



Rochester Hills

Minutes - Draft

City Council Regular Meeting

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Home Page:
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*David J. Blair, Susan M. Bowyer Ph.D., Ryan Deel, Dale A. Hetrick, Stephanie Morita,
Theresa Mungoli and David Walker*

Vision Statement: *The Community of Choice for Families and Business*

Mission Statement: *"Our mission is to sustain the City of Rochester Hills as the premier community of choice to live, work and raise a family by enhancing our vibrant residential character complemented by an attractive business community."*

Monday, May 18, 2020

7:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

President Deel called the Regular Rochester Hills City Council Meeting to order at 7:01 p.m. Michigan Time.

ROLL CALL

Present 7 - David Blair, Susan M. Bowyer, Ryan Deel, Dale Hetrick, Stephanie Morita, Theresa Mungoli and David Walker

Others Present:

*Bryan Barnett, Mayor
Tina Barton, City Clerk
Captain Michael Johnson, Oakland County Sheriff's Office
Sean Canto, Fire Chief/Emergency Services Director
Dan Christ, City Attorney
Scott Cope, Building/Ordinance/Facilities Director
Paul Davis, Deputy Public Services Director/City Engineer
Ken Elwert, Parks and Natural Resources Director
Pamela Gordon, Human Resources Director
Sara Roediger, Planning and Economic Development Director
Allan Schneck, Public Services Director
Leanne Scott, Deputy Clerk
Joe Snyder, Chief Financial Officer
Tom Talbert, Strategic Innovations Specialist
Laurie Taylor, Assessing Director*

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

A motion was made by Hetrick, seconded by Mungoli, that the Agenda be Approved as Presented. The motion carried by the following vote:

Aye 7 - Blair, Bowyer, Deel, Hetrick, Morita, Mungoli and Walker

COUNCIL AND YOUTH COMMITTEE REPORTS

Rochester Hills Government Youth Council (RHGYC):

Ms. Mungoli announced that The Rochester Youth Assistance had a write-up in Community Lifestyles about the many different ways they are supporting our community as our families are feeling the challenges of the pandemic.

Rochester Avon Recreation Authority (RARA):

Ms. Mungoli shared that RARA had their first Board meeting via Zoom this past week. She stated that RARA is watching for all the state of emergencies and the clearance and authorization from the Governor's Office to be able to start offering different events through the community and encouraged everyone to watch the RARA site for their opening and registration. She noted that they are trying to target something for early July.

Older Persons' Commission (OPC):

Mr. Hetrick reported that due to COVID and social distancing, OPC has decided to hold their 5K run/walk as a virtual event. The 5K run/walk is held to benefit the Meals on Wheels program and, due to the pandemic, the number of people receiving Meals on Wheels is rising. He stated interested individuals can call the OPC general number or go to OPC website to register.

PRESENTATIONS

2020-0175 Presentation of Updated Seven-Year Financial Forecast - Fiscal Years 2020-2026; Joe Snyder, CFO, presenter

Attachments: [05182020 Agenda Summary.pdf](#)
[Presentation.pdf](#)

Joe Snyder, Chief Financial Officer, presented the Seven-Year Financial Forecast for 2020 through 2026. He stated that this updated forecast includes revised estimates as of mid-May on the impact of COVID-19 to the City's long-term financial forecast. He noted that the forecast was developed to assess long-term impacts of decisions and policies made, and to enable the City to proactively address issues rather than be forced into a reactive position.

He explained that the intent of this forecast is to present to City Council a projection based on an updated set of future assumptions. This forecast considers the City's Governmental Fund Balance Policy. He stressed this forecast is not intended to be a budget, a proposed spending plan, or a policy recommendation.

He stated that the dollars presented in this forecast include the projected 2020 second quarter amendments and that these projections are attempting to estimate the impact of COVID-19, not only on the 2020 budget, but also on into the future

He noted the following key assumptions regarding Revenues, stressing that conservative estimates are utilized:

