

City of Northville
CITY COUNCIL REGULAR MEETING MINUTES
November 17, 2014

Mayor Johnson called the meeting to order with the Pledge of Allegiance at 7:44 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 Nancy Darga, Ryan McKindles, and Sam Ekong

Absent: None

Also Present: City Manager Patrick Sullivan, City Clerk Dianne Massa, Director of Public Works James Gallogly, Finance Director/Treasurer Sandi Wiktorowski, Downtown Development Authority Executive Director Lori Ward, Planning Consultant Don Wortman, representatives from Plante and Moran, reporter from Northville Record, and six citizens.

PRESENTATIONS

A. Citizens Comments None

B. Presentation of Year-Ended June 30, 2014
Audited Financial Statements and Investment Portfolio Report

Representatives from Plante Moran briefly reviewed the financial reports related to the City of Northville's fiscal year ended June 30, 2014. It was noted that the City's books and records are in excellent shape and had no required or suggested adjusted journal entries for the fiscal year. Several areas were highlighted in which the City continues to save money due to changes that were made.

The following were reviewed for the year ended June 30, 2014: Combined General Fund; General Fund Revenue – Budgetary Basis; General Fund Expenditures – Budgetary Basis; Comparison of General Fund Revenues, Expenditures, and Unassigned Fund Balance; and Water and Sewer Supply System Operating Results.

Explanation of the new Defined Pension Accounting Standard (GASB 68) effective for Fiscal Year 2015 was given. This standard states that employers providing defined benefit pensions to its employees must recognize their unfunded pension benefit obligation as a liability on the government-wide and proprietary statements. The amount will be provided by MERS and the impact will greatly reduce or eliminate the City's Unrestricted Net Position.

It was recommended the City keep adequate reserves in the Water and Sewer fund. A higher percentage of reserves (higher than the percentage for General Fund reserves) is necessary to pay for expenses.

Council comments pertained to the unfunded pension liability, changes to Federal Grants, and higher than normal number of water main breaks contributing to the use of Water and Sewer reserves.

APPROVAL OF AGENDA AND CONSENT AGENDA

Motion Darga, seconded by Allen to adopt the agenda and consent agenda as presented:

Approve City Council Minutes of:

- Regular Meeting of November 3, 2014

Receive Bills List: Checks #90810 to #90895, EFT #500187, Checks #90896 to #91012,
Checks #91013 to #91128, EFT's #500188, #500189

Receive Board and Commission Minutes:

- Downtown Development Authority: 8/19/14, 9/16/14

Receive Departmental Reports:

- Police: 9/13, 10/13, 11/13, 12/13, 1/14, 2/14, 3/14, 4/14

- Youth Assistance: 11/14

Board and Commission Appointments: None

Resolution to Opt Out of Public Act 152 of 2011 for Calendar Year 2015

2015 City Council Meeting Schedule

Change to Police Bond Checking Account Signers

Request to Solicit / Goodfellows Newspaper Drive / December 13, 2014

Motion carried unanimously.

RESOLUTIONS AND ORDINANCES

A. Zoning Ordinance Amendments to Article 21 Signs – Second Reading

At its September 16, 2014 meeting, the Planning Commission conducted a public hearing to consider text amendments to Article 21 in the City of Northville's Zoning Ordinance. The proposed text amendments would amend Article 21, Section 21.01 Sign Regulations and pertain to LED and electronic changeable copy signs. The intent is to clarify current regulations and specifically state that LED signs, electronic changeable copy signs, digital message centers, and illuminated channel letters are prohibited in the historic district. The regulations also state that the Historic District Commission does not have the authority to approve these signs except in cases where they are historically compatible. Following the public hearing, the Planning Commission recommended approval of the proposed amendments to City Council.

Communication from the City's Planning Consultant, and the proposed zoning ordinance text amendments were provided for City Council review. At its regular meeting of November 3, 2014, City Council introduced for first reading the proposed amendments to the Zoning Ordinance.

Motion Allen, seconded by Darga to waive second reading and adopt the amendments to Article 21, Section 21.01 in the City of Northville Zoning Ordinance, pertaining to sign regulations as presented.

Motion carried unanimously.

