

CITY OF FENTON COUNCIL WORK SESSION PROCEEDINGS
Monday, August 4, 2014
City Hall Conference Room
301 South LeRoy Street
7:30 PM

Mayor Sue Osborn called the meeting to order at 7:32 PM.

Present: Bland (via telephone), Grossmeyer, Jacob, King, Lockwood, McDermott, Osborn.
Absent: None.
Others Present: Lynn Markland, City Manager; Mike Burns, Assistant City Manager; Dan Czarnecki, Director of Public Works and Tim Juidici, Engineer.

CITIZENS COMMENTS – None.

LOCAL STREETS MILLAGE

Markland stated he would like the City Council to discuss a local streets millage and decide if a millage will be sought and when Council would like it to go on the ballot in order to have time to prepare information and have community meetings.

Grossmeyer agrees a millage is needed and the number of mills needs to be determined. A millage is needed that isn't so large it will probably fail, but big enough to accomplish what needs to be done.

Markland stated OHM completed a study that was presented to Council earlier this year that indicated in order to make progress on improving the streets, at least three mills is needed, which would generate about \$900,000 a year.

Bland stated whatever millage is sought needs to be enough to guarantee residents that if their road needs to be repaired or resurfaced that it will be taken care of.

Osborn asked Tim Juidici for information on the millage that was passed by Milford. Juidici responded Milford's rate is three and a half mills over a ten year period. After ten years, the millage reduces down to one mill for ongoing maintenance for another ten years. He stated other communities he has worked for passed millages for ten or fifteen years that are in the range of two to five mills depending on the community, miles of streets, etc.

Juidici further stated based on analysis of existing conditions of the road network and future forecasting, \$1.25 – \$1.5 million (including local and major roads) is needed annually to make an uptick in the condition of the existing roads.

Osborn stated the S.E.V. needs to be provided by the Assessor's office to determine how much of a millage is needed. Markland stated he will get exact numbers but that one mill brings in approximately \$350,000.

Juidici stated the 3.5 mills in Milford generated \$850-\$900,000 per year. He stated Milford ran a grassroots informational campaign for sixteen to eighteen months ahead of the vote. They held informational meetings with homeowners' associations, church groups, civic groups, etc. and created a video explaining the program.

Lockwood stated the average this proposed millage would cost each resident needs to be known as well as what roads would be done first and what the plan is to roll out this program. She suggested contacting the Michigan Municipal League (MML) to get millage trends to see

what has passed and what hasn't and to meet with the communities that have been successful in passing a millage.

Markland stated he would like direction on what exactly the Council would like to do so staff can prepare information to present to Council.

McDermott stated it is his recollection based on information previously provided to Council that the millage needed to be closer to five mills to improve the roads over time.

Juidici stated about \$1.2 million is needed annually to maintain status quo. About \$1.5 million is needed annually to get an uptick in road conditions.

MML and communities that have passed a streets millage will be contacted and Administration will work on putting figures together as to the number of mills needed and what it will accomplish. Item will be further discussed at the September work session.

EAGLES ON THE WATER'S EDGE CONCEPTUAL LAYOUT

Markland stated the City has received property through tax reversion that is located in the Eagles on the Water's Edge development. The property is currently slated to be developed as townhomes. In talking with the Planner and Engineer, it was determined the property would be difficult to develop as originally planned. What is being looked at is to amend the PUD to allow a different type of development; to allow different types of single family homes with garages. He stated there have been preliminary discussions with the homeowners' association affected by this development and they are agreeable to the change.

Markland asked OHM to submit a proposal to work with the City to develop an alternate home concept in order to come up with an RFP to get the property developed. He stated the area can fit about twenty homes. The proposal from OHM is \$3,500.

Consensus was to add this item to the next City Council agenda for action.

BUILDING DEPARTMENT CLERICAL ASSISTANCE

Markland stated in 2008 the Building and Zoning Department was staffed with a full time clerical employee. In 2009 the economy was in a recession and building permits and City revenue were declining. It was decided to lay off the clerical position until the economy improved and building permits increased. Over the last couple of years the economy has improved and the number of permits issued has increased and a part time clerical position was created to work in the Building Department. He stated the number of permits and revenue continues to increase and he would like to make the position full time; the workload in the department and the increased revenue justifies an increase in staffing and the need for more clerical help. He further stated this was not planned for in the budget but the increase in revenue will pay for the position. The plan is for the person to work four days in the Building Department and one day in the Assessing Department and stated information was provided in the packet that details the increase in permits and revenue.

Council agreed a full time position is needed and item will be put on the next City Council agenda for action.

