

**City of Northville**  
**CITY COUNCIL REGULAR MEETING MINUTES**  
**May 17, 2010**

Mayor Johnson called the meeting to order with the Pledge of Allegiance at 7:30 p.m. in the City of Northville Municipal Building, City Council Chambers, 215 W. Main Street, Northville, Michigan, 48167.

**ROLL CALL**

**Present:** Mayor Christopher Johnson, Mayor Pro Tem James Allen, Councilmembers Douglas Bingham, Nancy Darga, Michele Fecht

**Absent:** None

**Also Present:** City Manager Patrick Sullivan, Assistant City Manager/Finance Director Nicolette Bateson, Assistant Finance Director Sandi Wiktorowski, DDA Executive Director Lori Ward, Director of Public Works James Gallogly, City Clerk Dianne Massa, Chris Jones of Plante & Moran, Vyto Kaunelis of OHM, reporter from the Northville Record, and seven citizens

**PRESENTATIONS**

**A. Citizen Comments** None

**B. FY 2011 Water & Sewer Fund Budget**

On April 5, 2010, the proposed FY 2011 budget was presented to City Council. Subsequently, the proposed Water & Sewer Fund Budget was reviewed at the April 22, 2010 City Council Budget Study Session. After discussion at that meeting, additional information was requested from Wayne County related to the sewer fees charged to the City of Northville. In addition, since that meeting, City Staff was notified that a new monthly fixed charge will be billed by City of Detroit for water service. For FY 2011, that cost is \$56,328 which represents 12.3% of the total budget for City of Detroit water service. The result is that the total budgeted increase for City of Detroit water supply costs is 11.5%.

The Water & Sewer Fund budget has been revised based upon additional water rate information received from the City of Detroit. Despite the additional increase in cost, City Staff is proposing to continue to hold on any water rate adjustment to the City of Northville's regular residential and commercial customers at this time. The per unit sewer rate increase previously proposed for dual meter customers (\$1.83 to \$1.92 per unit, or 4.9%) remains at the same amount and will be presented to City Council as part of the overall fee schedule review in June 2010.

Vyto Kaunelis of Orchard, Hiltz, and McCliment, Inc. was present on behalf of Wayne County. It was explained that for FY 2011, DWSD moved new items into the fixed component from the commodity component. Wayne County is passing these costs on to its customers in the same manner that DWSD will be charging them. With reduced water usage (base flow) and total flow into the treatment plant staying even, the impact of spreading capital costs to its customers per unit of flow becomes more difficult.

Overall, water use has seen a steady significant decline. However, most of the cost to run the utility are fixed in nature and must be paid regardless of the usage. In a time of reduced water usage and escalating fixed costs, DWSD determined that initiating a fixed rate component would be the best method to recover the amount of funding needed for the water system. The costs incurred for capital improvements will be charged as a fixed rate charge to communities. The result is the City of Northville, for the first time, has received a fixed charge while at the same time has seen a small reduction of its commodity rate for water. It was noted that the sewer system has had a fixed rate component for several years, and the fixed component rate increased significantly this year to recover funding needed for the sewer system. The average suburban rate increase was 9.7% for the water system and more than 7% was due to the declining usage and the addition of capital improvements.

Council Comments and Discussion: Comments voiced concern that with the implementation of a fixed rate and with no increase to the commodity charge, there is no incentive for communities to reduce water and sewer usage and infiltration. There was also concern that the amount of money the City has spent on improvements to reduce its water usage and pilot projects to prevent infiltration will not help the City's overall budget due to the fixed rate increase. Questions were also raised on what steps Wayne County is taking to control its overall costs in order to justify the rate increase, what steps DWSD is taking to control its overall costs, as well as why water usage continues to decline.

Council comments also voiced an understanding with the need to modify its funding model to address its fixed costs. However, there appears to be no incentive to the City to continue spending funds to make improvements to control infiltration, if the City will continue to see higher sewer rates. It was requested that Wayne County develop some incentive to make it beneficial to the City to continue making improvements. The City needs answers for its citizens on why sewer rates increased at such a high percentage despite the funds spent on improvements to decrease sewer infiltration.

