



**CITY OF OAK PARK, MICHIGAN
REGULAR COUNCIL MEETING OF THE
36th OAK PARK CITY COUNCIL
January 17, 2017
7:00 PM**

MINUTES

The meeting was called to order at 7:00 PM by Mayor McClellan in the Council Chambers of City Hall located at 14000 Oak Park Boulevard, Oak Park, MI 48237. (248) 691-7544.

PRESENT: Mayor McClellan, Mayor Pro Tem Burns, Council Member Radner, Council Member Rich, Council Member Speech

ABSENT: None

OTHERS

PRESENT: City Manager Tungate, City Clerk Norris, City Attorney Duff

APPROVAL OF AGENDA:

CM-01-022-17 (AGENDA ITEM #4) ADOPTION OF THE AGENDA AS SUBMITTED – APPROVED

Motion by Radner, seconded by Burns, CARRIED UNANIMOUSLY, to approve the agenda as submitted.

Voice Vote: Yes: McClellan, Burns, Radner, Rich, Speech
 No: None
 Absent: None

MOTION DECLARED ADOPTED

CONSENT AGENDA:

CM-01-023-17 (AGENDA ITEM #5A-G) CONSENT AGENDA - APPROVED

Motion by Radner, seconded by Burns, CARRIED UNANIMOUSLY, to approve the Consent Agenda consisting of the following items:

- A. Regular Council Meeting Minutes of January 3, 2017 **CM-01-024-17**
- B. Board of Review Meeting Minutes of December 13, 2016 **CM-01-025-17**
- C. Emergency Services Council Meeting Minutes of November 14, 2016 **CM-01-026-17**
- D. Request to advertise for bids for 2017 Granzon Avenue Reconstruction Project, M-650 **CM-01-027-17**
- E. Request to advertise for bids for the 2017 Joint and Crack Sealing Project, M-651 **CM-01-028-17**
- F. Payment of invoices from Orchard, Hiltz & McCliment (OHM) for CE Oak Park Blvd./ Lincoln Rehab and Traffic Signal Optimization in the total amount of \$16,218.85 **CM-01-029-17**

G. Licenses - New and Renewals as submitted for January 17, 2017 **CM-01-030-17**

MERCHANT'S LICENSES – January 17, 2017
(Subject to All Departmental Approvals)

<u>NEW MERCHANT</u>	<u>ADDRESS</u>	<u>FEE</u>	<u>BUSINESS TYPE</u>
None			
<u>RENEWALS</u>	<u>ADDRESS</u>	<u>FEE</u>	
Tiger Collision	10010 Capital	\$150	Auto Repair
Brown-Darnell Co	12701 Capital	\$150	Industrial Supply
Auto Metal Craft Inc.	10240 Capital	\$150	Metal Fabricator
Valley City Linen	13165 Cloverdale	\$150	Linen Rental
Auditory Instruments Inc.	13261 Cloverdale	\$150	Medical Equipment
Luxury Homes	20830 Coolidge	\$150	Real Estate
RCH Cable/Security Corp	21340 Coolidge	\$150	Cable TV Services
Baby Bear Daycare	21655 Coolidge	\$150	Childcare
Grace Centers of Hope	23119 Coolidge	\$150	Non-Profit Organization
Shell Cleaners & Tailor	25905 Coolidge	\$150	Laundry
Steppin Out on Faith Learning Center	25941 Coolidge	\$150	Childcare
Embassy Motel	14380 Eight Mile	\$150	Motel
B-1 Jewelry	21700 Greenfield #415	\$150	Jeweler
Stepping Out Hair & Nail Salon Inc.	25266 Greenfield	\$150	Salon
Oak-Fern Galleria LLC	8520 Nine Mile	\$150	Automobile Memorabilia Boutique
Alaska Fresh Fish and Chicken	13701 Nine Mile	\$150	Restaurant
China City	13715 Nine Mile	\$150	Restaurant
Lawford Fabricating Co	21650 Wyoming Ct	\$150	Metal Castings
Tina Nails & Spa Inc	24720 Greenfield	\$150	Salon
Hollywood Diamond Setting	21700 Greenfield #327	\$150	Jeweler
Anton's Jewelry Inc	21700 Greenfield #343	\$150	Jeweler
LLZ Ventures / 8 Mile Smoke	15180 Eight Mile	\$150	Smoke Shop
Steve's Creations Jewelers	21700 Greenfield #329	\$150	Jeweler
Oak Park Barbers	26003 Coolidge	\$150	Barber
Herman's Creations	21700 Greenfield #324	\$150	Jeweler
United Truck Sales	12950 Cloverdale	\$150	Auto Sales
Save-a-Lot	23105 Coolidge	\$150	Grocery

