

**Approved  
February 17, 2009**

REGULAR MEETING  
(CONDUCTED AS A COMMITTEE-OF-THE-WHOLE)  
OF THE COUNCIL  
CITY OF SOUTHFIELD  
**January 5, 2009**

INDEX

<u>RESOLUTION</u>	<u>TOPIC</u>	<u>PAGE(S)</u>
*****	REQUEST for Personal Property Tax Abatement From Comau, Inc.....	1-2
C-01-2009	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.....	2-3
C-02-2009	CONFIRM the appointment of Donna Posey as Magistrate.....	3
*****	PROPOSED 2009 Council Meeting Schedule.....	3-4
*****	PROPOSED amendment to the Water & Sewer Ordinance regarding the billing process.....	4-5
*****	DISCUSSION regarding the ad-hoc committee, Rebuilding Southfield's Residential Community.....	5-7

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**January 5, 2009**

MINUTES

The meeting of the Council convened at 7:00 p.m. in the Council Conference Room of the Municipal Building, 26000 Evergreen Road, Southfield, Michigan, with Council President Donald Fracassi in the Chair. PRESENT: Council Members: Donald Fracassi, Myron Frasier, Sylvia Jordan, Sidney Lantz, Bill Lattimore, and Joan Seymour. EXCUSED: Kenson Siver. ALSO PRESENT: City Clerk Nancy Banks, City Administrator James Scharret and Assistant City Attorney Susan Ward-Witkowski. There being a quorum, Council was in session.

The first item on the agenda was a request from Comau, Inc. for P.A. 328 Personal Property Tax Abatement for buildings located at 21000 and 21175 Telegraph Road.

Mr. Banda stated that Comau, Inc. is an example of why the City does economic incentives. Eight months ago the City received a call regarding the Progressive Tool properties at Eight Mile and Telegraph. Comau, Inc. believes in Southfield. With the help of a brownfield designation, Comau retooled and repainted the buildings. They have employed a lot of people in Southfield and have indicated that they hope to comeback with expansion plans. They are seeking a 15 year personal property tax abatement. The City normally gives seven year abatements for personal property. Comau reduced their request to 10 years but staff is recommending seven years.

Kurt Brauer, Attorney and Tom Sventickas, Tax Supervisor for Comau were in attendance.

Mr. Sventickas thanked Council for approving the Brownfield, it was instrumental in their decision to stay in Michigan. Comau is planning to invest \$200,000 at 21000 Telegraph and \$2 million at 21175 Telegraph. The company is bidding on five military jobs and some aerospace jobs. They were recently awarded one aerospace job. More investments will be made in the property once the economy picks up.

Councilman Frasier asked if employees were being transferred here from other locations or were new employees being hired. Mr. Sventickas replied that many employees will transfer from other facilities, however, if the economy improves, new jobs will be created.

Mayor Lawrence stated that when tax abatements are approved a link should be created on the City's website regarding new job opportunities. Mr. Banda replied that the Career Center automatically links to any companies that receive tax abatements.

Mr. Banda stated that a public hearing is required and February 17<sup>th</sup> is the first available date.

The consensus of Council was to move forward with the request.

Next on the agenda was the appointment of a new Magistrate.

Judge Susan Moiseev, 46<sup>th</sup> District Court, stated that a year ago Council confirmed the appointment of two magistrates. Neither one was able serve past July 2008. The decision was made to wait until after the election in November to select a new magistrate. The three judges have been covering weekends in order to keep costs down and to prevent Magistrate Stanfield-Spinks from working 24/7. There were approximately 15 applicants of which five were interviewed. The position was offered to Donna Posey. Ms. Posey is a resident of Southfield and has practiced law for over 10 years. For the past three years she has been doing criminal defense work. She asked Council to confirm the appointment of Donna Posey.

Councilman Lantz asked about her philosophy and compassion regarding teenagers. The previous magistrates were fair but tough. They blamed teens for everything and fined them heavily. If a teen can't afford the fine, the teen may resort to theft just to pay the fine.