B. Zoning Ordinance Amendment to Articles 2 and 10 Central Business District – First Reading

At its September 16, 2014 meeting, the Planning Commission conducted a public hearing to consider text amendments to the City of Northville's Zoning Ordinance. The proposed text amendments would amend

Article 2 Zoning and Map Interpretation and Article 10 Central Business District. During the public hearing, minor changes were suggested by the Downtown Development Authority. The Planning Commission reviewed these modifications at their October 7, 2014 meeting and recommended approval to City Council.

The proposed text amendments would amend the Zoning Ordinance and Zoning Map and amend certain regulations in the Cady Street Overlay District. The overlay zoning district will provide regulations regarding land use within the Cady Street Corridor. It will also establish specific height limitations (up to five stories) for various parcels and establish new design requirements to ensure quality development on the fringe area of the City of Northville downtown. The amendments also include a restriction that first floor residential uses are not allowed on the north side of Cady Street from Church Street west to Wing Street.

During the November 3, 2014 City Council meeting, there was discussion and questions pertaining to the proposed amendments. City Council and the Planning Commission would be holding a joint meeting on November 17th, prior to the City Council meeting, to discuss the proposed Master Plan updates. During this meeting, the proposed Cady Street Overlay could also be discussed with the Planning Commission. As such, City Council deferred first reading of the proposed ordinance amendments to its November 17, 2014 regular meeting.

Communication from the City's Planning Consultant and the proposed zoning ordinance text amendments were provided to City Council for its review.

City Council Comments and Discussion: Discussion ensued pertaining to parking in the proposed Cady Overlay District. Comments from City Council pointed out that the proposed overlay district does not allow for the sale of parking credits. This means every development must provide parking as part of the development. There was concern with the mixed-use, the realistic number of stories, and how self-parking will affect the scale of any proposed building. This is outside the Central Business District, so parking credit purchases are not an option.

The Planning Consultant explained that the ordinance is clear that parking credits are not an option. The burden to provide parking is placed on future developers and the available avenues for providing parking are in the proposed ordinance, including the use of shared parking. The protection for the City is present in the ordinance. There will be some limitations to the developer due to the "self-parked" requirement.

Discussion also ensued pertaining to expanding public parking in the area, including what property the City owns on the south side of Cady that might be used to provide future parking, the fact that the Cady Parking Deck does have footings that allow for future expansion, future strategic plans for the City to provide public parking to support development, and whether City Council should adjust parking credit fees to reflect the actual cost to create a parking space/parking structure. The Planning Commission is recommending that the City not provide public parking and, instead, direct that it is the responsibility of the developer to provide parking in the overlay district. It was pointed out that the proposed developments in the Cady Overlay will be used by the people that live in the area and not the general public. Any deck in the Cady Overlay should be built by the developer.

Additional discussion ensued pertaining to setbacks and buffers along E. Cady Street. Cady Street will need to be off-center (due to the deck, church and other current buildings that are right on the property line). At least 60 feet is needed to allow for travel lanes, sidewalks, and on-street parking lanes. The proposed ordinance allows for building to the property line. A 10-foot setback requirement on the south side of Cady Street would provide the necessary cross-section. The Planning Consultant was directed to modify the proposed ordinance amendment to require a 10-foot setback on the south side of Cady Street.

An additional comment from City Council questioned whether the issue of self-parked developments will eliminate mixed-use developments in the Cady Overlay District, and should the ordinance allow the developer more flexibility to build the stories that accomplish the parking required for a mixed-use. It was pointed out that the ordinance does allow for one additional story (up to five stories in total) for developments that are mixed-use if the development provides residential dwelling units above the first floor. It was also noted that developers could also provide parking below ground level or go further south to provide more depth. The parking burden is placed on the developer.

Steve Kirk, 502 Beal, questioned if the 10-foot setback would continue east to Griswold (yes). He also questioned the setback or non-building zone along the river (this would need to be looked at by the Planning Consultant).

Motion Allen, seconded by McKindles to introduce for first reading the proposed amendments to Article 2 Zoning and Map Interpretation and Article 10 Central Business District in the City of Northville Zoning Ordinance, pertaining to the Cady Street Overlay District, as presented, with the addition of the requirement of properties on the south side of Cady Street have a 10-foot front-yard setback from existing right-of-way, with second reading and possible adoption scheduled for December 1, 2014. **Motion carried unanimously.**

NEW BUSINESS

A. Fiscal Year 2016 Budget Schedule

As part of the budget process, City Council traditionally schedules one special meeting in January to discuss its goals and objectives and special meetings in the month of April to review the proposed budget. The meeting schedule must conform to the City Charter and the State of Michigan Tax and Budget laws. The goals and objectives meeting and budget sessions will take place at 7:00 p.m.

