

REGULAR MEETING  
(CONDUCTED AS A COMMITTEE-OF-THE-WHOLE)  
OF THE COUNCIL  
CITY OF SOUTHFIELD  
**April 3, 2009**

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**Approved  
June 1, 2009**

REGULAR MEETING

(CONDUCTED AS A COMMITTEE-OF-THE-WHOLE – LEGISLATIVE MEETING)

OF THE COUNCIL

CITY OF SOUTHFIELD

MINUTES

**April 3, 2009**

The meeting of the Council convened at 9:00 a.m. in Room 115 of the Parks and Recreation Building, 26000 Evergreen Road, Southfield, Michigan, with Council President Donald Fracassi in the Chair. PRESENT: Council Members: Myron Frasier, Sylvia Jordan, Bill Lattimore, Joan Seymour, Donald Fracassi and Kenson Siver. ALSO PRESENT: Mayor Brenda L. Lawrence, City Clerk Nancy Banks, City Treasurer Irv Lowenberg, City Administrator James Scharret, Assistant City Attorney Susan Ward-Witkowski, State Senator Gilda Jacobs, State Representative Vincent Gregory, Oakland County Commissioner Helaine Zack and Lobbyist Bill Zaagman. There being a quorum, Council was in session.

Council President Donald Fracassi asked Councilman Lattimore to introduce the members on the Council Legislative Committee. Mr. Lattimore informed everyone that he, Councilman Frasier and Councilman Lantz are the members of the Council Legislative Committee and he also thanked everyone for coming. Then President Fracassi gave the floor to Oakland County Commissioner, Helaine Zack. Ms. Zack represents the Southeast tip of Southfield, basically 8 Mile Road to Mount Vernon and Greenfield to Southfield—the Magnolia Gardens and Northland. Ms. Zack commented that we are all in this economic slump together. The County usually determines the budgets for 2 years ahead—but now are entering a 3 year cycle which provides new challenges. Oakland County budgeted for a 9% decrease in property taxes for 2010 and now is finding it to be 12%, if not more. The County is keeping a close watch on the property taxes.

Ms. Zack commented that she has helped initiate a Senior Strategic Plan to take a more comprehensive look at serving our seniors. We need to look at Housing, Transportation, Economic Development, Active Lifestyle, SEMCOG and Social Services to better address seniors' needs. Along with the United Way and the Area Agency on Aging, Oakland County is looking at other communities and evaluating what they have to offer. Oakland County has not done this very well and they are now looking at this need in a broader way and how to implement some needed programs.

Ms. Zack is also working on the Jail Overcrowding Initiative. She said there has been a loss of 200 jail beds (including Southfield's) in Oakland County. With these losses, Oakland County has to watch the remaining 1,600 beds. In regard to keeping green areas, Ms. Zack and State Representative Vincent Gregory have teamed up and are

keeping a close eye on Catalpa Park. Southern Oakland County cities are under-funded for parks, so she is watching this.

Deputy City Administrator, Fred Zorn, thanked Ms. Zack for coming and also for her time she has spent helping him. Mr. Zorn relayed to her that he and the City feel there are complexes in Southfield on the east and west sides that could address the housing need for seniors. We know we need to do an adequate needs assessment to address this issue. Mr. Zorn sees many opportunities through the help of MSHDA, others and our own Human Services Department to capitalize on available resources.

Ms. Zack's reply was, with her background in Social Services, she is a good bridge to connect these services. She also answered Councilman Frasier's question about Senior Power Day. Ms. Zack will make sure Southfield is made more aware of it and any dates and times. Everyone thanked Ms. Zack for coming.

City Administrator, James Scharret, had a few opening remarks before Council President Fracassi introduced State Senator Jacobs and State Representative Gregory to bring some legislative updates to the gathering. Mr. Scharret assured the representatives that the City is shovel ready; is looking closely at the budget; that we have matching funds available; we have put monies aside for capital improvements; we are aggressively seeking out grants; and in regard to the Police Grant, we are asking for two police officers even though we have nine vacancies.

