

A. CALL TO ORDER:

A Special Meeting of the Troy City Council was held on Monday, April 15, 2019, at City Hall, 500 W. Big Beaver Rd. Mayor Slater called the meeting to order at 6:01 PM.

B. ROLL CALL:

- (a) Mayor Dane Slater
Edna Abraham
Mayor Pro Tem Ethan Baker
David Hamilton
Dave Henderson
Ellen Hodorek
Ed Pennington

C. DISCUSSION ITEM:**C-1 Proposed Fiscal Year 2019/20 Annual Budget and Three-Year Budget****Overview of 2019/20 Budget:**

- Water/Sewer
- Three-Year Budget

(Budget is available for review at the City Clerk's Office, Troy Public Library and on the City's website <http://www.troymi.gov/budget/>)

Mayor Slater opened the meeting and asked Mr. Mark F. Miller, City Manager, to provide the discussion topics.

Mr. Miller gave a brief overview of the agenda topics for this evening. He began discussing the presentation with City Transportation Services. Mr. Miller asked for direction from City Council regarding defunding the Big Beaver Shuttle, and shifting money from other transportation areas to fund the additional positions in order to provide City-provided senior/specialized transportation services.

Mayor Pro Tem Baker commented that he supports this plan, but asked if current shuttle drivers would qualify to drive for Medi-Go. Mr. Kurt Bovensiep, Public Works Director, commented that the current drivers are qualified to drive for Medi-Go. Mayor Pro Tem Baker commented that he believes that shifting the funding and canceling the Big Beaver Shuttle is a plan that fits better with the City of Troy and will benefit more of our residents.

Council Member Abraham commented that even though the City and SMART worked over the years to make the Big Beaver Shuttle more successful, it still is not as successful as it needs to be in order to continue funding it. She asked if there are any other commitments that the City is obligated to with SMART. Mr. Bovensiep commented that the funding for the shuttle can change with a 30 or 60 day notice to SMART, and that SMART is already aware that funding may be withdrawn by the City. He said that the Community Partnership Agreement still exists and can be brought to Council if needed, but that Mr. Miller wanted to bring it to Council as part of the Budget process.

Council Member Hodorek commented that the City was anticipating other options being available that never appeared, but if new partnership offers become available, would the City be able to restart the shuttle service with SMART. Mr. Bovensiep said he thinks it's possible given that other cities have similar agreements and also provide senior transportation much like what is being discussed.

Council Member Hamilton commented that he sees more of a value in investing that money into Medi-Go instead of the shuttle, and while he supports public transportation, he agrees with shifting the funding to the in-house transportation service.

Council Member Pennington commented that the shuttle was a great idea, but it's unfortunate that the hospitality community didn't participate as much as we had hoped in the shuttle.

Council Member Henderson commented that the idea for the shuttle had a lot of components that could have made it successful, but many of the components and partnerships never happened. He said that finding a way to gauge success of a shuttle program is important if it's ever started up again. He said that funding for Medi-Go is a lot of money, so is there a way to overlap the costs such as sharing drivers. Mr. Bovensiep said that the hours of the shuttle are outside the hours of Medi-Go, and the drivers are all part-time positions. He said that there isn't a way to share the drivers since that would increase their hours beyond part-time status. He said that the vehicles could be shared, but the biggest cost is the personnel costs involved.

There was a consensus of City Council that City Council agrees with the proposed transportation services shift in funding and it can be included in the proposed 2019-2020 Budget and beyond.

Mr. Bovensiep discussed the Refuse and Recycling Services. He said that the recycling is up 23% and all paper, metal and plastics have to be 99.5% contaminate free. Mr. Tom Darling, Director of Financial Services, discussed the Refuse Millage Rate and the proposed increase from 1.07 mills to 1.09 mills, which was the millage rate in 2014. Council Member Henderson said that the actual cost is \$136 per year per household for trash and recycling services, which is a good value for the residents.

Council Member Henderson asked about contamination of recycling materials. Mr. Bovensiep said that contaminated materials are not recyclable, and are removed from the stream then thrown out as refuse. He said that SOCRRA is about to take in third-party recycling to increase the revenue stream, which will offset even more costs for residents.

Mr. Bovensiep discussed the Niles Barnard House renovation obligations. He provided an overview of the history of the house being moved onto City property at the Village, and the renovation history. He discussed the original scope of the plan and then a revised new scope of work for the renovation. Mr. Miller asked for direction from City Council regarding how to proceed.