DOWNTOWN DEVELOPMENT AUTHORITY (DDA) MARKETING EXPENDITURES

Osborn stated on July 1, 2010 the DDA entered into a contractual agreement with New Moon Visions to market the DDA District. At that time, New Moon was selected by a Marketing Committee established by the DDA. The Committee also selected the tagline "Be Closer" for the marketing campaign. This was developed by research provided in their

marketing campaign that involved community surveys, interviews with community leaders and visiting merchants within the community. One of the reasons New Moon was selected was because downtown marketing is their niche. For the past four years, the DDA has continued this agreement. Osborn next reviewed the spreadsheet provided in the meeting packet that details payments to New Moon as well as total marketing and event marketing expenditures since fiscal year (FY) 2011.

Osborn asked what the \$12,008 expense in FY 2012 and the \$11,069 expense in FY 2013 for event marketing covered. Burns responded the FY 2012 cost was for New Moon to manage the Art Walk and the Third Thursday events. The FY 2013 cost was to manage the Art Walk and the Silver Parkway Lining Rewards Program.

Osborn stated the budget has steadily decreased and New Moon has completed half of the marketing work for the Streetscape project. She talked to New Moon who indicated they enjoyed working for the City but that she did not ask them to come back. She called the City Attorney to get clarification on what could be done with the budget. At the budget work session it was extensively discussed about doing something different with the DDA budget; to either get a new marketing firm or work with a Main Street program. The budget was voted on and no decision was made to change anything. According to the City Attorney, if the budget has been approved, it can't be changed. The DDA was approached about making a change and they indicated they wanted to stay with New Moon. This was again discussed at the July DDA meeting and the DDA Board was insistent on staying with New Moon and worried it would cost more money to hire an individual marketing person. She stated at this point she doesn't know if anything can be done but to stay with the DDA budget as it has already been approved. She stated this could be looked at again before the next budget session and suggested checking with Oakland County about participating in their Main Street Program.

Markland commented in order to participate in a Main Street Program a person has to be dedicated to working on Main Street issues for forty hours a week. He stated the deadline is approaching to start the marketing for the Streetscape project and he would like to have an in house Main Street person but is concerned if someone new is brought in at this point it would take them a while to get up to speed.

Bland stated New Moon is too involved in various projects to change anything this year. If the Council is looking at switching to a different company or an in-house person, the DDA needs to be approached and discussions started now so things will be in order if a change is made. He commented if the DDA is satisfied with who was hired and feels they are doing a good job, he feels the Council would be remiss to step in and do anything else.

Markland stated the the downtown is changing and becoming more active and thinks it is time for the City to look at being a part of a Main Street Program.

McDermott asked if the status of New Moon had changed stating they have resigned and are not interested in renewing their contract. Osborn responded New Moon indicated to her they would consider continuing because they have done half of the marketing work for the Streetscape project.

Lockwood stated she doesn't disagree with keeping New Moon on to complete the marketing for the Streetscape project. She stated at the budget session it was discussed that New Moon had done a good job but it was time to move onto a Main Street marketing person so the Council reserved the right to amend the budget. Markland stated amendments can be made to the budget but thinks for the DDA budget, the amendment would first have to be made at the

DDA level and then City Council. Lockwood stated she would like clarification in writing on what can be done with the budget.

Lockwood asked how much is budgeted for the Streetscape project in the DDA budget. Burns responded \$50,000. Of that amount, approximately \$19,000 is for New Moon's services, the remainder is for media buys and noted New Moon did not resign, they choose not to renew their contract.

Lockwood asked for the amount of money allocated to New Moon since they were hired. Grossmeyer stated he asked for that information from the Treasurer's office and is as follows:

7/1/2010 to 6/30/2011	\$71,067.57
7/1/2011 to 6/30/2012	\$71,981.80
7/1/2012 to 6/30/2013	\$55,050.00 (not including Streetscape)
7/1/2013 to 6/30/2014	\$48,350.00 (not including Streetscape)

Osborn again stated the DDA explicitly said they want to continue with New Moon and she wants to support them.

Lockwood shared with Council a Main Street brochure from Boyne City and stated the DDA was not supportive of a Main Street person. Osborn stated she thinks if the DDA is approached, they would consider it. She stated Genesee County does not have a Main Street program and suggested contacting Oakland County to see if the City can be included in their program since part of the City is in Oakland County.

Lockwood stated a lot of the issue is education; it needs to be known what a Main Street person will do for the City and that information needs to be presented to the DDA.

Grossmeyer asked what the difference is between a Main Street person and a marketing person. Markland responded a Main Street person can only work on marketing for the downtown area. Grossmeyer commented he thinks the City would be better off having someone in house handle marketing but it needs to be looked at whether a Main Street person is the way to go or someone who can market the entire City.

Markland stated if someone is hired to market the entire City, part of their salary would have to be paid from the general fund which is something that could be figured out for next year.

Burns stated one of the keys to the Main Street program is merchant outreach and that is a big part of what New Moon does, which is why they were hired. Markland added that New Moon worked with the North Leroy group to come up with their logo and helped with informational signs and noted that was not paid out of the DDA budget; \$5000 was appropriated by City Council and the businesses also paid \$5000. He commented New Moon also created the Silver Lining Rewards Program for Silver Parkway.