Motion Allen, seconded by McKindles to set the dates for the Fiscal Year 2016 goal setting and budget review meetings as follows:

- January 12, 2015 Special City Council meeting / Goals and Objectives
- April 6, 2015 Regular Meeting – Budget document presented to City Council
- April 16, 2015 Special Meeting – Budget Review Session #1
- April 29, 2015 Special Meeting – Budget Review Session #2
- May 7, 2015 Notice of Availability of Budget and Budget Hearing notices published
- May 18, 2015 Regular Meeting – Public Hearing on Budget, subsequent Budget adoption and establishment of 2015 Operating Millage.

Motion carried unanimously.

B. Public Improvement Fund Commitments

Racetrack breakage funds (in excess of the cost of Police and Fire Department service provided at the racetrack) are recorded in the Public Improvement Fund. Over the past decade, those funds have primarily been used for capital outlay and construction related activities. Typically the discussion about commitment of the breakage funds occurs after the fiscal year-end in which they are received. FY2014's breakage revenue to be committed is \$159,270.

It was requested that the Northville City Council consider allocating breakage funds for specific purposes specified below:

- Annually, City Council allocates \$60,000 for future Police and Fire equipment purchases. This contribution will lessen the burden on the General Fund for FY2016.
- Allocation of \$40,000 for non-motorized improvements to begin funding some of the improvements identified in the Non-Motorized Pathway Master Plan approved by City Council on March 3, 2014.
- Last year the City began setting aside funds for City Hall building improvements. The remaining \$59,270 is requested to be utilized for this purpose including the Phase 2 architectural evaluation for which proposals are currently being solicited.

Motion Allen, seconded by Ekong that the Northville City Council commit breakage funds for the following:

• Police and Fire Equipment Fund Reserves	\$ 60,000
• Non-Motorized Improvements	40,000
• City Hall Building Improvements	<u>59,270</u>
Total Proposed Allocations	\$ 159,270

Motion carried unanimously.

C. Appointments to the Citizens District Council

The Downtown Development Authority (DDA) is proposing to amend and restate the “Development and Tax Increment Financing Plan” to organize and consolidate the original Plan and the six subsequent Plan amendments. The Plan would be extended until the year 2040. The “Amended and Restated Plan” would include a list of future DDA projects and provide estimates and prioritization to these projects.

Public Act 197 of 1975, the DDA enabling legislation, requires the establishment of a “development area citizens’ council” if the development area has 100 or more residents residing within the district. The MainCentre complex has 76 units. Combined with the other downtown apartments and condos, the total residential population exceeds 100 residents. Public Act 197 of 1975, Section 125.1671 --- 125.1677 provides for the formation and purpose of the development area citizens council. These provisions were summarized as follows:

1. The Citizens District Council (CDC) shall consist of not less than nine members.
2. The CDC members shall be appointed by the City Council and must be residents of the DDA District.
3. The CDC must be representative of the development area.
4. A representative of the DDA must advise the CDC of the contents of the development plan or changes to the plan. Such consultation must take place before any final decisions are made by the DDA or City Council.
5. All meetings of the CDC must be open to the general public. Meeting notices are to be placed in the newspaper of general circulation (Northville Record) not less than 5 days before the date(s) of the meeting(s) of the CDC.
6. A record of the meetings must be maintained.
7. Technical information and/or assistance must be made available to the CDC by the DDA if requested by the CDC.
8. Failure for the CDC to meet or “advise” the DDA will not prevent the DDA and City Council from acting to adopt the proposed plan amendments.
9. The CDC may be dissolved by ordinance of the City Council after receiving a petition of no less than 20% of the adult resident population of the DDA District and holding a public hearing.