TAXI CAB/MOTOR VEHICLE FOR HIRE – RENEWALS 2017
(Subject to All Departmental Approvals)

<u>NAME</u>	<u>COMPANY</u>	<u>ADDRESS</u>
William D. Smith	Royal Oak Township Cab Co. LLC	20729 Wyoming, Ferndale
Lawrence Cochran	Royal Oak Township Cab Co. LLC	20729 Wyoming, Ferndale
Dwight O. McCollum	Royal Oak Township Cab Co. LLC	20729 Wyoming, Ferndale

Voice Vote: Yes: McClellan, Burns, Radner, Rich, Speech
 No: None
 Absent: None

MOTION DECLARED ADOPTED

RECOGNITION OF VISITING ELECTED OFFICIALS: None

SPECIAL RECOGNITION/PRESENTATIONS:

(AGENDA ITEM #7A) Merit Citations presented by Public Safety Director Cooper. Director Cooper presented Merit Citations to members of the Public Safety Department and Alliance Ambulance for their part in saving victims of a house fire on November 11, 2016.

Oak Park Public Safety

Lieutenant Troy Taylor
Sergeant Joseph Meier
Officer Adam Hughes
Officer Jesse Fulerton
Officer Anthony Carignan
Officer Donald Hoffman
Officer Paul Deskiewicz
Officer Daniel Batora
Officer Zachary Tyler
Dispatcher Maryann Dommer

Alliance Ambulance

Paramedic Daniel Cottrell
Paramedic Kevin Green
Paramedic Spencer White
Paramedic Supervisor Emily Holstine
Paramedic Donovan Deel
EMT Matthew Schenk
FTO Patrick Martindale
Critical Care Paramedic David Eaton
FTO Aaron Feurst

(AGENDA ITEM #7B) City Manager Employee Recognition. City Manager Tungate presented an Employee Recognition Award to Master Mechanic Bob Barletta from the Department of Public Works.

(AGENDA ITEM #7C) Audit Presentation. Mark Kettner from Rehmann Robson presented the Fiscal Year Ended June 30, 2016 Comprehensive Annual Financial Report and the Independent Auditor's Communication. Finance Director Carl Johnson also reported on revenues, expenditures and changes in fund balances for the same period. Complete reports are on file with the City Clerk.

PUBLIC HEARINGS: None

COMMUNICATIONS: None

SPECIAL LICENSES: None

ACCOUNTING REPORTS:

CM-01-031-17

(AGENDA ITEM #11A) APPROVAL FOR PAYMENT OF AN INVOICE SUBMITTED BY SECREST, WARDLE, LYNCH, HAMPTON, TRUOX & MORLEY, P.C. FOR LEGAL SERVICES IN THE TOTAL AMOUNT OF \$128.00 - APPROVED

Motion by Rich, seconded by Burns, CARRIED UNANIMOUSLY, to approve payment of Invoice #1293772 as submitted by Secrest, Wardle, Lynch, Hampton, Truox & Morley, P.C. for legal services in the total amount of \$128.00.