Senator Jacobs commented on several items. First, the new marijuana law has brought some challenges. The State is struggling with the rules and how to enforce the new law. It is a struggle for all law enforcers. Second, things are bad—the State is losing \$100,000,000 a month. The State has made some projection mistakes in the Michigan Business Tax (MBT). The Single Business Tax was simpler. We are also trying to downsize the government. Third, the Stimulus money will provide some reprieve and help with the safety nets, i.e. unemployment, food stamps, utilities and education. The LTU Recovery Plan is a wonderful plan that will help in retraining people, which will surely supplement the Stimulus package. The Stimulus money is based on grants and formulas and geared toward shovel ready projects and jobs. The good news is that a lot of people will be put to work and there is some money for training and retraining workers. Senator Jacobs mentioned that the State passed a \$2 billion supplemental appropriations bill April 2, 2009. It is formula driven, so the State Legislature will appropriate the funds. There are also two big bills going through the Legislature right now. One addresses foreclosures and both sides of the aisle are concerned about this issue. The second one deals with emphasis on a comprehensive change of tax policy in regard to the MBT. Only small parts on the fringes of this tax have been looked at and so she would like to see a moratorium on this issue right now to see if they can come to a more bipartisan comprehensive decision.

Councilman Siver said he would like to see a moratorium based on taxing improvements to homes. It is discouraging homeowners from keeping up their property and making improvements. Senator Jacobs said she understands and that does sound good.

Councilwoman Jordan had a concern that the Stimulus might “plug” the City. Senator Jacobs assured her that Governor Granholm is making sure the money will be usable.

Questioning foreclosures, Senator Jacobs said she is looking at time limits and other options that are available to homeowners before foreclosure occurs. Lenders do not want to foreclose on homes and this is a start to help all involved come to the table.

Councilman Frasier asked if there was a way to keep assessments low even with an addition or improvements for at least a little while until a homeowner could get their mortgage under control. Also, he talked very briefly about the film industry in the area—please let the powers that be know the welcome mat is always here in Southfield. Mr. Zorn mentioned here that the City has already started dialogue with the film industry. Ms. Jacobs suggested that it would be great if the Council could write to the papers and the legislatures urging the State to not block the film industry from coming to the State.

Next, State Representative Gregory made some comments. Representative Gregory sits on the Appropriations and Human Services committees and the Education committee, which includes higher education. He, along with his colleagues, is looking at all areas of the budget. Closed prisons have reduced the corrections budget by \$160 million. Any monies from the closures will go into the general fund. The House and the Senate are looking where other lost monies are coming from.

Revenue sharing is on the table and both Senator Jacobs and he will fight for that. The Higher Education budget will remain the same as that is the requirement to receive Stimulus money. Mr. James Jackson has been hired into Sander Levin's office, so he is the person to call as he is the liaison between the Federal Stimulus Package and cities. We are still waiting to see how we can use the Stimulus money—not all of the rules have been set. Representative Gregory mentioned that everyone will hear a lot more about the marijuana law shortly.

Council President Fracassi is worried about people leaving the state and asked Senator Jacobs if Eight Mile Road could be a place for small manufacturing. The Senator said that it may be a part of it, but we will not be the manufacturing powerhouse we used to be. Small manufacturing businesses will not fill the shoes of the big ones who are leaving. She mentioned that the State is looking at businesses to build windmills—looking at new industries and making sure people are trained and learn new skills for new arenas. The changes in stem cell research are also bringing in new monies for jobs. Council President Fracassi is concerned about the left behind worker. Senator Jacobs commented that the Department of Education, Labor and Economic Growth are doing some very innovative things to retrain workers. Representative Gregory mentioned a free program through Wayne State University. If you have a degree and lose your job, you can get a Nursing degree at WSU. Council President Fracassi is worried about the less-educated displaced workers and hoped that small manufacturing jobs could help them. Senator Jacobs said there also is Tuition Training money available to people who have lost their job due to downsizing or other unforeseen circumstances.