Mayor Slater commented that he said he doesn't think the Historical Society would be happy with this new scope of work. Mr. Bovensiep said that the new scope of work has been communicated to the Historical Society. There was a consensus of City Council to ask Ms. Loraine Campbell, Executive Director of the Troy Historical Society, to comment on the new scope of work. Ms. Campbell said that the new scope of work does fulfill the obligations that the City has to the Barnard family's donation of the house. She said that if Council provides a

minimum amount of work to the house, then there will be a minimum amount of use gotten from the house. She said that a more modest restoration, restricted to the main floor as much as possible, can be done, but there will be more opportunities to use the house if there is a more extensive restoration done, such as wedding receptions and events. She said that electrical and water services are important for almost all uses of the house. She said electrical appliances are needed in order to use the house for meetings and events. She said that it is also important that the restoration is done to the historical standards required, so a historical restoration architect should be employed. She said that 2020 is the 200th anniversary of Oakland County, and it is an opportunity to highlight Troy during that time, which could be done by using the house. Mr. Ward Randol, Vice President of the Troy Historical Society, commented that Rochester recently rebuilt a historical barn for \$794,000. He said that the Barnard house is about the same size as that barn, and the \$655,000 is bare bones and unrealistic in a tough market. Mr. John Lavender, Treasurer of the Troy Historical Society, said that the Society hasn't had an opportunity to review the second estimate scope of work, and it may contain the items that are being discussed tonight.

Council Member Henderson commented that some Council Members toured the home last year, and it needs repairs, so Council budgeted \$450,000. He said it was a shock to see the purchase request on the Agenda for over \$1 million. He said that even \$655,000 seems high, and he is not comfortable with any of the numbers at this point.

Mr. Bovensiep commented that the repair and replacement of the wet plaster is a higher cost than replacing with drywall, since there aren't many contractors who can do that work. He said that some of the non-historical work can be split up and contracted to lower-cost contractors. He said that bringing historical work up to today's building code has a much higher cost, and requires a contractor experienced with historical work. Council Member Henderson said that if wallpaper is put up, what's the difference between plaster and drywall, especially if the cost is so much different to be historically accurate. He said that most of the buildings at the Village don't have open second floors, so does this building really need a second floor. He commented that parking seems like it would be a concern for events and weddings. Mayor Slater said that overflow parking can be provided by shuttles, so that's not a concern.

Mayor Slater asked if the items mentioned by Ms. Campbell are included in the scope presented tonight. Mr. Bovensiep said that it does not include the items mentioned by Ms. Campbell, but it does meet the City's essential obligations. He said that removing walls and plaster could potentially shift walls and cause more damage to the house. Mayor Slater said that revisiting these questions at a later date after the project begins might be a better idea, even if that means doing a budget amendment.

Council Member Abraham asked about a Federal grant and the timeline of that grant. There was a consensus of City Council to allow Ms. Campbell to join the discussion at the table.

Ms. Campbell commented that weddings are currently hosted at the Village, and there is a parking plan in place. She said that there is currently a Federal grant program that spans multiple years, including matching funds, and an endowment fund. She said that the Society is in the third year of the Grant, so they are required to spend 33% of the grant money, and she is in the process of writing a report to the National Endowment for the Humanities, which includes a paragraph about the funding to be received from the City. She said that there are other grants that the Society has received, and has been spent, for furnishings for the house.

Council Member Abraham commented that last year, Ms. Campbell asked for money from the City in order to develop programs. Ms. Campbell commented that the new barn in Rochester is direct competition, and that there are lots of competing villages and museums for events. She said that a warming kitchen is necessary in order to attract catered events. She said that remodeling the inside of the house to allow for presentations, by removing a wall, is necessary to attract business events. She said that the original architect said that doing these restorations was possible, and they are necessary. She said that Eastern Michigan University is interested in partnering with the Village to install the historical wallpaper at no charge.

Council Member Hamilton commented that he sees the \$655,000 as the starting point for necessary renovations, and he would like to see what the benefit would be for increasing the amount from there.

Council Member Henderson asked how much more some of the other items would be. Mr. Bovensiep said he would have to go back and find out those costs. Council Member Henderson said that he would like to see an ala carte list of items and their benefit. Ms. Campbell said that there is a grant application open right now for a 1 to 4 match that the City can apply for, with specific items to direct the matching funds. She said that grant is awarded in the fall. Mayor Slater commented that a company would need to be hired to write that type of grant.