OHM offered further explanation on why water usage continues to decline. OHN also addressed the increased cost to total sewage flow, which is a combination of sanitary sewer usage and ground storm water infiltration. Wet weather conditions (rain fall) will show a decline in water usage, but that decline will be off-set by higher sewer usage.

It was explained that the Wayne County quarterly fixed cost for maintaining the sewage disposal system represents a 39% rate increase to the City of Northville. However, the commodity rate will remain the same. As such, the total revenue requirements represent a 10% net effect change in revenues. The Wayne County increase is small and is a DWSD pass-through. Wayne County is taking steps to control its revenue requirement to justify the fixed rate increase, which is an overall cost increase to the local jurisdictions. It was noted that one action step is negotiations with the labor unions.

It was also noted that the main incentive to the City to control its sewer infiltration stems from a future larger project requiring Wayne County (and the local jurisdictions) to comply with federal mandates to reduce sewer infiltration. The small project improvements being undertaken by the City is to help reduce the City's wastewater infiltration, which should in return help reduce the City's cost in the larger project.

City Council requested further information from Wayne County and DWSD showing what the water and sewer rates are for the other communities before improvements and their rates after improvements. The City would like to be certain that communities that have not made improvements are seeing higher rate increases than those that have made improvements.

Charles Lapham, property owner, questioned the charge for commercial and industrial waste on utility bills for apartments. It was explained that the commercial waste charge is for the downtown commercial

solid waste trash removal. The industrial waste charge is for all City commercial property regardless of its use. The apartment is attached to the commercial building below and would need to be separately metered in order to eliminate the industrial waste charge.

### **APPROVAL OF AGENDA AND CONSENT AGENDA**

**Motion Allen, seconded by Darga** to approve the agenda and consent agenda as presented.

Approve City Council Minutes of:

- Closed Session of April 5, 2010
- Special Meeting of April 22, 2010
- Regular Meeting of May 3, 2010
- Closed Session of May 3, 2010

Receive Bills List: Checks #69893 to #70045, #70046 to #70096, #70097 to #70177, EFT's #500016/500017

Receive Board and Commission Minutes:

- Beautification Commission: 4/5/10
- Board of Zoning Appeals: 4/7/10
- Housing Commission: 2/10/10, 3/10/10, 4/14/10

Receive Departmental Reports: None

Board and Commission Appointments:

- Beautification Commission: Appoint Laura Williams and Diane Pittaway to fill vacancies, terms to expire 6/30/12

Special Event Request / Northville Historical Society / Civil War Encampment

Special Event Request / Talent for the Title / June 4, 2010

Request to Canvass / The Fund for Public Interest Research

Friday Night Concert Series / Banner Request

Resolution / Identity Theft Protection Program Policy

**Motion carried unanimously.**

### **PUBLIC HEARINGS**

#### **A. Proposed FY2011 Budget**

In accordance with City Charter, the Northville City Council was presented with the proposed fiscal year 2011 budget at the first meeting in April 2010. That budget and five year financial plan were then subsequently reviewed in detail at three special budget study sessions during April. The public hearing notice and notice of availability of budget were published in the Northville Record on May 6, 2010. The complete budget document has also been available on the City's website since that date. Section 8.4 of the City Charter requires that the City Council adopt a budget by the third Monday in May each year.

The City of Northville is in the second year of what will likely be a long-term crisis for local governments in the State of Michigan. By proactively addressing the budget pressures, significant progress was made in implementing the recommendations from the organizational review during the current fiscal year. This included an overall city-wide staff reduction of 15.6% on July 1, 2009 to address a \$639,000 budget shortfall.

Despite those efforts, the General Fund budget shortfall for FY 2011 began at \$1,100,000. The City Manager's Budget Message on pages I-1 through I-14 of the budget document provides a comprehensive

analysis of the proposed budget. Key items to note related to the General Fund budget include the following:

- A total General Fund revenue decrease of 8.71%, primarily due to decreased taxable value city-wide of 9.47%. In Oakland County, 94% of all properties experienced a decline in taxable value while 77% of all properties in Wayne County experienced a decline in taxable value.