Ms. Posey replied that the punishment depends on the charges. If it's a minor offense, the cost may be minor. The Court doesn't want to punish the parents. In some cases, alternative sentencing such as community service may be an option. In Livonia, teens were assigned 3000 word handwritten essays. They were required to handwrite the essay to prevent them from cutting and pasting from the internet. She understands Councilman Lantz's concern but you have to take into consideration whether the teen works because the Court does not want to burden the parents financially.

Councilwoman Jordan asked about the selection process. Judge Moiseev replied that the position was posted in the Legal News and Michigan Lawyers Weekly. It was also circulated via e-mail through the various bar associations. Those who lived outside the community and without experience were not considered. Based on past experience, it is too much of a burden on staff to train the new magistrate.

Councilman Frasier stated that Ms. Posey has been on both sides of the issue in the courtroom. He asked if she favored one over the other. Ms. Posey replied that one needs to understand and be cognizant of the issues facing those standing before them.

Judge Moiseev stated that Ms. Posey may continue to practice law but may not handle cases heard by herself or the other two judges. The partners in her law firm are supportive of her accepting the appointment.

Councilwoman Seymour noted that previously the Court requested the appointment of two magistrates in order to have more flexibility. She questioned why only one was being appointed. Judge Moiseev replied that it was too difficult to train two at a time. They may appoint another magistrate in the future.

C-01-2009 Motion by Lattimore; seconded by Jordan.

**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-02-2009 Motion by Lattimore; seconded by Jordan.

**RESOLVED:** that Council does hereby confirm the appointment of Donna Posey as Magistrate of the 46<sup>th</sup> District Court.

Motion passed unanimously.

Next on the agenda was the 2009 Council Meeting Schedule.

Nancy Banks, City Clerk, stated that she followed the 2008 schedule when creating the 2009 schedule. February 3<sup>rd</sup> is a joint meeting with the School Board and April 3<sup>rd</sup> is a Legislative Breakfast Meeting.

Councilman Frasier stated that he received an e-mail from Michael Bridges of Farmington Hills regarding a possible joint meeting. He wants to meet with Councilman Frasier to see if there are any areas of mutual concern.

Council President Fracassi asked Councilman Frasier to get a few dates from Farmington Hills. Cooperation between communities is becoming even more important given the current economic situation.

Councilman Lattimore asked what the election dates were for 2009. Ms. Banks replied that the Primary, if needed, is September 15<sup>th</sup> and the General is November 3<sup>rd</sup>.

Councilwoman Jordan voiced her support for a joint meeting with Farmington Hills. She noted that Mr. Beras was going to look at Act 51 funds for Inkster Road before meeting with the City of Farmington Hills. Ms. Ward-Witkowski replied that the matter was looked into and there is not much the City can do.

Mr. Scharret replied that there is federal funding available. The City has looked to Farmington Hills to help reduce the City's cost. Inkster Road is safe and it is being maintained. The City will not proceed with any additional work until an agreement is worked out with the City of Farmington Hills.

Councilman Frasier stated that he has similar concerns regarding Greenfield Road. The City needs to find out where the City of Oak Park stands regarding improvements.

The consensus of Council was to move forward with the proposed 2009 Council Meeting Schedule.

Next on the agenda was amending the ordinance regarding water billing.

Mr. Scharret stated that on November 17, 2008 the City promised to comeback within 60 days with a solution to the current water billing process. Currently, the City bills residents for a minimum usage of 36 units per year. Public Works and the Legal Department were involved in a review of the current ordinance. Many residents have complained about the minimum usage fee. He recommended that the City immediately cease billing residents who do not meet the minimum usage requirement. The ordinance will be rewritten and will be presented in draft form during the budget process for Council's consideration. He also asked for authorization to hire a firm to do a complete water rate study. Mike McGhee, from Miller, Canfield, was also involved in the discussion and he recommends having a study done.