- Taxable values are moving in the right direction. Going into 2020, the taxable value growth was 4.8 percent. He estimates that the City is going to experience a 4.2 percent increase in taxable value for next year. That positive gain not only impacts the 2021 forecast, but also ripples out into the future to project a conservative 2.5 percent taxable value increase for 2022 and over the long term.
- Property taxes are a very stable, inelastic revenue source and typically are not significantly impacted during a recession. At this point, it seems unlikely that the COVID recession will significantly impact property values. While the volume of listings are down, sale prices are still high and there is a lot of demand.
- Another positive for the City is the State Equalized Value (SEV), or the market value of property in the city, exceeds the taxable value of what is actually taxed by 19 percent. That is the highest on record and provides a nice cushion for the City.
- State Shared Revenue was previously anticipated at a conservatively consistent 2 percent increase. In 2019 we were up 4 percent year over year. For 2020 and into the future, however, it is projected that significant reductions in State Shared Revenue will be seen because sales and corresponding sales taxes in the State have decreased significantly due to COVID-19 and the Governor's stay at home, stay safe order.
- While our State-Shared Revenue for January - February was up 8 percent year over year, it is anticipated that our State-Shared Revenue figure for March-April coming in late June will see a reduction of 50 percent less than the previous year's payment due to the impact of COVID. Likewise, the projection for May-June will be 40 percent less, July-August 30 percent less, September-October 20 percent less, and November-December 10 percent less than 2019. The entirety of fiscal year 2021 will be 10 percent less than 2019, but in 2022 and 2023 things should begin to get back to normal with 5 percent increases per year.
- Interest rates or investment income will be reduced following the Federal Reserve reduction in the Federal Funds rate from 0.0 to 0.25 due to COVID, which will have a relatively minor impact.
- Significant reductions in Act 51 revenues due to COVID-19 and the Governor's stay home, stay safe order; the March 2020 payment was down 9.5 percent year over year. It is projected that in 2021 the City will receive 10 percent less than what was received in 2019. A conservative 2 percent increase will be seen in 2022.
- Expenditures and projects have been reduced in fiscal year 2020 due to COVID, and at this point the key significant revenue for expenditure assumptions are to be kept status quo.

Mr. Snyder noted that based on these assumptions, the Fund Forecasts include the following:

- General Fund revenues for 2021 are projected to be 25 percent below 2018 actual levels and some gradual increases over the rest of the forecast period.
- The majority of the General Fund expenses are personnel, along with supporting expenditures such as professional services, internal allocation charges, supplies, etc.

- FY2019 includes a transfer-out to the Capital Improvement Fund to set the General Fund Balance at 80 percent of annual expenditures. Moving forward, any General Fund Balance in excess of 80 percent of annual expenditures will be transferred-out to the Capital Improvement Fund. The General Fund structural surplus is projected to be at a slightly reduced level than it was previously due to the COVID-related revenue reduction. This will cause a lesser stream of funding to be distributed to the Capital Improvement Fund to fund city-wide capital projects.
- The Capital Improvement Fund is the General Fund's Capital Reserve and is in good shape with a minimum balance of no less than \$2 million. For FY2020, the most significant costs were the museum dairy barn roof replacement and the development of Innovation Hills.
- Seventy five percent of Act 51 revenue goes into the Major Road Fund; however, other revenue sources contributed to the Major Road Fund in 2018 and 2019. In 2018, the City had funding from LDFA, the State of Michigan, MDOT for Hamlin from the west city limits to Adams, for Auburn Road and for South Boulevard. In 2019, the City had funding from the Capital Improvement Fund and from the State of Michigan for Auburn Road and Livernois.
- Major road expenditures are predominantly determined by the amount of Capital Projects scheduled each year. 2019 was a massive year for capital with the Auburn Road corridor and the Livernois reconstruction project. Future capital outlay costs include nearly all the Major Road projects that are included in the yet-to-be approved 2021-2026 Capital Improvement Plan. There were 4 projects with the lowest CIP ratings that were deferred due to low revenue projections until funding is available.
- Per State of Michigan Act 51 requirements, the community may transfer up to 50 percent of the Major Road Act 51 monies to the Local Street Fund and we are projecting to transfer 25 percent Major Road Act 51 dollars to the Local Street Fund. This additional revenue source into the Local Street Fund reduces the amount of funding required from the General Fund to balance the Local Street Fund, essentially freeing up General Fund monies which can be contributed to the Capital Improvement Fund for future Capital Projects citywide.
- Projects already underway in 2020 include the Auburn Road completion, Rochester Industrial Drive, Dequindre from Auburn to South Boulevard, and John R from Avon to Bloomer. A couple big ticket, high priority Capital Projects are included in our long-term forecast like the Adams Road widening from Hamlin to Crooks. Similar to the Capital Improvement Fund, we are reserving the funding for our highest priority projects and will plug in lesser priority projects when funding is available.
- Local Streets has diversified revenue with some monies from Act 51, Local Street Millages, and transfers-in from the General Fund and the Major Road Fund. Local Streets are less dependent on Act 51 than Major Roads, as 75 percent of Act 51 goes to the Major Road Fund and 25 percent to the Local Streets Fund.
- The renewal of the 3 local street millages, combined into one equivalent millage, was approved overwhelmingly by the voters of Rochester Hills. That is significantly going to set up our local street millage revenues for the next 10 years or through FY2030.
- Local Street expenditures are fairly equally split between Operating and Capital. FY2019 was a large year for local street work. Besides the \$5 million annual Local Street Rehab Program, we also did the Auburn Road corridor

alleyways as well as School Road. Both of those projects were funded by the Capital Improvement Fund.