Council Member Pennington asked if HVAC is already in the house. Ms. Campbell said that there was a temporary heating solution to keep the house from freezing, but there are updates included in the \$655,000 scope. Council Member Pennington commented that what if there are no contractors available to do this work. Mr. Bovensiep said that the timing of the bid would be important to make sure that there are contractors available. Council Member Pennington said that there will probably be cost overruns, and avoiding those would be more important to keep costs lower. Ms. Campbell said that since there will be wallpaper covering the walls anyway, it's more important to repair the walls in a cost-effective way. She said the Society can advocate for donations of appliances, but using the money to make the house attractive to event hosts and attendees.

Mayor Pro Tem Baker said that it seems like there are two separate entities working on this but not working together. He said he hopes that the City and the leadership of the Village can come together. He said he thinks it would be unfair to not follow through with making the Barnard House a destination, but he would like to see a compromise that the Village leadership will be happy with but also will be acceptable to City Council. He said he is in favor of increasing the budget to \$655,000, but he would like to hear more about what each item costs to decide the value of those items. He said he is not in favor of delaying the project.

Council Member Hodorek commented that she doesn't fully understand all the items on the renovation list, what is necessary, and what is not needed. She sees the potential for the events at the Village, she doesn't want to delay the project, and she would like to see if revenue from the sale of the old stone school could be used toward the renovation. She is in favor of increasing the budget to \$655,000 with this budget, and then consider future budget amendments for additional work. She said she would also like to see a list of ala carte additional items that could be added to the scope of the renovation.

Council Member Hamilton said that the I-75 project has shut down so many of our capital projects that now seems like the time to put capital money towards this project.

Council Member Pennington said that by not spending the money now, hiring quality contractors, it may cost more later in future renovations and repairs.

Council Member Henderson said that \$655,000 is an unrealistic number because there are always hidden costs in renovations. He said he would like to delay this a little while to get the additional information discussed tonight, and hold off until the winter to have a competitive response to the bid.

Council Member Abraham said that she is not in favor of delaying the project, and that in any project there will be surprises. She said that she would like to proceed with caution and oversight.

Mayor Slater said that he sees a consensus from City Council to not delay the renovations, but to increase the budget to at least \$655,000, and ask City Administration to put together a contract that includes the expanded archway and the kitchen that the Historical Society requested, along with other needs as can be agreed upon with the Historical Society, for a price of around \$700,000. He said that it is not unusual for City Council to have to deal with additional costs at future meetings, as it might happen with this project.

Mr. Dennis Trantham, Facilities Manager, discussed the issues of the Sylvan Glen Pro Shop, as discovered during the facilities assessment. He said that there are various items that impact the golfing experience at Sylvan Glen, and that Sylvan Glen is on the historic registry. Mr. Miller asked for a consensus from City Council as to how to proceed with budgeting for renovation or rebuilding the Pro Shop.

Mayor Slater said that it seems like an easy decision, given the difference in cost between renovating and rebuilding, to do a completely new building in a better location.

Council Member Abraham said that the City would still be obligated because of the historical designation. Mr. Miller said that before any work is done, there would need to be an investigation as to what parts and why the building is on the historic registry. Mr. Miller said that there are provisions in the City Code where historic buildings can be demolished.

Council Member Henderson said that he agrees that the building needs work, and that the cost of renovation seems reasonable. He said he questions the higher cost of rebuilding.

Council Member Pennington said he agrees with demolishing the old building and building a new pro shop in a better location closer to the course.

Council Member Hamilton asked for clarification of the costs of repairing. Mr. Trantham said that \$115 thousand for immediate needs, \$230 thousand for more long term renovations, and \$300 to rebuild.

Mayor Pro Tem Baker said that he is in favor of rebuilding the pro shop considering the relatively small cost differences, as long as the old pro shop can be demolished.

Council Member Hodorek said that she is in favor of rebuilding the pro shop as long as the old building can be demolished.

Council Member Henderson asked if the old building would have to be demolished. Mr. Miller said that City Management would investigate to find out what the best solution would be for the old building.

There was a consensus of City Council to have the construction of a new pro shop put into the proposed 2019-2020 Budget.

Mrs. Elaine Bo, Recreation Director, discussed the Troy Family Aquatic Center operations, and capital expenditures that will be needed in future budget years.

Council Member Hodorek asked if the visitors are mostly Troy residents. Mrs. Bo said that the visitors are about 50% Troy residents. Mr. Miller said that on the very hot days in the summer, the occupancy maxes out and more of those visitors are non-residents. Mrs. Bo said that prices are higher for non-residents.

Mayor Slater said that the community survey should include a question about the TFAC.

Mr. Miller discussed the future of Trails & Pathways Program as a 2019 City Strategy. He said that in this proposed budget, there is only \$25,000 budgeted in this year just to evaluate the development of a plan. The budgeted amount will increase to \$200,000 in future years when a plan implementation is started.