Property tax revenue is impacted most significantly by the annual inflation rate used in determining Taxable Value. Each October, the Michigan Department of Treasury announces the Inflation Rate Multiplier (IRM) that is applied by each municipality. For 2010 the IRM was a decrease of 0.3%. For comparison, the IRM for 2009 was an increase of 4.4%.

- Despite the revenue challenges, there is no proposed increase to the operating millage which allows it to remain at 13.3 mills.
- State Shared Revenue, the General Fund’s second largest source of revenue, is projected at a small decline after experiencing an 11.4% decrease during FY 2010.
- Most other sources of revenue are projected at consistent levels including investment income, building permit fees and breakage revenue.
- In order to present a balanced budget, ten significant actions were proposed as shown below:

**FY 2011 Budget Actions**

<u>Department</u>	<u>Category</u>	<u>\$ Impact</u>
DPW	Move leaf pick-up and composting program to the Refuse & Recycling Fund	37,250
DPW	Reduce equipment rental rates 10% (General Fund direct charges of \$7,600 and General Fund transfer to Local Street Fund of \$7,400)	15,000
PD	Police Department - reduce one patrol officer through attrition	120,000
PD	Police Department Racetrack Staffing - required by labor contract	41,000
PD	Breakage Revenue Allocation to Police Department Equipment and Fire Department Equipment Funds (\$30,000 each) rather than 100% from General Fund to provide for replacement reserve	60,000
Shared Services	Shared Service Funding – reduced by 10%	28,000
All	Non-union wage freeze – Cumulative Year 2 (FY 2011 in addition to FY 2010), total of \$84,575 including fringe benefits of	45,775
All	Request labor unions to hold on 2% wage adjustment for one year as of July 1, 2010. Total for all funds, including fringe benefits is \$39,000 with amount allocable to General Fund of	28,000

All	Hold on increase in annual required contribution for Post Retirement Healthcare commitment, total of \$594,793, with General Fund at	357,000
Other	Fund Balance – Use 15.6% of fund balance, in conjunction with above efforts to hold off on further staff reductions, service reductions and/or tax rate adjustment	368,225
<b>Total – FY 2011 Budget Adjustments</b>		<b>\$1,100,250</b>

- The largest category of expenditure in the General Fund is personnel costs because the City is a service oriented organization. For FY 2011, budgeted positions are proposed to decrease from 47.3 full time equivalent positions to 45.8, representing a reduction of 3.2% through attrition. Non-union personnel will have a second year of wage freezes. In addition, the City is currently in negotiations with all four bargaining units to forego the previously negotiated 1 to 2% wage increases effective July 1, 2010.
- The City is able to continue to utilize dedicated revenue programs to reinvest in the community. These programs lessen the burden on the General Fund. The FY 2011 improvements include street, sidewalk, and streetscape improvements as well as being able to properly maintain the public safety equipment program.

Council Comments and Discussion: Further explanation was given pertaining to the FY2011 debt service for the Public Safety Debt Millage.

Public hearing opened at 8:17 p.m. No comments. Public hearing closed at 8:17 p.m.

**Motion Allen, seconded by Fecht** to adopt the FY2011 budget resolution as presented. **Motion carried unanimously.**

## PETITIONS, REQUESTS, AND COMMUNICATIONS

### **A. Platform Dining and Right-of-Way Permits / Table 5 and Le George**

At its April 19, 2010 meeting, City Council adopted the design and operational guidelines for platform dining and authorized the City Manager to issue right-of-way permits. Since the adoption of the platform dining policy, the owners of Table 5, 126 E. Main Street, and Le George, 124 E. Main Street, are interested in obtaining right-of-way permits for platform dining. However, both applicants are requesting approval for platforms that exceed the approved dimensions in the platform dining policy

The platform dining application for Table 5 shows a 21' x 12' platform. All ramps and railings fall within this dimension, as do the six flower boxes attached to the north and south ends of the platform. The four flower boxes on the east and west side of the platform extend past the platform 3 inches on each side. The only change that they are requesting is an increase from 19' to 21.6' to allow them to place the platform at the east edge of the parking space and to accommodate the flower boxes. There is still roughly 2' 9" of clearance between the edge of the platform and the tree planter to the east to allow for pedestrian movement. This dimension will increase next year when the streetscape project is completed and the road is restriped. The platform offers approximately 8' 7" of clearance from the edge of

the ramp to the face of the building.