Mr. Scharret asked for a consensus from Council on the following:

1. Eliminate billing for minimum consumption to encourage water conservation. New ordinance may include a ready-to-serve charge similar to what the phone company charges. There are a few different ways to handle it. The City will look for a user-friendly, easy to use and understand system to equally distribute the costs associated with maintaining the water system infrastructure.
2. Request authorization to solicit proposals to conduct a water rate study at the next Regular Meeting.

Councilman Frasier asked if the change can be made using the current software. Mr. Scharret replied that the City made sure it could be done with the current software before making the decision.

Councilman Frasier asked if any estimates were done on what the change in procedure would cost the City. Mr. Scharret replied that the loss is estimated at \$150,000. The Water Fund can withstand the loss, it is in good shape.

Councilman Lantz stated that the City loses water every year to landscape services that hook up to the fire hydrants.

Council President Fracassi replied that the fines have to be large enough to deter people from doing it.

The consensus of Council was to amend the ordinance to eliminate the minimum usage requirement and to hire a firm to conduct a water rate study.

Councilman Lantz questioned what authority the Council President has to form an ad-hoc committee and chair that committee.

Council President Fracassi replied that Resolution No. 91.508 adopted in 1991 gives the Council President authority to form ad-hoc committees. The resolution was unanimously adopted.

Councilman Lantz responded that the Council President is interfering with the experts work on the foreclosure problem. The committee will be talking about money the City doesn't have. There is no beginning or end to the committee. The Deputy Administrator is doing the work that this committee would be doing. He questioned how the Council President could chair a committee. Council is deceiving the public by telling them that we will solve their problems.

Council President Fracassi replied that the last line of the memo to Council states that all recommendations will comeback before the full Council for approval.

Ms. Ward-Witkowski responded that the resolution states that the Council President cannot be a member of a standing committee. The rule does not apply to one issue committees.

Councilman Lantz replied that the resolution should never have been adopted. He did not know the ramifications when he voted for it.

Councilman Lattimore stated that the Neighborhood Stabilization Program (NSP) is one that should be run through a commission. He's not sure the City needs an ad-hoc committee to act as oversight. He does not want Council micro-managing the NSP. Many of the points raised in the memo have already been reviewed in detail by the Neighborhood Services Committee (NSC). The work should fall under the NSC rather than creating a new committee.

Councilwoman Jordan replied that the resolution does not address the Council President serving on ad-hoc committees but past practice has been for the Council President not to serve as Chair. She supports the committee being formed.

Council President Fracassi stated that the purpose of the committee was to focus on a serious situation in the City unlike anything the City has ever faced. This committee will only look at the foreclosure issue. The City needs to look at what is happening on the street and come up with solutions for curtailing the problem. He asked the Mayor and two additional Council members to be on the committee. The City has always been innovative and ahead of others in dealing with challenges.

Councilman Lattimore stated that his concern is that if Council makes a recommendation, staff will feel compelled to do whatever is recommended by Council. The City is paying someone to administer a grant and he would like staff to make recommendations to Council. The NSC spent many hours formulating an initiative that included foreclosed and vacant homes. Nothing has been done with that report. He recommended waiting for Fred Zorn to do his job and comeback to Council with recommendations for resolving the issue.

Council President Fracassi asked what was happening with the work done by the NSC. Mr. Scharret replied that several items have been accomplished and others are still being worked on.

Council President Fracassi replied that Southfield is suffering worse than any other city in the State. The NSC initiative did not address this issue.

Mayor Lawrence stated that there is a sense of urgency. The NSC has a broad approach. If Fred Zorn is working on it then Council needs a working session on the matter. The foreclosure issue is going to affect all of us. She questioned whether Council should direct the NSC to focus on the matter on a weekly basis or direct Administration to hold a working session similar to a budget session.