Nine prospective members of the CDC have been contacted and have agreed to serve on the CDC. The residents include the following members:

Margene Buckhave	145 N. Center Street
Chris Van Dam	111 E. Main Street
Toni Genitti	134 E. Main Street
Kyle Matson	124 E. Main Street
John and Faith McClory	332 E. Main Street
Kirsten Hardy	MainCentre tenant
Michael Brocavich	MainCentre tenant
Robert Davis	New Victorian tenant

Motion Darga, seconded by Allen to approve the above mentioned new members to the Citizens District Council (CDC) for the purpose of reviewing and providing comments to the Northville DDA and City Council on the proposed Amended and Restated Development and Tax Increment Financing Plan for Northville. **Motion carried unanimously.**

D. Approval of Additional Funding / Seven Mile Road and E. N. Hines Drive Project

On February 18, 2014, City Council approved a standard Intergovernmental Agreement with Wayne County for the rehabilitation of Seven Mile Road and E.N. Hines Drive in the City of Northville. This project was administered by the Engineering Division of the Wayne County Department of Public Services under an agreement with the Michigan Department of Transportation (MDOT), utilizing federal program dollars. It was necessary for the City to enter into this Intergovernmental Agreement to share local costs in order for this project to happen. The project was completed on schedule in August of 2014.

The original contract amount was \$1,179,879.57. During the course of the project, some additions were made increasing the contract amount by \$117,616.57. Most of the 9.97% increase was covered by federal funds. However, the City and Wayne County are contractually obligated to share the increase in local share costs. The total additional amount needed from the City of Northville for this project is \$20,187.66 making the total amount required from the City of Northville at \$118,379.66.

Wayne County received federal funding totaling \$1,033,038.62 for this project. As a standard practice, Wayne County shares the local cost of the project with the cities in which their projects are located. Based on the project estimate in the Intergovernmental Agreement with Wayne County, the City budgeted \$100,000 for this project. With this project's increase in cost, a budget amendment will be needed to increase the amount budgeted for this project to \$118,379.66. Funding for this increase in project cost will come from reserves in the Street Drainage and Sidewalk Improvement Fund.

City Council Comments and Discussion: City Staff clarified that the project cost increases pertained to the modifications to the intersection, sidewalk, and traffic signal; resolving an issue with the bridge, and new sanitary sewer castings.

Motion Darga, seconded by McKindles to approve an increased amount of \$20,187.66 for a total payment of \$118,379.66 to Wayne County for the City's local share of the rehabilitation of Seven Mile Road and E.N. Hines Drive project. **Motion carried unanimously.**

E. Change Order for Professional Services / S. Center Street Improvement Project

On March 18, 2013, City Council awarded a professional services contract to Spicer Group for the construction engineering/management of the federally funded S. Center Street Improvement Project. This project was undertaken and overseen by the Michigan Department of Transportation (MDOT) and it was completed in the spring of 2014.

Though the project went well, near the end of the project, an unanticipated problem arose pertaining to the decorative lighting along the roadway. Underground conduit information the City provided to the design engineer was inaccurate. This resulted in the inability to electrify some of the new decorative street lights as originally designed. The construction engineer found a solution to the problem, negotiated a change order with the Contractor, and oversaw the additional work to make sure all of the proposed lighting fixtures would be operational. This was additional work beyond the original scope of services of the construction engineer as originally negotiated.

The error on the plans required Spicer Group to perform additional work to complete the project as desired. Therefore, Spicer Group, Inc. has prepared a change order to cover the \$4,000 cost for this additional engineering work. The original contract amount for Spicer Group was \$40,000. At the time of award, this was considered a reasonable fee to oversee and manage a \$485,331 road project. Even with the additional \$4,000, the construction engineering fee is still just 9% of the construction cost. Funding for this \$4,000 increase would come from the City's Streets, Drainage and Sidewalk Fund.

City Council Comments and Discussion: City Council suggested that future construction project contracts approved by Council also include the approval a 5-10% contingency in the approved project budget to allow the DPW Director to move forward and resolve unforeseen issues.

Motion Darga, seconded by Ekong to approve Change Order #1 in the amount of \$4,000 to the professional services contract with Spicer Group, Inc. for additional construction engineering on the S. Center Street Improvement Project, and further to authorize the Public Works Director to sign this Change Order on behalf of the City. **Motion carried unanimously.**

MAYOR AND COUNCIL COMMUNICATIONS

A. Mayor and Council Communications

Allen questioned what was happening with the road at E. Main and Griswold. Staff explained that there was a sanitary sewer collapse that required repair.

Ekong spoke of recent resident donations to Allen Terrace, which included a 72" television and exercise equipment. He will provide donation information to the City Manager so that a certificate of appreciation may be presented to the donors.

B. Staff Communications None

Being no further business, the meeting was adjourned.

Adjournment: 9:03 p.m.

Respectfully submitted,

Dianne Massa, CMC
City Clerk

Christopher J. Johnson
Mayor

Approved as submitted: 12/15/14