The platform dining application for Le George shows a 21' x 14' platform. Six 10" hanging flower boxes are attached to the outside of the railing platform on all four sides, adding 20 additional inches to the length and width of the platform. In addition, a 4' by roughly 1' tapered ramp extends past the south side of the platform and provides handicapped access to the platform. The platform offers approximately 5' of clearance from the edge of the ramp to the face of the building. The request to widen the platform, and increase coverage over the sidewalk, would result in the platform, and protruding ramp and flower boxes, being nearly 16' wide, or 1/3 wider than the rules allow. Only 5' of sidewalk would remain in front of Le George, about half of which is on private property.

City staff has reviewed both requests and recommends that exceptions to the 19' length limit be granted for both platforms as their location on the end of a parking row means that no parking spaces will be affected or encroached upon if the platforms are made longer. City staff did not recommend granting the width exception request by Le George as this would create a choke point on very heavily used sidewalk adjacent to Town Square.

Council Comments and Discussion: In response to a question, it was clarified that "sidewalk" is defined as face to curb. Discussion ensued pertaining to the dining platform ramp protrusion on the sidewalk.

Mishelle Lussier, Table 5 Restaurant, requested further clarification on the exceptions proposed for approval. It was explained that the length exceptions were recommended for approval. However, the width exception request by Le George was not being recommended for approval.

**Motion Allen, seconded by Fecht** to approve exceptions to the 19 ft. length rule for Table 5 to 21 feet 6 inches (21'6") and Le George to 22 feet 8 inches (22'8"). **Motion carried unanimously.**

## **RESOLUTIONS AND ORDINANCES**

### **A. Proposed Ordinance Amendment / Chapter 66 Solid Waste / First Reading**

For FY 2011 the City of Northville plans on increasing the number of fall leaf collection program passes from one to two in each neighborhood. The cost for the fall leaf collection program, including the cost to compost these leaves, is proposed to be funded by the Residential Refuse & Recycling Program. This is a change from the City's past practice of charging the General Fund for this service; however, City staff believes that the leaf collection program is a solid waste service consistent with the goals of the City's Residential Refuse and Recycling Program. To make this change in the Residential Refuse and Recycling Program along with its associated cost, City staff has proposed modifications to the Solid Waste ordinance.

The City Attorney reviewed modifications made to Chapter 66 "Solid Waste" and approved them for recommendation to City Council. Key changes are summarized as follows:

- Section 66-1(d). Purpose and intent: Section 54-8 was revised to Section 54-112.
- Section 66-2. Definitions: Addition of "compost facility" added to definition of facility.
- Section 66-2. Definitions: Addition of the word "residential" added to definition of Refuse Cart/Container.
- Section 66-11(b). Waste Collection Requirements: Addition of "or privately" to text
- Section 66-11(c). Waste Collection Requirements: Addition of sentence "As such, solid waste

- material containers shall not be placed in the road or on the sidewalk.”
- Section 66-11(f). Waste Collection Requirements: Addition of “Opt Out” options allowed in the City following past practices.
  - Section 66-14(d). Authority, costs, and notice for removal: Addition of “plus 10%” when addressing the cost to the City for forced removal of waste on property.
  - Section 66-15(e). Charges to defray cost of service: Changing process of waiving any part of the City’s fee schedule for solid waste from the Board of Review to the City Manager or City Council.
  - Section 66-18. Fall Leaf Collection Program: Adding the fall leaf collection program, its scope, regulations and cost to the ordinance.

