember Aldred expressed similar reluctance to a straight tax increase, noting that the millage is effectively needed to reduce the General Fund/Special Services structural deficit rather than to build the center per se, and that this framing may be difficult to communicate to voters. He expressed conditional support if paired with the road millage offset.

Councilmember Dwyer stated that after hearing the Finance Director's analysis, he believed a millage was necessary to fund the center and encouraged Council to move forward with a ballot question, leaving the decision to voters.

Councilmember Starkman noted the frustration of previous administrations having deferred action on the Costick Center for many years and acknowledged that using available fund balance responsibly combined with other funding sources was the right approach. He did not categorically oppose a millage but indicated uncertainty about whether it would pass.

City Attorney Joppich noted that the draft ballot resolution contained two blanks: (1) the year in which the millage would first be levied, and (2) the estimated first-year revenue. Director Skrobola confirmed the levy would first occur in July 2027. City Attorney Joppich noted he had submitted the draft language informally to the Michigan Attorney General's office for review and would communicate any recommended adjustments.

Public Comment on Funding Options

Lori Daro addressed Council, expressing skepticism about the need for a millage given the city's large fund balance. She urged Council to pursue grant writing more aggressively, suggested charging Farmington residents non-resident rates if no cost-sharing agreement is reached, and voiced concern that any new millage revenue might be directed toward the Hawk rather than the senior center.

Pat Hansen, a Farmington resident, expressed support for a millage dedicated solely to the senior building, noted that a new building should carry lower operating costs than the current aging facility, and advocated for a graduated increase in Farmington's contribution. She acknowledged that using \$25 million of fund balance, combined with other sources, would bring the project close to fully funded.

Anita Wagoner reported that informal conversations she had conducted indicated majority opposition to a millage increase among residents, citing existing tax burdens. She agreed with the suggestion to engage a professional grant writer.

Sue Dengiz asked why the potential sale of surplus Costick Center land had not been included in the financing discussion. She also supported grant writing and referenced potential private donations.

Lew Cantor raised the issue of the fungibility of grant funds, specifically referencing \$750,000 awarded to the city's Economic Development Corporation years ago for an innovation center that was never built. He urged Council to act with transparency and integrity regarding any designated grant funds, and suggested the unused funds be returned to the state or formally redirected with the grantor's approval.

Liane Kufchock cautioned against over-reliance on uncertain revenue projections. She also noted that the Finance Director's examination had consisted largely of closed-ended questions and questioned whether the full financial picture—specifically whether a millage was truly necessary to fund the project—had been clearly established for the public record.

DISCUSSION ON UTILITY RATE MODEL OPTIONS

Director of Public Services Rushlow introduced the item, noting that the discussion was a follow-up to the prior month's study session. He was accompanied by Brian Camiller and Amanda Garber from Plante Moran. Director Rushlow noted that a correction had been issued in a May 19th memo (correcting a cubic feet reference), and that a supplemental handout dated June 1st had also been distributed, consolidating the updated information.

Councilmember Aldred indicated that Options B and C answered the questions he had submitted and that Option A remained his preference.

Jump Start and Year-One Impact

The primary discussion centered on the proposed first-year "jump start." Consultant Camiller explained that the jump start was designed so that by collecting additional revenue in year one,

subsequent annual increases could be held to a lower, more predictable rate making it easier for future Councils to approve incremental increases rather than facing perpetual high-single-digit or double-digit annual increases.

Councilmember Aldred expressed concern that Option A, as structured, imposed two simultaneous increases on higher-volume users in year one: (1) the structural shift from a minimum bill to volumetric pricing, which by design increases costs for above-average users; and (2) the additional jump start surcharge on top of that adjustment. He questioned whether both changes needed to be implemented simultaneously.

Councilmember Boleware noted that approximately 40% of Farmington Hills customers use 15 units or fewer per quarter and would see rate decreases, while approximately 60% use more than 15 units and would face increases. She expressed concern about the impact on larger families who use more water but whose incomes may not qualify them for assistance programs such as the WRAP program or the emergency relief fund.

Councilmember Knol proposed exploring whether the low-end rate relief and the high-end increase could each be phased over two years rather than fully implemented in year one, to smooth the impact on higher-volume customers. Consultant Camiller acknowledged this was mathematically possible but noted it would result in higher annual increases in subsequent years for all customers.

After discussion, Council directed the consulting team to model a revised version of Option A in which the year-one increase for the sample 25-unit customer is capped at approximately 16%, with the corresponding adjustments carried through to all other customer tiers.