- FY2020 includes the annual Local Street Rehab Program as well as Special Assessment District paving projects for Michelson and Bolinger. Forecasting long-term, the Local Street Fund is able to support an annual Local Street Rehab Program of \$5 million per year. General Fund transfer-in to Local Street Fund is set each year to maintain a Local Street Fund balance of 25 percent annual expenses.

- The primary source of fire revenue is taxes and EMS charges for service. The Fire millage level is forecast to be held at the existing level of 2.7 mill.

- Fire expenditures are fairly consistent from year to year. The exception being the increase in transfers-out in 2019 and that is done to set the Fire Operating Fund balance at 25% of annual operating expenses. The bulk of expenditures are personnel, with some additional expenditures this year of PPE (Personal Protective Equipment) due to COVID, but this is being tracked for any eligible reimbursement under FEMA or grant programs that are available. Communities will be reimbursed at 75% the cost of those and will help to offset some of the additional COVID costs. Fire Operating Fund had a decrease in fund balance in 2019 due to transfers-out and that is done to set the Fire Operating Fund balance at 25% of annual operating expenditures.

- Fire Capital Fund balanced increased significantly due to transferring money in from the Fire Operating Fund. The Fire Capital replacement projections show the Fire Capital with a positive fund balance through 2030 and beyond.

- Taxes provide 90 percent of the revenue for the Special Police Fund. The other revenue comes from court fees which are anticipated to take a slight dip in 2020 as more people are home due to COVID. There is slight reduction in the millage amount from 2019 through 2023. This is to set the Special Police Fund balance at 25 percent of the annual expenses.

- The vast majority of Special Police Fund costs are the Oakland County Sheriff's Office for our Deputies. We are projecting a status quo of 60 officers included in this forecast. In FY2021, the debt related to the new Oakland County substation construction will be paid off in full.

- All the major Operating Funds as well as the Capital Funds look good well into the new foreseeable future. We came into the COVID pandemic in excellent financial shape and this will help us to absorb some of the COVID negative impacts this year. The City is in strong financial condition and should be able to maintain our financial strength into the foreseeable future.

Council Discussion:

President Deel stated that his take-away is that with the COVID-19 pandemic, the City is still a moving target and will continue to be in a state of adjustment. He questioned what the anticipated date for a full recovery would be.

Mr. Snyder confirmed that adjustments are being made daily. He predicted by 2023 State Shared Revenue will be back to 2019 levels, but Act 51 might take 5-6 years to bounce back because it depends on whether the majority of people go back to work every day or remain telecommunicating.

Mr. Blair stated the overall picture is one of recovery; however, he expressed his concern about the likelihood of a major economic recession within the next

six years. He questioned if this forecast took this into account, and whether Mr. Snyder thought this could be a repeat of 2008.

Mr. Snyder stated we are most likely in a recession right now, which may continue through the end of 2020 and then things should begin to stabilize. He pointed out that 2008 was a global financial meltdown with everything happening simultaneously. What we are currently experiencing is not a financial meltdown, but rather a virus shutdown where everyone has to stay home. He stated that although he believes we are in a recession, at the Federal level they are predicting a recovery. He stressed that what he presented this evening is from information he gathered over the last 2 months; however, he is constantly reviewing the data and will keep Council informed of any changes.

Ms. Mungoli questioned what would happen to the Act 51 money if there is less reliance on gasoline and internal combustion engines and more reliance on electric vehicles, and how it may impact our community.

Mr. Snyder responded that biggest impact would be on Major Roads as they get 75 percent of the monies; less construction projects would take place. He pointed out that there are still cars driving on the roads and the roads are still being used whether or not you have an electric vehicle. Looking into the future, he predicts there will have to be a different formula for calculating Act 51 funds which has been the same since 1951. Or, he suggested, there could be a higher annual registration fee on electric vehicles to compensate for the fact that they are using road miles, but not paying for it at the pump.

Ms. Mungoli stated there is concern that a disproportionate amount of Act 51 monies is going to rural vs. urban areas and that this could be an opportunity to correct this funding disparity. She mentioned that this could be a great opportunity to raise the issue of electric vehicles with new Legislative candidates as we go into the next cycle.

She questioned the personnel numbers as they appear to be increasing.