**Motion Allen, seconded by Darga** to introduce for first reading, the proposed amendments to Chapter 66 (Solid Waste) in the City of Northville Code of Ordinances as presented, with second reading and possible adoption scheduled for June 7, 2010. **Motion carried unanimously.**

## **NEW BUSINESS**

### **A. Appointment of Auditing Firm FY 2011-2013**

In light of the current budget challenges, City staff has had discussions with vendors to seek assistance with cost containment measures. The City’s auditing firm, Plante & Moran, understands the challenges that the City is facing. Accordingly, they have proposed a contract extension with no rate increase for FY 2011 and 2012 and an inflationary rate increase for FY 2013.

The proposal from Plante & Moran appears to be favorable for the City. In FY 2008, as part of the City’s overall review of expenditures, a request for proposal (RFP) for audit services was issued. The lowest, qualified firm was Plante & Moran. Since Plante & Moran’s service has continued to be attentive, professional and timely, it was requested that Plante & Moran be appointed as the City’s auditing firm for FY2011 and 2012 audits at the FY 2010 fee level (\$43,810) and at the FY 2010 fee plus the State of Michigan’s property inflationary adjustment for FY 2013. The lowered fee will help to balance the City’s future budgets. In addition, the estimated savings is \$6,700 which will be rolled into a new lower base amount for evaluating future year’s audit fees.

Council Comments and Discussion: In response to a question from Council, Chris Jones of Plante & Moran confirmed that if Michigan’s property inflation factor for FY 2013 is a negative percentage, then Plante & Moran’s fee would be reduced by the same percentage.

**Motion Fecht, seconded by Allen** to reappoint Plante & Moran as the City’s auditors for the fiscal years ending June 30, 2011 and 2012 with a not-to-exceed fee amount of \$43,810 and at the fee of \$43,810 plus the State of Michigan’s property inflation factor for FY 2013. **Motion carried unanimously.**

### **B. Proposed Use and Reallocation of Public Improvement Funds**

At least annually, the City Council reviews the allocation of funds designated in the Public Improvement Fund. The source of these funds is from racetrack breakage and other governmental sources (typically the General Fund).

During preparation of the FY 2011 budget, City Staff reviewed the funds previously designated. As part of this review, some projects are being finalized, some priorities have changed, new projects have been proposed, and/or projects are closed out resulting in remaining funds available for reallocation. As some of the proposed use and reallocations may affect the FY 2011 budget presented, City Council was asked

to review this list as part of its April 22, 2010 budget review session. The proposed use and reallocation of Public Improvement Funds was summarized as follows:

- Remaining funds from closed out projects (\$5,550 from Emergency Warning Siren Activation Project and \$1,735 from Police Simunition Training Equipment) are proposed to be allocated to “Contingency/Grant Match” for \$7,285.
- New project – Allocate funds (\$20,000) to re-evaluate State of Michigan Department of Environmental Quality’s Mill Pond Repairs and Improvements report based upon their inspection.
- Allocation of \$60,000 for Police Equipment/Fire Equipment Fund based upon proposed FY 2011 budget.
- Remaining funds from closed out projects (\$8,610 from Organizational Review & Implementation Project and \$200 from Tree Survey) are proposed to be allocated to “Contingency/Grant Match” for \$8,810.
- Allocate additional funds to non-motorized improvements category for grant match for Northville/Northville Township bike path project (\$20,539).
- Reduce allocation based upon revised budget from the Comerica Walkway Project (\$8,610) and FY 2010 unallocated funds (\$5,390) for City Entrance Sign Project (\$14,000).
- Dedicate funds to work with community groups over the next year to develop list of projects for possible Certified Local Government grant applications. Success of obtaining future grant funds may be dependent upon having projects ready to be submitted within a 45-day time period (\$6,500).
- Randolph Drain Assessment is estimated to be higher than originally estimated by \$31,522.
- Projects on hold:

A) City Hall/DPW Yard lighting and mechanical energy efficiency upgrade project of approximately \$602,000. Funding sources include the following.

Grant	\$ 50,000
Cash - Public Improvement Fund	104,000
Cash - Equipment Fund	48,000
Financing over ten years	<u>400,000</u>
Total	<u>\$602,000</u>

Potentially the ten year financing is proposed to be paid primarily from energy savings. Honeywell, Inc. has estimated \$40,000 in annual energy savings from these mechanical and electrical system upgrades to help offset the cost of the financing repayment.