Raphael Chirolla of Oakland County Water Resources also addressed Council, noting that Farmington Hills is one of the most proactive communities in the county in terms of infrastructure investment, which contributes to longer-term rate stability relative to communities that defer maintenance.

DISCUSSION ON ZONING AUDIT AND SITE PLAN REVIEW PROCESS

Acting City Manager Mondora introduced the item, noting that zoning and permitting had been identified by Council as top priorities. She noted that the city's new planning consultant had completed a zoning ordinance audit and had developed site plan review process improvement recommendations. The goal of the effort was described as creating a fair, predictable, and efficient review process benefiting applicants, staff, and the Planning Commission.

Zoning Ordinance Audit

Ben Carlise, Planning Consultant of Carlisle Wartman, summarized the audit findings under seven evaluative principles: formatting, graphics, organization, readability, avoiding conflicting language, efficiency and reduction of redundancy, and alignment with current law and best practices.

Key findings included that the ordinance has not undergone a comprehensive rewrite in many years, resulting in regulations that are scattered, repetitive, and difficult to administer. For example, regulations related to swimming pools were found to appear in approximately 13 different locations within the ordinance. The ordinance also contains conflicting language, excessive hyperlinks that complicate digital navigation, and an unnecessarily large number of zoning districts (e.g., four separate office districts and four separate business districts).

Mr. Carlisle also identified several substantive gaps in the current ordinance, including: absence of conditional rezoning provisions; no regulation of short-term rentals; limited housing options (no provisions for duplexes, triplexes, or accessory dwelling units); outdated sign regulations that may not comply with current case law; lack of provisions for data centers; cumbersome Planned Unit Development regulations; and the need to incorporate recommendations from the recently completed master plan and pending state land division law changes.

Three options were presented for Council's consideration:

- **Option 1 – Comprehensive Rewrite:** A full reorganization and substantive revision of the entire ordinance, including community and stakeholder input; estimated timeline of 18–24 months.
- **Option 2 – Reorganization:** A structural reorganization to improve usability and reduce redundancy, without substantively changing specific regulations (except where required by law or best practices); estimated timeline of 6–12 months.
- **Option 3 – Status Quo:** Continue addressing regulations on a case-by-case basis as issues arise.

Council reached a general consensus in favor of **Option 2**, the reorganization approach.

Councilmember Bridges requested a separate follow-up meeting with Mr. Carlisle to discuss strategies for commercial revitalization along Orchard Lake Road, including the potential use of a Tax Increment Financing district. Mr. Carlisle noted that zoning tools such as addressing nonconformity issues, reducing excessive setback requirements, and streamlining access could help encourage private reinvestment along the corridor. He referenced the firm's long-term work in the City of Troy on the Big Beaver corridor, which resulted in hundreds of millions of dollars in investment attributable in significant part to targeted zoning changes.

Mr. Carlisle also acknowledged a question from Councilmember Bridges regarding blight regulations, noting that blight is typically addressed through the general code as a nuisance matter rather than through the zoning ordinance, but that it could be considered as part of either body of code.

Site Plan Review Process Amendment

Mr. Carlisle presented proposed amendments to the site plan review process, noting that the current process lacks clear codification of submittal requirements, contains conflicting provisions between the zoning ordinance and engineering standards, and does not clearly define how applications move from staff through the Planning Commission to Council adoption.

These deficiencies have led to inconsistent application quality and unnecessary back-and-forth between applicants and staff.

The proposed amendment would establish two distinct review tracks: a full five-step site plan review process for projects requiring Planning Commission action, and a three-step administrative review track for smaller projects that can be handled at the staff level. The amendment would clearly define submittal requirements, approval timelines, and review standards for each track.

Director of Economic Development Cristia Brockway confirmed that the revised process would provide the predictability and streamlining necessary to support implementation of the Grand River Corridor, 12 Mile and Orchard Lake Road corridor plans. Mr. Carlisle noted that the site plan review amendments and the zoning ordinance reorganization could proceed concurrently, with separate adoption timelines. The site plan review amendments are currently anticipated to go before Council for adoption in October or November 2026, following Planning Commission review.

PUBLIC COMMENT

Adam Rebandt addressed Council, distributing materials regarding fatherlessness statistics at the state and national levels. He requested that Council consider issuing a proclamation declaring June as Responsible Fatherhood Month in the City of Farmington Hills, in recognition of the role of engaged fathers in child development and community stability.

ADJOURNMENT

Mayor Rich adjourned the meeting at 8:48pm.

Respectfully submitted,

Carly Lindahl, City Clerk