Councilwoman Seymour stated that it sounds more like a task force than an ad-hoc committee. This is a world-wide problem. Nothing can be accomplished with just a Council committee. The committee will require staff support. The City is very short staffed. The memo states the ad-hoc committee would provide recommendations for a marketing campaign. The marketing campaign was one of the priorities of the NSC. The Legislative Committee can handle the legislative agenda. Experts all over the country are trying to find a solution and have been unable to do so.

Councilman Lattimore recommended giving staff an opportunity to put a proposal on the table. He doesn't care about who chairs a committee. He understands Councilman Fracassi's passion for Southfield. Taxes are one of the things keeping the City from filling some of the vacant homes. The issue of Neighborhood Enterprise Zones (NEZ) needs to be addressed.

Councilman Fracassi asked what group the City currently has that could study all the ideas that are presented and then put a package together for the full Council to review. This memo was put together with the assistance of Fred Zorn, Jim Scharret and the Legal Department.

Councilwoman Seymour stated that investors do not want to buy here because of the taxes. An oversight committee is not going to make things happen.

Councilman Lantz replied that Fred Zorn and staff can do the work. By Charter, the Council President runs the meeting and sets the agenda.

Council President Fracassi responded that he would not be a puppet. Staff is handling the HUD situation. Any action will be brought before the full Council. If he is causing dissension then he asked that Council vote to remove him as Council President. He cannot sit and do nothing.

Councilman Fracassi stated that he spoke to Sue Ward-Witkowski about Proposal "A". Years ago, when Marlene Davis was School Superintendent, there was a meeting at the Skyline Club and he told her that there was no way a Court would allow people to vote for a tax millage, over and above what the State gives the City, and then allow the State to come in and take that money away and give it to other communities. He had recommended that the City and the School District take the State to Court. The Legislature won't change the law because Southfield is in the minority.

Councilman Lattimore stated that the tax issue needs to be addressed or the City will be a ghost town in ten years. He supports the idea of the City going to Court regarding Proposal "A".

Councilman Frasier noted that he would be making these comments regardless of whether he was on the ad-hoc committee. Council President Fracassi has come up with a way to look at what is happening in partnership with what Fred Zorn and Jim Scharret are doing. Councilman Siver is on the committee because he can provide the recommendations of the NSC. Council needs to step back and see what direction the committee takes. Assumptions are being made about what the committee will or will not do. What Council President Fracassi said can be interpreted in a couple ways. He recommended giving it a try. Council has a choice, let the City become a ghost town or try and do something to prevent it.

Mr. Zorn stated that he likes the standing committee structure because it gives staff the opportunity to run an idea by a few Council members for feedback before presenting it to the entire Council. The NSP is one small piece of the foreclosure crisis. Councilman Fracassi told him the ad-hoc committee would have a clear charge. He will work with the framework set up by Council to handle the NSP and the foreclosure crisis.

Councilman Lattimore stated that the consensus seems to be that taxes are the major stumbling block. He suggested broaching the tax issue with the School Board at the joint meeting on February 3<sup>rd</sup>. Taxes should be the key focus of the committee. The City will continue to have an issue with vacant houses if the tax situation isn't dealt with. The City is not as affluent as it once was.

Mayor Lawrence replied that she has seen cities transform themselves. She used Royal Oak as an example. She refuses to accept that Southfield is not affluent.

Councilman Lattimore replied that there are people living in Southfield that can't afford to live in Southfield.

Councilwoman Jordan asked about a timeframe for the committee.

Councilwoman Seymour suggested reassessing the matter in three months.

Councilman Lattimore asked that the ad-hoc committee make the tax issue the central part of its focus.

There being no further business, the Regular Meeting (conducted as a Committee-of-the-Whole) adjourned at 9:50 p.m., January 5, 2009, until the next Regular Meeting on January 12, 2009, in the Council Chambers of the Municipal Building, 26000 Evergreen Road, Southfield, Michigan.

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Donald Fracassi, Council President

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Nancy L. M. Banks, City Clerk