Mr. Snyder responded that the budget accounts for the cost of every position being filled for the entire year. He explained that although it would be ideal to fully staffed, it is not likely. The difference between the two is referred to as a salary lapse. He pointed out that the 2020 budget numbers reflect being fully staffed for all 12 months.

Ms. Mungoli questioned what percentage of the total budget is elastic dollars.

Mr. Snyder responded that approximately 40 percent is from property taxes which is inelastic leaving approximately 60 percent to Act 51 and other revenue sources.

Mr. Hetrick commented that it is good knowing that the City is in the best financial position it can be in today and going into the future.

Vice President Bowyer questioned the impact of taxable value on properties and whether the housing market could fall as it did in 2008.

Mr. Snyder stated that is not anticipated either locally or nationally. He noted that currently the residential numbers look strong.

Mayor Barnett stated the City is quite ahead of neighboring communities in delivering services and taking care of its employees and residents. He stressed that the City is being four times more conservative in our projections than the State and Federal recommendations.

Presented.

PUBLIC HEARINGS

2020-0159 Public Hearing and Request for Adoption of a Resolution Confirming Special Assessment Roll for Bolinger Street Paving

Attachments: [05182020 Agenda Summary.pdf](#)
[Standard Roll Report 808.pdf](#)
[Memo to Mayor 04232020.pdf](#)
[Public Hearing Notice.pdf](#)
[05042020 Agenda Summary.pdf](#)
[CERTIFICATE Bolinger Street Paving SAD.pdf](#)
[Certified Special Assessment Roll.pdf](#)
[05042020 Resolution.pdf](#)
[Resolution \(Draft\).pdf](#)

Laurie Taylor, Assessing Director, stated that on March 16, 2020, City Council approved the Bolinger paving project and on May 4, 2020, set the public hearing. She explained the purpose of tonight's public hearing is to review the special assessment roll and give individuals an opportunity to be heard and to consider any objections.

President Deel Opened the Public Hearing at 8:20 p.m.
Seeing No Public Comment, President Deel Closed the Public Hearing at 8:21 p.m.

A motion was made by Walker, seconded by Hetrick, that this matter be Adopted by Resolution. The motion carried by the following vote:

Aye 7 - Blair, Bowyer, Deel, Hetrick, Morita, Mungioli and Walker

Enactment No: RES0110-2020

Whereas, the Rochester Hills City Council established a Special Assessment District by Resolution RES0305-2019 dated October 7, 2019 for the improvement of paving on Bolinger Street north of Avon Road in the City of Rochester Hills, Oakland County, Michigan; and

Whereas, the City Assessor has filed a special assessment roll, and the City Council, pursuant to notice, has held a Public Hearing on May 18, 2020 for the purpose of reviewing the special assessment roll, giving interested persons an opportunity to be heard, considering all objections to the roll and correcting or annulling the roll, as determined necessary, and the City Council is fully advised in the circumstances; and

Now, Therefore Be it Resolved, that the City Council is satisfied with the special

assessment roll and finds the assessments are in proportion to benefits to be received; therefore, said special assessment roll shall be and hereby is confirmed. The City Clerk shall endorse on the special assessment roll this date of confirmation. The special assessment roll and assessments pursuant thereto shall from this date be final and conclusive for the purpose of the public improvement, subject only to adjustment to conform to the actual costs of the public improvement, as provided in Sections 90-80 and Division 5, Refunds, Reassessments and Additional Assessments, of the Code of Ordinances.

Be It Further Resolved, that the special assessment roll be placed on file in the office of the City Clerk, and that the City Clerk is hereby directed to attach her warrant to a certified copy within ten (10) days.

Be It Further Resolved, that the City Assessor shall spread the various sums and amounts appearing thereon on a special assessment roll.

Be It Further Resolved, that the City Treasurer is hereby directed to give notice by first class mail to each property owner listed on the special assessment roll that the roll has been filed and stating the amount assessed and when and how it is to be paid, in accordance with Section 90, Division 3, Payment of Assessments, of the Code of Ordinances.