B) Removal of structure at 222 S. Wing and related landscaping with an estimated total of \$28,000.

Carolann Ayers, DDA Boardmember, commended the City Council for continuing to abide by its policy to not use Public Improvement Funds to help fund the General Fund.

**Motion Allen, seconded by Fecht** to approve the reallocation of Public Improvement Funds as follows (note: parentheses indicate a decrease in allocation).

**Breakage Funds:**

FY09 and Prior Breakage allocation	\$ (123,412)
Mill Pond Repairs Evaluation	20,000
Police Equipment Fund Transfer – FY 2011	30,000
Fire Equipment Fund Transfer – FY 2011	30,000
Repairs to city Entrance Signs	14,000
Certified Local Government planning	6,500
Comerica Walkway	(8,610)
Randolph Drain Assessment	31,522
Contingency/Grant Match	(13,254)
Emergency Warning Siren Activation	(5,550)
Non-motorized Improvements	20,539
Police Simunition Training	(1,735)

**Non-Breakage Funds:**

Organization Review & Implementation	(8,610)
Tree Survey	(200)
Contingency/Grant Match	8,810

**Motion carried unanimously.**

**C. Professional Services Contract / 2010 Street Improvement Program**

On May 5, 2010, the City received Requests for Proposals from engineering firms interested in providing design and construction engineering services for the City's 2010 local street projects. The goal of the City's Request for Proposals (RFP) was to secure the services of an engineering firm to design and oversee the construction of Springfield Court, Clement Road, S. Griswold Street and Church Street. The proposals received were as follows:

Zeimet Wozniak	\$ 52,096
Vitins Engineering	\$ 57,110
Midwestern Consulting Inc.	\$ 59,015
Giffels Webster Engineers	\$ 60,356
Spalding DeDecker and Associates, Inc.	\$ 61,700
Nowak & Fraus Engineers	\$ 81,674
Michael L Priest and Associates	\$ 81,900
Wade Trim	\$ 90,150
Northwest Consulting Inc.	\$104,130

Based on this interview, past experience, and the submitted proposals, Zeimet Wozniak & Associates is the lowest qualified company that could design and oversee construction of this project. Zeimet Wozniak & Associates can provide the insurance coverage as required by the City and has agreed to the requirements of the City's "Agreement for Professional Services," including the indemnification language. This agreement has been reviewed and approved by the City Attorney.

The FY 2011 budget includes funding for the Springfield Court Reconstruction Project (\$300,000), Clement Road Reconstruction Project (\$300,000) and the Griswold Street and Church Street Projects

(\$150,000). The proposal submitted by Zeimet Wozniak is approximately 7% of the project budgets. A 2010 fourth quarter budget amendment will be necessary to allocate funds for these projects to begin the design before the new budget year.

Council Comments and Discussion: Further explanation was offered pertaining to the Clement Street improvement, noting that the age of this road warrants a total replacement. Discussion ensued pertaining to the recent overlay improvement to Taft Road and E. Main Street, of which both are now requiring crack seal to address cracking. These roads should last approximately 20 years and crack seal is routine for asphalt road maintenance.

**Motion Darga, seconded by Bingham** to approve an "Agreement for Professional Services" with Zeimet Wozniak and Associates in the not-to-exceed amount of \$52, 096 for the design and construction management of the 2010 Northville Street Improvement Program. Further, the Public Works Director is authorized to sign the agreement on behalf of the City. **Motion carried unanimously.**

## **COMMUNICATIONS**

**A. Mayor and Council Communications** None

### **B. Staff Communications**

The City Manager reminded everyone of the special City Council meeting scheduled for May 24, 2010, at 7:00 p.m.

There being no further business to come before Council, the meeting was adjourned.

**Adjournment: 8:44 p.m.**

Respectfully submitted,

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Dianne Massa, CMC  
City Clerk

Approved as submitted: 6/7/2010

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Christopher J. Johnson  
Mayor