

**MINUTES
CITY OF FARMINGTON HILLS
FARMINGTON HILLS CITY COUNCIL
CITY HALL – COMMUNITY ROOM
JANUARY 13, 2025 – 6:00PM**

The study session meeting of the Farmington Hills City Council was called to order by Mayor Rich at 6:02pm.

Council Members Present: Aldred, Boleware, Bridges, Bruce, Dwyer, Knol and Rich

Council Members Absent: None

Others Present: City Manager Mekjian, Assistant City Manager Mondora, City Clerk Lindahl, Directors Aranowski and Rushlow, and City Attorney Joppich

**CLOSED SESSION ITEM:
CONSIDERATION OF APPROVAL TO ENTER INTO A CLOSED SESSION TO DISCUSS AN EMPLOYEE REQUESTED REVIEW FOR CARLY LINDAHL, CITY CLERK.**

MOTION by Bruce, support by Bridges that the City Council of Farmington Hills hereby approves entering into a closed session to discuss an employee requested review for Carly Lindahl, City Clerk.

Roll Call Vote:

Yeas: ALDRED, BOLEWARE, BRIDGES, BRUCE, DWYER, KNOL AND RICH

Nays: NONE

Absent: NONE

Abstentions: NONE

MOTION CARRIED 7-0.

Council returned to open session at 6:36pm.

**STUDY SESSION ITEMS:
PURCHASING POLICY THRESHOLDS**

Background

Referencing materials in the Council packets (Memorandum dated 01/13/2025, redlined copies of Purchasing Policy and Purchasing Procedures), Central Services Director Aranowski presented a request to adjust the current purchasing approval thresholds for the City Manager and City Council. The proposed changes were designed to align these thresholds with present-day economic realities and the current cost of living, ensuring that the City's procurement process remains efficient and reflective of market conditions.

An analysis had been conducted comparing a sample of purchase orders from FY 2005 (when the City implemented the Eden system) with those from FY 2023, which was the most recent year with complete data available. The analysis revealed a significant increase in the cost of goods and services over the 18-year period, driven by inflation and shifts in the market.

Director Aranowski explained that this increase resulted in the current approval thresholds no longer meeting the practical needs of City operations, particularly at the City Manager level. Additionally, a review of approval thresholds in neighboring municipalities had been conducted, showing that the proposed adjustments align closely with the standards adopted by comparable entities.

Under the proposed adjustments, the City Charter's existing requirement that purchases exceeding \$10,000 must be subject to sealed bids would remain unchanged. However, for bid responses between \$10,000 and \$25,000, the City Manager would be granted authority to approve the purchases directly. Sealed bids exceeding \$25,000 would continue to require formal approval by City Council.

These adjustments were intended not only to account for current economic conditions but also to improve operational efficiency. By reducing the number of routine purchases requiring additional approval, the proposal would enable the City Manager to address procurement needs more promptly. The adjustments would not compromise accountability or transparency in the City's procurement process.

Council questions and discussion

- The last authorization of an increase of sealed bids from \$3K to \$10K was in 2000. The process authorized City Council to approve all purchases over \$10K.
- It was suggested to review the purchasing policy every 5 years, and also to look at including an inflation escalator.
- Council Member Boleware provided a comparison of dollar amounts from 2000 and today. The changes were reasonably in line with inflation, except for the \$10K amount. \$10,000 in 2000 would be approximately \$18,321 today, which is significantly less than \$25K. She emphasized that cost allocation and approval was one of Council's most significant responsibilities. Any increases to approval thresholds need to be realistic, within the City's capabilities, and aligned with the Council's comfort level. She was comfortable with raising the verbal quotation threshold from \$3,000 to \$5,000 and increasing the written quote minimum threshold from \$5,000 to \$10,000. She had some hesitancy regarding the proposed increase from \$10,000 to \$25,000 for City Manager approval.
- In response to questions, Director Aranowski said that in In 2023 there were 196 purchase orders over \$25,000. There were 81 items in the \$10,000 to \$25,000 range. In terms of providing comparables, they had used cities such as Rochester Hills and Livonia. Livonia's threshold for City Council approval is \$30,000.
- In order to avoid the risk of cherry-picking, Council Member Bridges suggested using a template regarding how comparables are gathered.
- In the interest of transparency, Council Member Dwyer suggested that if this change should move forward, the change should be placed on the regular (not consent) agenda, and a public presentation made.
- On related matters, it was suggested that large road projects also be placed on the regular agenda, and that contracts be carefully monitored. It is important for the public to clearly understand how their tax dollars are being spent, both in general and also regarding specific large projects.

2025 CONSTRUCTION PROJECT UPDATE

Director of Public Services Rushlow, Engineer Cubera, and Senior Engineer Saksewski were present.

Director Rushlow highlighted 2024 accomplishments including large and small road projects, sidewalk replacement, culvert repair and replacement, landscaping enhancement, and gravel road conversions. Highlights included:

Local transportation projects proposed for 2025 total an estimated \$13.7 million, although that number is a little overinflated. 2025 candidate projects for local roads include Farmington Meadows/Camelot Court, Woodcreek Hills Subdivision, Shady Ridge Drive, Pinebrook Estates, and Edgehill Avenue.

Major transportation projects proposed for 2025 total an estimated \$9.7 million, and include preventative maintenance projects, industrial/commercial road rehabilitation, and signal modernization (Heritage Park traffic signal).

The biggest single project for the upcoming year is Halsted Road, from 12 mile to 14 mile, which will be a full reconstruct.

Additionally, the Road Commission has reconstruction of Orchard Lake Road just south of 696 on their schedule, and 12 Mile from Autumn Ridge to Inkster.

The gateway signage is going out to bid. There has been an unexpected environmental issue crop up on the southwest corner that the City is working through.

ADJOURNMENT

The Study Session meeting was adjourned at 7:22pm.

Respectfully submitted,

Carly Lindahl, City Clerk