Roll Call Vote: Yes: McClellan, Burns, Radner, Rich, Speech
 No: None
 Absent: None

MOTION DECLARED ADOPTED

**CM-01-032-17 (AGENDA ITEM #11B) APPROVAL FOR PAYMENT OF INVOICES
SUBMITTED BY GARAN, LUCOW, MILLER, P.C. FOR LEGAL
SERVICES IN THE TOTAL AMOUNT OF \$19,924.55 - APPROVED**

Motion by Radner, seconded by Rich, CARRIED UNANIMOUSLY, to approve payment of invoices #469861, #469862, #469863 and #469864 submitted by Garan, Lucow, Miller P.C., for legal services rendered through December 31, 2016 in the total amount of \$19,924.55.

Roll Call Vote: Yes: McClellan, Burns, Radner, Rich, Speech
 No: None
 Absent: None

MOTION DECLARED ADOPTED

BIDS:

**CM-01-033-17 (AGENDA ITEM #12A) BID AWARD FOR THE 2017 LAWN
MAINTENANCE CONTRACT, M-660 TO AJ'S MAINTENANCE OF
YPSILANTI, MI FOR THE TOTAL AMOUNT OF \$93,093.48
- APPROVED**

Motion by Speech, seconded by Burns, CARRIED UNANIMOUSLY, to award the bid for the 2017 Lawn Maintenance Contract, M-660 to AJ's Maintenance of Ypsilanti, MI for the total amount of \$93,093.48.

Roll Call Vote: Yes: McClellan, Burns, Radner, Rich, Speech
 No: None
 Absent: None

MOTION DECLARED ADOPTED

Assistant City Manager Yee reported that at the November 21, 2016 regular meeting of the Oak Park City Council, the request to bid the 2017 Lawn Maintenance Contract, M-660 was approved (CM-11-389-16). The project was advertised and 34 contractors viewed the documents. On December 29, 2016, four (4) bids were received and opened. The low bidder, Mow on the Go of Berkley, MI, submitted a bid of \$84,700.00. References were checked and three of the four did not have positive feedback. The second low bidder, AJ's Maintenance, submitted a bid of \$93,093.48. AJ's Maintenance has performed work for the City previously to the satisfaction of City personnel. Funding is available in the Major Street Fund, Water and Sewer Fund, and Public Works Other Parks budget for these expenditures

ORDINANCES:

CM-01-034-17 (AGENDA ITEM #13A) SECOND READING AND ADOPTION OF AN ORDINANCE TO AMEND THE JEFFERSON OAKS PAYMENT IN LIEU OF TAXES (PILOT) ORDINANCE - APPROVED

Motion by Burns, Seconded by Speech, CARRIED UNANIMOUSLY, to approve the second reading and adopt the following ordinance to amend the Jefferson Oaks Payment In Lieu of Taxes (Pilot) Ordinance:

**CITY OF OAK PARK
OAKLAND COUNTY, MICHIGAN**

ORDINANCE NO.

AN ORDINANCE TO AMEND SECTION 72-61, TAX EXEMPTION ORDINANCE- JEFFERSON OAKS PILOT, OF ARTICLE III, TAX EXEMPTION ORDINANCE- JEFFERSON OAKS PILOT, OF CHAPTER 72, TAXATION, OF THE CODE OF ORDINANCES OF THE CITY OF OAK PARK, MICHIGAN.

THE CITY OF OAK PARK ORDAINS:

SECTION 1.

Section 72-61, Tax Exemption Ordinance- Jefferson Oaks Pilot, of Article III, Tax Exemption Ordinance- Jefferson Oaks Pilot, of Chapter 72, Taxation, of the Code of Ordinances of the City of Oak Park is hereby amended to read as follows:

Sec. 72-61. - Tax exemption ordinance- Jefferson Oaks Pilot.