Mayor Lawrence mentioned that the Neighborhood Enterprise Zone is a tool to help address the foreclosure dilemma. The Mayor asked Representative Gregory if there was any Stimulus money for individual schools. His response was that any undesignated money basically will be spread all over the State.

Senator Jacobs and Representative Gregory talked a short time about education stimulus money. They reiterated that the budget for education needed to remain the same to get stimulus money. This money is based on formulas and appropriated to such areas as Special Education, Disadvantaged Children, School Improvement, Homeless Children and Youth, School Lunch Equipment Assistance, Emergency Food Assistance and Education Technology Grants.

Mr. Zorn informed both representatives that the City has nine projects that are shovel ready. They include five roads, the Beech Road bridge, Evergreen Road, Southfield Freeway, safety projects in regard to sewers, sanitation water, transit and broadband.

Council President Fracassi asked Mr. Zorn to write a concise letter to Senator Jacobs, bulleting the City's shovel ready projects for her.

Councilman Frasier is concerned about the 2010 Census. He assured the representatives that the City would do everything it can to get an accurate count. No one wants to lose their number of representatives in government. If the City loses numbers, we may not have enough representatives to keep our water safe—our very precious resource.

Councilwoman Seymour commented that there is understandably not much money for the arts. She wondered if there was anything on the arts. Senator Jacobs suggested contacting James Jackson in Sander Levin's office for any assistance.

Lobbyist Bill Zaagman then made some remarks. From what Mr. Zaagman has seen, Michigan's stimulus money is \$18 billion and is grant or formula driven. About \$1.3 billion is basically the "no strings attached" State budget stabilization amount. This amount is distributed according to the Governor and State Legislature. Some of the money for Education from this amount will help back fill the Education budget and help with the \$59.00 gap that was created when the per pupil amount was decreased. \$16.7 billion of the Stimulus money is for grant and formula driven needs. Anything done by formula usually is appropriated by the Legislature. If Federal Grant money or State Grant money comes through the State Treasury, then the State Legislature appropriates it. Mr. Zaagman also said that the State is taking a more comprehensive approach to tax reform. A lot of little things have been looked at but we need to look at the whole picture. Everything is on the table including Proposal A. Comprehensive reform or solutions makes the process harder, longer and would include constitutional amendments but there are no easy fixes here.

City Treasurer, Irv Lowenberg, mentioned there are some high risk foreclosure areas. He wondered if a foreclosure counselor was available to come and meet with these areas periodically to help in this area.

Mr. Zaagman addressed this by saying that the House is looking at ways to bring the lender and the borrower together as this remains part of the sticking point. It is hopeful that in the next 30 days there will be solutions and hopefully some of the Stimulus money could be used to get mortgage counselors to help people facing foreclosure.

Councilman Lattimore wondered if there was any fund balance left in the State. Mr. Zaagman said probably not. Senator Jacobs had “good news”—other states are in worse shape than Michigan.

Councilman Frasier asked who initiates getting the lenders and borrowers together to discuss foreclosures. Mr. Zaagman replied that before foreclosure, the Lender sends a notice to the Borrower about their rights and contacting a mortgage counselor for help. If the Borrower refuses to come, then after about 14 days, foreclosure proceedings could start and that would be by advertisement. If the Borrower comes to the table, then it is a 90 day process. If the Borrower comes and qualifies for the FDIC Model but the Lender does not want to sign off on it, then the question becomes what to do about it. The House of Representatives answer tends to be to make it harder then to foreclose. The Legislature says to make it a Judicial foreclosure which really slows down the process and Lenders do not like that. But usually if the Borrower qualifies, Lenders do not want to foreclose and then the process should go alright. Ms. Jacobs reiterated that lenders do not want foreclosures and usually are willing to come to the table. Sometimes it is harder for the borrower to come. Mr. Frasier also congratulated Senator Jacobs on receiving the 2009 Distinguished Service Award by the Michigan Speech-Language-Hearing Association at which the audience applauded.

Next on the agenda was a call for immediate need to act pursuant to Rule 10 requesting the extension of the City Attorney’s Disability Period.

C-25-2009 Motion by Siver; seconded by Frasier.