Mayor Pro Tem Baker commented that he is disappointed with the lower budget amounts proposed for trails and pathways because he thinks it is an important feature for Troy. He said he understands the importance of having a plan in place, but the budget amounts proposed will not be able to implement any trails and pathway system over the next five years. He said the budget amounts does not reflect a community that is investing in this type of outdoor recreation.

Council Member Hamilton said that there will be more money in the General Fund that could be designated for trails in the coming years.

Mayor Slater said that he is very disappointed in the decrease in funding proposed, and he would like to see City Council make a decision to be more aggressive in funding and planning for trails and pathways.

Council Member Henderson said that City Council committed to \$750,000 per year for trails and pathways, and he understands the desire to not go through subdivisions, but he wants to see creative ideas to continue the trail plan we have started. He said that having a little more than \$1 million to spend after three years would be a good way to kick start the plan again.

Council Member Abraham asked how they decided on the \$200,000 figure. Mr. Miller said that there are many capital needs at this time, and that there needs to be a parks and recreation plan established that the residents won't reject. Mayor Slater said that he wants a plan that won't go through neighborhoods. Mr. Miller said that right now there just aren't specific projects planned that equate to \$750,000, which is why the budget was reduced this year while the plan can be developed. Mr. Darling said that there are also needs from the building assessment that will need funding in the next couple years, so the idea is to take this year to do the plan and then they can amend the budget at any time.

Council Member Pennington said that he would like a plan to be put in place quickly, this budget year, so there won't be more of a delay than is necessary in order to get a plan in place.

Council Member Hodorek said that the community survey could offer more insight from the residents, but she said she expects trails will be a priority. She said that the new trail behind Zion Church is beautiful and we need to make sure we send a signal that we are still moving forward on establishing trails.

Mayor Pro Tem Baker said that he wants to make sure that staff has the support to continue to work on all these plans, especially Mr. Bovensiep. He would like to keep the money we have allocated in past budgets in the current budget.

Council Member Henderson said that we have to be cautious with the survey results, too, since the residents along the trails have historically not been in favor of trails.

Mayor Slater said that he wants to continue with the vision from the past three years when we were setting aside \$750,000. He said that it's not a waste of money to keep setting money aside, even if the projects aren't completed this year. He said that the plan needs to be in place in order to know where to go next and that there should be another mile of trails to complete in the next six months.

There was a consensus of City Council to keep the budget as proposed for trails and pathways.

Ms. Cathy Russ, Library Director, discussed the budget and millage of the Troy Public Library, and future shortfalls.

Mr. Miller said that the millage can be discussed during the discussion about the Charter Revision Committee.

Mr. Darling discussed the AAA bond rating, and the purpose of bond ratings.

Mr. Miller discussed the Charter Revision Committee. City Attorney Bluhm recommended City Council determine topics for discussion before convening the Committee.

Mayor Slater identified his list of items he would like the Committee to discuss: revise the Charter to use gender neutral pronouns, rescind the millage cap amendment, eliminate the requirement for the Mayor to issue a proclamation to Congress requesting term limits, and find a long-term solution for the Library millage.

Council Member Hodorek commented that she isn't sure the timing is right for these amendments to be placed on the ballot this November. She would like the survey results to be done first, before convening the committee. She said she would like to proceed with caution.

Council Member Abraham said that she agrees that the discussion needs to begin now, and that the 2019 Strategy to engage the community needs to happen before the Charter Revision Committee is convened.

Council Member Pennington said that he would like the Committee to look at revising the compensation and benefits for Council Members.

Council Member Henderson said he understands the desire to revise the compensation and benefits for Council Members. He asked City Attorney Bluhm the process of amending the Charter. City Attorney Bluhm explained that as an advisory Committee, they would make recommendations to City Council and they would approve the form of the question to be placed on the ballot.

Council Member Hamilton said he does not think convening the Charter Revision Committee should be a starting point, but he requests a comparison of Troy's Charter in relation to Charters from other municipalities in the area.

Council Member Baker said he agrees that the timing is not right to convene the Committee, but he likes the idea of comparing Charters from other comparable communities.

There was a consensus of City Council to not convene the Charter Revision Committee at this time. Mayor Slater said that he will consider bringing a resolution forward as a Council Referral to convene the Committee with a list of topics for their consideration.

D. PUBLIC COMMENT:

E. ADJOURNMENT:

The Meeting **ADJOURNED** at 8:43 PM.

Mayor Dane Slater

M. Aileen Dickson, MMC
City Clerk