

**Approved
January 12, 2009**

REGULAR MEETING
(CONDUCTED AS A COMMITTEE-OF-THE-WHOLE)
OF THE COUNCIL
CITY OF SOUTHFIELD

October 23, 2008

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MINUTES

October 23, 2008

The meeting of the Council convened at 3:30 p.m. in the Council Conference Room of the Municipal Building, 26000 Evergreen Road, Southfield, Michigan, with Council President Joan Seymour in the Chair. PRESENT: Council Members: Donald Fracassi, Myron Frasier, Sylvia Jordan, Sidney Lantz, Bill Lattimore, 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 only item on the agenda was a presentation on fundraising.

Mr. Banda stated that this presentation is something he has wanted to do for sometime. During the Master Plan process is a good time for it to be done. Staff should not be doing fundraising. The question is whether given the current economy is it feasible to do a corporate fundraising campaign. He has been in contact with Terry Cusack of Stellar Fundraising for the past five years. Mr. Cusack is here to provide an overview of his company and his experiences in fundraising.

Terry Cusack stated that the appeal of Southfield is the number of large corporations within the city. Many of the other communities he works with do not have that advantage. The City underutilizes the philanthropic nature of corporations in America for programs that community leaders may deem impossible. Stellar Fundraising offers a multi-faceted program that includes economic development, marketing, business retention and brand promotion.

Mr. Scharret stated that the City has eliminated the use of fund balance over the past five years but Council has consistently said the City needs to do something to get people excited about the community. There is a uniform commitment to capital investment in the City. The City is looking for a return on its investment.

Mr. Cusack replied that when his company approaches a corporation looking for money, they put a return on investment analysis together. Many local CEO's do not make decisions on investments and donations because they are owned by conglomerates.

Mr. Scharret asked if they have had a successful campaign since the economic meltdown. Mr. Cusack responded that they do not have one campaign that is not hitting gold. The average return is 117%. They will work together with volunteers. However, his team will do the balance of the calls. They should have 150 to 200 investors by the end of the campaign. After the feasibility study is complete, a new public/private partnership (501(c)) will have to be created for the corporations to make pledges to. Volunteer leaders are shown an investment table on the types of pledges that are needed to reach a specific goal.

Mr. Banda replied that the worse nightmare is that the study finds it's not feasible. Mr. Cusack responded that 10-15% of the studies comeback with that very finding, but that is the type of advice the City needs.

Councilman Frasier asked if his company helps the City determine what the funds would be used for. Mr. Cusack responded that together they will design a program based on what he and Mr. Banda think the needs are. The program will be sent out electronically to Council for their response. Priorities should be re-established every five years.

Councilwoman Jordan stated that the City tends to look to the same companies. She asked if he would look at those same companies or at new ones. Mr. Cusack replied that his company will look at the top 100 employers and any others the City feels they should visit. He and Mr. Banda will put together a mailing from Mayor and Council letting companies know that the City has retained Stellar Fundraising and asking the companies to speak openly to their representatives.

Councilman Fracassi stated that many of the corporations in Southfield are supplier oriented, such as Lear and Federal Mogul. Given the current economic problems, he's not sure what their appetite will be for this or if they will even be in business next year. He questioned where Southfield would fit in the corporations overall picture of giving donations. He was uncertain about the timing.

Mr. Cusack responded by asking if not now, when and if not Southfield, someone else will. Time and again, he has seen companies write checks for community needs when no one thought they would.

Councilman Lantz left the meeting at this point.

Councilman Fracassi stated that the City can't sit still. People need to know we aren't slowing down. Investments are being made to strengthen the community. He is very interested in knowing what the corporate community's response will be.

Mr. Zorn stated that there is tremendous value in asking the corporate community what they think. The City still has a relatively low unemployment rate compared to the 1980's.

Rochelle Freeman responded that the City has never really asked the corporate community for money. When she meets with the various companies they express a desire to invest in the community that will give them a return on their investment.

Irv Lowenberg replied that Grand Rapids has tremendous economic development taking place. A couple of companies stepped forward and led the push to the next level. The City needs to find someone to step up to the plate.

Council President Seymour stated that businesses will be excited that the City wants to do something to help with economic development. She would like to know where the City stands with the corporate community.

Mr. Cusack stated that whatever the study shows, it is incumbent upon the City to fix the problems.

Mr. Scharret stated that the City needs to have an outside group do the study in order to get an honest opinion.

Councilwoman Jordan suggested exploring an income tax with the business community.

Councilman Fracassi replied that not one community has prospered with an income tax. When competing with another community, the one without the income tax will win. The City's tax rate is already a negative. Mr. Zorn responded that on a legislative agenda an income tax is a good card to play when talking about revenue sharing.

Councilman Lattimore replied that he is not touching the prospect of an income tax.

Mr. Banda stated that Mr. Cusack does not get a percentage of the funds raised. When he spoke to other communities, they indicated that the City should stay out of his way and let him do his job.

C-56-2008 Motion by Jordan; seconded by Lattimore.

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-57-2008 Motion by Jordan; seconded by Lattimore.

RESOLVED: that Council does hereby authorize Stellar Fundraising to conduct a feasibility study for an amount not to exceed \$33,000.00.

Motion passed unanimously.

Councilman Frasier stated that the City needs to look at the broader picture. It is important to keep the region in mind.

Councilman Fracassi stated that the City has a bus depot at Eleven and Lahser. The City needs to get that property back and develop it as a major depot with a restaurant. The City needs to be involved in the regional transportation plans.

Mr. Zorn suggested having John Hertel come in and present their strategy for regional transportation. Billions of dollars are being lost because no deal has been reached.

There being no further business, the Regular Meeting (conducted as a Committee-of-the-Whole) adjourned at 5:00 p.m., October 23, 2008, until the next Regular Meeting (conducted as a Committee-of-the-Whole) on October 23, 2008, in the Southfield Meeting Room of the Southfield Public Library, 26300 Evergreen Road, Southfield, Michigan.

Joan Seymour, Council President

Nancy L. M. Banks, City Clerk