- (a) This ordinance shall be known and cited as the City of Oak Park Tax Exemption Ordinance- Jefferson Oaks.
- (b) *Preamble.* It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low income persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. The city is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low income persons and families is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this ordinance for tax exemption and the service charge in lieu of all ad valorem taxes during the period contemplated in this ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

The city acknowledges that the sponsor, CHN Jefferson Limited Dividend Housing Association Limited Partnership, (as defined below) has committed, subject to receipt of an allocation of Tax Credits (as defined below) to rehabilitate, own and operate a housing development identified as Jefferson Oaks on certain property

located at 22001 Republic in the city, which is legally described in Section 4.G. of this ordinance, to serve low income persons and families, and that the sponsor has offered to pay and will pay the city on account of this housing development an annual service charge for public services in lieu of all ad valorem property taxes.

- (c) *Purpose.* This ordinance authorizes and approves an annual service charge in lieu of all ad valorem property taxes for residential housing developments that: (a) serve low income or moderate income persons (as defined in the Act and this ordinance); (b) are financed or assisted by a federally-aided mortgage in accordance with the Act; (c) are located within the city of; and (d) comply with this ordinance.
- (d) *Definitions.* The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Annual shelter rents means the total actual collections during each calendar year from all occupants of a housing development representing rents or occupancy charges, which rental amounts shall be exclusive of charges for gas, electricity, heat, or other utilities furnished to the occupants.

Authority means the Michigan State Housing Development Authority.

Federally-aided mortgage means any of the following:

- (i) A below market interest rate mortgage insured, purchased, or held by the Secretary of the Department of Housing and Urban Development (“HUD”);
- (ii) A market interest rate mortgage insured by HUD and augmented by a program of rent supplements;
- (iii) A mortgage receiving interest reduction payments provided by the HUD;
- (iv) A mortgage on a Housing Development to which the Authority allocates low income housing tax credits under Section 22b of the Act; or
- (v) A mortgage receiving special benefits under other federal law designated specifically to develop low and moderate-income housing, consistent with the Act.

Housing development means a development which contains a significant element of housing for persons of low income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the Authority determines to improve the quality of the development as it relates to housing for persons of low income. For the purposes of this ordinance, “Housing Development” means Jefferson Oaks Apartments located on the property legally described as:

A parcel of land located in part of the N.W. ¼ of Section 33, T. 1 N., R. 11 E., Royal Oak Township, Oakland County, Michigan, being more particularly described as:

Beginning at a point on a line 25 feet West of the East line of Republic Avenue, said point being S. 87°45'09" E. 1279.87 feet along the North line of said Section 33 and S. 00°54'09" E. 613.16 feet along said line from the N.W. corner of said Section 33; thence S. 00°54'09" E. 664.60 feet; thence along the North line of Leroy Street (width varies) S. 88°01'31" W. 609.90 feet; thence along the East line of “Ferndale-Wyoming Subdivision” as recorded in Liber 86 of Plats, Page 17, Oakland County Records, N.00°56'00" W. 364.78 feet; thence N. 88°02'31" E. 380.10 feet; thence N. 00°54'09" W. 300.00 feet; thence along the South line of Saratoga Street (60 feet wide) N. 88°02'31" E. 230.00 feet to the point of beginning.

Low income or moderate income persons means persons and families eligible to reside in the Housing Development as defined in the Act, as amended.

Sponsor means person(s) or entities which have applied to the Authority for the Tax Credits to finance a Housing Development. For the purposes of this Ordinance, the Sponsor is CHN Jefferson Limited Dividend Housing Association Limited Partnership.

Tax credits means the low income housing tax credits made available by the Authority to the sponsor for rehabilitation of the housing development by the sponsor in accordance with the Low Income Housing Tax Credit Program administered by the Authority under Section 42 of the Internal Revenue Code of 1986, as amended.

Utilities means fuel, gas, electric, water, sanitary sewer and other utilities furnished to the occupants and which are paid by the housing development.