**RESOLVED:** that pursuant to Section 10 of the Rules of Procedure adopted by the Southfield City Council on February 23, 1998, Council hereby determines that there is an immediate need to act.

Motion passed unanimously.

C-26-2009 Motion by Siver; seconded by Frasier.

**RESOLVED:** that full salary continuation for City Attorney, Jack Beras, shall be extended and continued for the disability period of April 6, 2009 through May 1, 2009, or such additional time until he is authorized to return to work by his physician, not to exceed, however, 90 days from May 1, 2009.

Motion passed unanimously.

Next on the agenda was a request to change the date for the annual Fireworks display.

C-27-2009 Motion by Jordan; seconded by Frasier.

**RESOLVED:** that pursuant to Section 10 of the Rules of Procedure adopted by the Southfield City Council on February 23, 1998, Council hereby determines that there is an immediate need to act.

Motion passed unanimously.

C-28-2009 Motion by Frasier; seconded by Jordan.

**RESOLVED:** that the date for the Star Spangled Southfield fireworks display on June 22, 2009, with a rain date of June 23 or the next clear night following, be changed to June 24, 2009 with a rain date of June 25 or the next clear night following.

Motion passed unanimously.

Next on the agenda was the Money Manager Contract for SERS item.

Councilwoman Jordan mentioned that the Finance Committee met on the SERS items and by consensus agreed to the recommendation being made.

Lauri Siskind briefed the Council that two firms had been interviewed, MacKay Shields of New York and Artio Global of New York. The City has a 5% cap on monies put into High Yield funds which equates to \$3.3 million, but the SERS plan's Investment Consultant, Gray & Company, recommends starting with an initial \$2 million investment and after seeing how the market performs, invest the other million. Ms. Siskind asked for an immediate need to act.

C-29-2009 Motion by Frasier; seconded by Siver.

**RESOLVED:** that pursuant to Section 10 of the Rules of Procedure adopted by the Southfield City Council on February 23, 1998, Council hereby determines that there is an immediate need to act.

Motion passed unanimously.

C-30-2009 Motion by Frasier; seconded by Siver.

**RESOLVED:** that the City Council authorize the Mayor and City Clerk to sign the contract with MacKay Shields, LLC to perform Investment Management services for the designated High Yield portion of the SERS portfolio.

Motion passed 5 – 1, Seymour opposed.

Councilwoman Seymour said she is voting no because she did not approve in investing in the High Yield Funds Program.

Next on the agenda was the Custodial Agreement for the SERS Program.

C-31-2009 Motion by Siver; seconded by Frasier.

**RESOLVED:** that pursuant to Section 10 of the Rules of Procedure adopted by the Southfield City Council on February 23, 1998, Council hereby determines that there is an immediate need to act.

Motion passed unanimously.

C-32-2009 Motion by Frasier; seconded by Siver.

**RESOLVED:** that the Mayor and City Clerk are authorized to sign the Agency Agreement with Comerica Bank for Custodial Services for the Southfield Employee Retirement System, effective October 1, 2008.

Motion passed unanimously.

The last item on the agenda was a presentation by Parks and Recreation Director, Bill Waterhouse. The City Administrator prefaced the presentation by informing Council of Mr. Waterhouse's hard work on the presentation. Mr. Scharret said that Administration and Legal have both reviewed this proposal. The P&R staff has done a great job researching this and it was felt that there could be some real cost savings along with a spruced up facility and freeing up some staff to enhance P&R in new ways.

Mr. Waterhouse presented an overview on an exciting and innovative public-private partnership opportunity with Little Caesars Amateur Sports Foundation. This partnership offers the potential for major achievements in the short and long term goals that Council has been seeking in the following areas: 1) upgrading the quantity and quality of recreational opportunities relating to skating; 2) enhancing maintenance of mechanical systems, small repairs, locker rooms, ice arena glass, concession area and general housekeeping; 3) addressing the need for new services in a tight economy through the most effective utilization of P&R personnel; and 4) engaging partners to share the longer-term vision of Parks & Recreation to achieve new and expanded programs and facilities to meet emerging community recreational and wellness needs of City of Southfield residents.