Lockwood stated she would like to see New Moon limited to only working on marketing for the Streetscape project. She asked for clarification of what is being asked for.

Burns stated every year he gives New Moon an amount that will be budgeted for all marketing and they develop a marketing plan based on that amount.

Osborn stated she is asking to continue with New Moon because of the Streetscape project and because the budget has already been set and then contact Oakland County about their Main Street program.

Markland stated he likes Councilman Grossmeyer's suggestion of a citywide marketing person and the City would have to collaborate with the DDA and LDFA on this.

King stated she believes an in-house marketing person is a good idea because they can promote the entire City. She suggested both the Council and DDA look at this option for next year.

Osborn stated figures and other information need to be gathered and presented to the DDA before the next budget session.

Lockwood asked if the City is legally bound to use New Moon since they have chosen not to renew their contract. Osborn responded no but that someone would have to be brought in to finish the work. She thinks New Moon should be kept for this year and then approach the DDA next year with any suggested changes and commented the DDA should have been approached prior to the last budget work session.

Markland stated the way the calendar is set up it makes it difficult for the DDA to approve their budget and then have time to discuss it with Council. He suggested either starting the budget process earlier or annually meeting with the DDA prior to them adopting their budget.

Jacob agreed with Osborn that New Moon should be kept on for this year and any changes can be discussed with the DDA before the next budget is adopted.

McDermott commented he does not have an issue with New Moon but does have an issue with the fact they sent a letter stating they are not renewing their contract. He stated it does not make fiscal sense to bring in someone new when the Streetscape project is so far along. The issue at the budget session was that the Council needed a better understanding of where money is being spent. He thinks a conversation needs to take place before the budget session of what direction the City is going as everybody wants what is best for the community.

Osborn stated adjustments to the budget need to be made to pay for a citywide marketing person and that was not in place when the budget session occurred. She thinks if discussions take place with the DDA to let them know what Council is looking for, they will be receptive to that.

Lockwood asked when the contract with New Moon expires. Burns stated it is an annual contract that renews July 1st of every year.

DDA Member Jim Saule commented New Moon has done an excellent job and there was a lot of testimony to that at the last DDA meeting the merchants attended. He stated the Streetscape project impacts merchants the most and suggesting listening to them. He thinks it is a mistake to bring in someone new when New Moon has already done half the work and he has not heard any complaints and does not think it is an issue to reinstate their contract. He also stated the DDA was not told much about the Main Street program.

Osborn stated she will contact Oakland County to see if someone can attend a DDA meeting to talk about the Main Street program. She asked for a general consensus from Council on what direction to go.

Grossmeyer stated right now continuity is needed because of all the projects going on downtown and the City should continue with New Moon. He thinks during the course of the year it needs to be looked at where the City wants to go, whether it is a Main Street person or a citywide marketing person.

McDermott stated the City needs to stay the course with the Streetscape project as time and money have been invested and thinks the DDA has done a great job in guiding those projects. He would like to have a better understanding of how the money is spent to make sure it is spent in the best way possible. He thinks looking towards next fiscal year discussions need to take place early enough that if a change is going to occur that Council is ahead of the curve.

King agrees with the suggestion of a citywide marketing person. She thinks the DDA has done a fine job and thinks New Moon should be kept on for now.

Osborn thinks New Moon needs to stay on for now and then Council needs to decide what direction to go and present their decision to the DDA.

Lockwood commented she has great respect for the DDA and will go on their recommendation that they are comfortable with New Moon. She is not comfortable with any firm saying they are not continuing their contract and would like to know their reasoning. She thinks the City is too far into the Streetscape program to turn back but would like New Moon to be limited to the Streetscape project.

Osborn stated she doesn't know if that can be done. Burns stated New Moon has proposed a marketing plan for next year. Lockwood asked if the intent is for New Moon to run the Art Walk next year and not the Artist Guild. Burns stated the Artist Guild takes care of things around the Community Center; everything else is done by New Moon.

Lockwood clarified the only event New Moon is responsible for is the Art Walk. Burns responded that is correct and he provided in his memo the tasks that New Moon is responsible for. He stated New Moon's only involvement with other DDA sponsored events is to place the event on the City's Facebook page and the Be Closer website. Lockwood requested that the only event New Moon work on is the Art Walk.

Jacob stated he feels New Moon needs to stay on through the Streetscape project.

COUNCIL MEMBER COMMENTS

King stated a report from the Solid Waste Committee will be presented at the next work session.

CALL TO THE AUDIENCE – Doug Tebo, 409 Bent Oak, updated the Council on various cemetery issues. He commented the History Walk is scheduled for September 14th and a headstone dedication will take place.

Meeting was adjourned at 9:10 P.M.

Mayor Sue Osborn

City Clerk, Renee Wilson

Date approved: August 25, 2014