- (e) *Class of housing development.* It is determined that the class of housing development to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing development for low income persons and families that are financed with federally aided mortgage. It is further determined that Jefferson Oaks is of this class.
- (f) *Establishment of annual service charge.* The housing development identified as Jefferson Oaks and the property on which it will be located shall be exempt from all ad valorem property taxes from and after the commencement of construction or rehabilitation. The city acknowledges that the sponsor and the Authority have established the economic feasibility of the housing development in reliance upon the enactment and continuing effect of this ordinance, and the qualification of the housing development for exemption from all ad valorem property taxes and a payment in lieu of taxes as established in this ordinance. Therefore, in consideration of the Sponsor's offer to rehabilitate, construct and operate the housing development, the city agrees to accept payment of an annual service charge for public services in lieu of all ad valorem property taxes. Subject to receipt of a federally-aided mortgage, the annual service charge shall be equal to ten percent of the annual shelter rents actually collected by the housing development during each operating year, however it is expressly understood and agreed that in any event, the minimum annual service charge to be paid for years one through 18 will be equal to the projections submitted by Sponsor in support of its request for the pilot as approved by City Council on August 3, 2015.
- (g) *Contractual effect of ordinance.* Notwithstanding the provisions of Section 15(a)(5) of the Act to the contrary, this ordinance constitutes a contract between the city and the sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption from ad valorem property taxes and accept payments of an annual service charge in lieu of taxes, as previously described, is effectuated by enactment of this ordinance.
- (h) *Limitation on the payment of annual service charge.* Notwithstanding any other subsection, the service charge to be paid each year in lieu of taxes for the part of the housing development that is tax exempt but which is occupied by other than low or moderate income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing development if the housing development were not tax exempt.

- (i) *Payment of service charge.* The annual service charge in lieu of taxes as determined under this ordinance shall be payable in the same manner as general property taxes are payable to the city/township and distributed to the several units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. The annual payment for each operating year shall be paid on or before May 1 of the following year. Collection procedures shall be in accordance with the provisions of the General Property Tax Act (1893 PA 206, as amended; MCL 211.1 et seq.).
- (j) *Duration.* This Ordinance shall remain in effect for a period of 18 years beginning with the date of commencement of construction or rehabilitation.
- (k) Filing of Annual Audit. The sponsor, or its successor, shall file a copy of any and all annual audits required to be provided to the federal government, the State of Michigan, and/or the Authority simultaneously with the city. The audit shall include detail with respect to occupancy of the housing development, annual shelter rents received from the housing development and the cost for utilities during the audit period.

SECTION 2. Severability.

No other portion, paragraph or phrase of the Code of Ordinances of the City of Oak Park shall be affected by this ordinance, except as to the above section and in the event any portion, section or subsection of this ordinance shall be held invalid for any reason, such invalidation shall not be construed to affect the validity of any other part or portion of this ordinance or of the Code of Ordinances of the City of Oak Park.

SECTION 3. Effective Date.

This ordinance shall become effective ten (10) days from the date of its passage and shall be published as required by the Charter of the City of Oak Park.

Roll Call Vote:	Yes:	McClellan, Burns, Radner, Rich, Speech
	No:	None
	Absent:	None

MOTION DECLARED ADOPTED

CITY ATTORNEY:

City Attorney Duff provided a legislative update regarding the Michigan Medical Marihuana Act in light of recent circuit court opinion Rockwood v. City of Portage and Senate Bill 72. She also requested action regarding a recommended settlement in Lemanski v. City of Oak Park.

**CM-01-035-17 RECOMMENDED SETTLEMENT FOR CASE #2:15-C-11282
LEMANSKI V. CITY OF OAK PARK - APPROVED**

Motion by Rich, seconded by Speech, CARRIED UNANIMOUSLY, to approve the recommended settlement for case #2:15-c-11282 Lemanski v. City of Oak Park.