Mr. Waterhouse commented that the Ice Arena is more than just a Sports Arena and hockey. Partnership with Little Caesars Amateur Sports Foundation can help broaden its use. The partnership can enhance programs, services and events for residents—events such as: Southfield Youth Day at Comerica Park; support to Gus Macker Basketball Tournament and Youth Sports Festival; and free skate and hockey programs for the youth of Southfield.

There would be a 2 year initial agreement with Little Caesars Hockey managing the arena and concession; the City would operate the swimming pool; and Parks and Recreation would maintain transfer of funds to the facility maintenance account which is approximately \$250,000.00. Little Caesars is big on giving back to the community and would enhance what Southfield has to offer.

Request of City Council: a consensus by City Council to authorize City staff to negotiate a two year agreement with Little Caesars Amateur Sports Foundation to manage the Southfield Sports Arena.

Councilman Lattimore commented on the hard work Mr. Waterhouse put into this project and that the Council has been wondering what to do with the facility. Mr. Lattimore asked if there was any cost to the City in this. Mr. Waterhouse said the commitment was the \$250,000.00 in facility maintenance fees and that general fee would remain. Little Caesars will come in and make all necessary repairs to make sure the Arena runs to the standards the City and Little Caesars want. The aesthetics will improve and any profits will go back into programs.

City Administrator, James Scharret, commented that the City would not lose. There are cost savings as staff can move to other things and areas with no additional costs involved. Mr. Scharret said there would be no reduction in the budget but there would be no increase either. But there would be a better Arena and programs with this partnership. He also mentioned that eventually there would be a facilities cost savings because Little Caesars knows how to maintain things.

Mr. Lattimore: "I had to ask the question for the record because there seems to be a lot of confusion all the time when we venture off on projects like this – like the Youth Center. I think everybody on Council got something in their package from a ... unnamed ... anonymous employee that seems to think that everything we do is...we're just pouring money into everything else but the possibility of giving him a pay raise. Which is not true. They don't know that if they would come to the City Council meetings they'll know exactly what money has been earmarked for what. And certainly this, for example, is one of those cases where we're not capitalizing this at all. I wanted to clarify that for the record that, that is the case."

Mr. Lattimore also mentioned that hopefully this would lead us to other things like basketball courts for residents.

Councilman Frasier agreed with leading to other things, but we need to take this one step at a time and have a little patience. This partnership sounds like a great opportunity to upgrade our facilities.

Councilwoman Seymour agreed with Councilman Frasier. She is in full support of the partnership that will be great for the kids of Southfield. She also mentioned that the Ilitch group is wonderful to work with.

Councilwoman Jordan asked if the ice is regulation. Mr. Waterhouse responded that it is—not Red Wing regulation, but it is regulation. She wondered if an Ice Show could possibly return some day. The City may be able to look at that some day.

Mayor Lawrence's comment was that this partnership is a phenomenal idea—this is our opportunity to keep our kids in Southfield.

Council President Fracassi questioned the facility cost and our portion was explained along with the fact that Joe Louis personnel already have come out to evaluate the Arena's Zamboni and the building to see what actually needs to be done.

Councilman Frasier asked if the Arena would be completely under their control or do we have some say in things. Mr. Waterhouse said this is a partnership. We still want and will be able to present and put on our programs, too. Lisa Ilitch told Mr. Waterhouse that "Southfield" could be on many advertisements and items whenever anything is mentioned or advertised such as at sporting venues connected with Little Caesars.

Council President Fracassi declared that it looked like a consensus and complimented Mr. Waterhouse on a great presentation.

There being no further business, the Regular Meeting (conducted as a Committee-of-the-Whole – Legislative Meeting) of April 3, 2009 adjourned at 12:00 p.m., until the next Regular Meeting on April 13, 2009, in the Council Chambers of the Municipal Building, 26000 Evergreen Road, Southfield, Michigan.

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Donald F. Fracassi, Council President

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Nancy L. M. Banks, City Clerk