Roll Call Vote: Yes: McClellan, Burns, Radner, Rich, Speech
 No: None
 Absent: None

MOTION DECLARED ADOPTED

CITY MANAGER:

Administration

(AGENDA ITEM #15A) City Manager Tungate reminded everyone about the State of the City address that will take place on February 15, 2017 at City Hall.

Department of Public Works

CM-01-036-17 (AGENDA ITEM #15C) AGREEMENT WITH DTE ENERGY FOR THE LED STREET LIGHTING CONVERSION FOR THE TOTAL AMOUNT OF \$625,969.00 SUBJECT TO FINAL REVIEW OF THE AGREEMENT BY THE CITY ATTORNEY - POSTPONED

Motion by Burns, seconded by Speech, to approve an agreement with DTE Energy for the LED street lighting conversion for the total amount of \$625,969.00 subject to final review of the agreement by the City Attorney. After discussion, Motion by Radner, seconded by Rich, CARRIED UNANIMOUSLY to POSTPONE action until a later meeting.

Roll Call Vote: Yes: McClellan, Burns, Radner, Rich, Speech
 No: None
 Absent: None

MOTION TO POSTPONE DECLARED ADOPTED

Mr. Yee reviewed an agreement from DTE Energy to convert 1,555 streetlights to LED. The upfront cost to Oak Park is \$625,969.00, of which there will be a rebate of \$45,790.15 after construction. The annual savings to the City will be \$143,421.81, providing for a 4.05 year payback of the construction costs. After discussion, Council expressed concerns with the past performance of DTE and there was consensus to consider this project at a later date.

Finance

CM-01-037-17 (AGENDA ITEM #15C) RECEIVE AND FILE THE QUARTERLY FINANCIAL REPORT FOR PERIOD ENDING SEPTEMBER 30, 2016 - APPROVED

Motion by Burns, seconded by Speech, CARRIED UNANIMOUSLY, to receive and file the Quarterly Financial Report for period ending September 30, 2016.

Roll Call Vote: Yes: McClellan, Burns, Radner, Rich, Speech
 No: None
 Absent: None

MOTION DECLARED ADOPTED

CM-01-038-17 (AGENDA ITEM #15D) BUDGET AMENDMENT #2017-1 FOR PERIOD ENDING SEPTEMBER 30, 2016 - APPROVED

Motion by Rich, seconded by Speech, CARRIED UNANIMOUSLY, to approve Budget Amendment #2017-1 for period ending September 30, 2016.

Roll Call Vote:	Yes:	McClellan, Burns, Radner, Rich, Speech
	No:	None
	Absent:	None

MOTION DECLARED ADOPTED

CALL TO THE AUDIENCE:

Mark Lightman, Austin, TX, expressed concerns about the moratorium established regarding licensing of wholesale car dealers in Oak Park.

CALL TO THE COUNCIL:

Mayor McClellan thanked staff for their work on the Oak Park Magazine and commended the Communications Department for their great work promoting the city. She acknowledged the Martin Luther King celebration put on by Oak Park High School and thanked the Ethnic Advisory Commission for representing the city in the Southfield MLK parade. She also reminded everyone to attend the Winterfest event to be held the last Sunday of January.

Mayor Pro Tem Burns encouraged everyone to dress appropriately for the flu season. She also highlighted a news story that aired January 11, 2017 on Fox 2 News Detroit regarding parents who are seeking an accessible vehicle that would help a young girl, Anaya Lay, who is suffering from a rare disease effecting her sight and mobility.

Council Member Radner wished everyone a good night.

Council Member Speech recognized those that attended the MLK celebration and thanked those from the city who are a part of the MLK taskforce. She congratulated master mechanic Bob Barletta. She also encouraged everyone to support the fund for Anaya Lay by contacting GoFundMe.com/mobilityforanaya.

Council Member Rich wished everyone a good night.

ADJOURNMENT:

There being no further business to come before the City Council, Mayor McClellan adjourned the meeting at 9:00 P.M.

T. Edwin Norris, City Clerk

Marian McClellan, Mayor