2020-0185 Request for Adoption of a Resolution to Bill and Collect Special Assessment Roll for Bolinger Street Paving

Attachments: [05182020 Agenda Summary.pdf](#)
[SAD Interest Rate Memo.pdf](#)
[Resolution \(Draft\).pdf](#)

A motion was made by Walker, seconded by Blair, that this matter be Adopted by Resolution. The motion carried by the following vote:

Aye 7 - Blair, Bowyer, Deel, Hetrick, Morita, Mungioli and Walker

Enactment No: RES0111-2020

Whereas, the Rochester Hills City Council established a Special Assessment District by Resolution RES0305-2019 dated October 7, 2019 for the improvement of paving Bolinger Street; and

Whereas, the Assessor filed a special assessment roll, and the City Council, pursuant to notice, held a Public Hearing on May 18, 2020 for the purpose of reviewing the special assessment roll, giving interested persons an opportunity to be heard, considering all objections to the roll and correcting or annulling the roll, as determined necessary, and the City Council is fully advised of the circumstances; and

Whereas, the City Council confirmed the special assessment roll by resolution adopted on May 18, 2020;

Now, Therefore Be It Resolved, that the special assessments shall be payable in installments over fifteen (15) years and interest on the unpaid balance shall accrue at the rate of Three (3.00%) Percent per annum with an interest start date of August 1, 2020.

Be It Further Resolved, that the City Council commands the City Treasurer to bill and collect the special assessments or installments, as provided in Sections 90-76 and Division 3, Payment of Assessments, of the Code of Ordinances, to be due on April 1,

2021.

Be It Further Resolved, that the City Council directs the City Treasurer to give notice by first class mail to each property owner listed on the special assessment roll that the roll has been filed and stating the amount assessed and when and how it is to be paid, in accordance with Section 90, Division 3, Payment of Assessments, of the Code of Ordinances.

2020-0160 Public Hearing and Request for Adoption of a Resolution Confirming Special Assessment Roll for Michelson Road Paving

Attachments: [05182020 Agenda Summary.pdf](#)
[Standard Roll Report 813.pdf](#)
[Memo to Mayor 04232020.pdf](#)
[Public Hearing Notice.pdf](#)
[05042020 Agenda Summary.pdf](#)
[CERTIFICATE Michelson Road Paving SAD.pdf](#)
[Certified Special Assessment Roll.pdf](#)
[05042020 Resolution.pdf](#)
[Resolution \(Draft\).pdf](#)

Laurie Taylor, Assessing Director, stated that on March 16, 2020, City Council approved the Michelson paving project and on May 4, 2020, set the public hearing. She explained the purpose of tonight's public hearing is to review the special assessment roll and give individuals an opportunity to be heard and to consider any objection.

President Deel Opened the Public Hearing at 8:26 p.m.
Seeing No Public Comment, President Deel Closed the Public Hearing at 8:27 p.m.

A motion was made by Walker, seconded by Hetrick, that this matter be Adopted by Resolution. The motion carried by the following vote:

Aye 7 - Blair, Bowyer, Deel, Hetrick, Morita, Mungioli and Walker

Enactment No: RES0112-2020

Whereas, the Rochester Hills City Council established a Special Assessment District by Resolution RES0306-2019 dated October 7, 2019 for the improvement of paving on Michelson Road west of John R Road in the City of Rochester Hills, Oakland County, Michigan; and

Whereas, the City Assessor has filed a special assessment roll, and the City Council, pursuant to notice, has held a Public Hearing on May 18, 2020 for the purpose of reviewing the special assessment roll, giving interested persons an opportunity to be heard, considering all objections to the roll and correcting or annulling the roll, as determined necessary, and the City Council is fully advised in the circumstances; and

Now, Therefore Be it Resolved, that the City Council is satisfied with the special assessment roll and finds the assessments are in proportion to benefits to be received; therefore, said special assessment roll shall be and hereby is confirmed. The City Clerk shall endorse on the special assessment roll this date of confirmation. The special assessment roll and assessments pursuant thereto shall from this date be final and conclusive for the purpose of the public improvement, subject only to adjustment to

conform to the actual costs of the public improvement, as provided in Sections 90-80 and Division 5, Refunds, Reassessments and Additional Assessments, of the Code of Ordinances.

Be It Further Resolved, that the special assessment roll be placed on file in the office of the City Clerk, and that the City Clerk is hereby directed to attach her warrant to a certified copy within ten (10) days.

Be It Further Resolved, that the City Assessor shall spread the various sums and amounts appearing thereon on a special assessment roll.

Be It Further Resolved, that the City Treasurer is hereby directed to give notice by first class mail to each property owner listed on the special assessment roll that the roll has been filed and stating the amount assessed and when and how it is to be paid, in accordance with Section 90, Division 3, Payment of Assessments, of the Code of Ordinances.

2020-0186 Request for Adoption of a Resolution to Bill and Collect Special Assessment Roll for Michelson Road Paving

Attachments: [05182020 Agenda Summary.pdf](#)
[Interest Rate Memo.pdf](#)
[Resolution \(Draft\).pdf](#)

A motion was made by Walker, seconded by Mungioli, that this matter be Adopted by Resolution. The motion carried by the following vote:

Aye 7 - Blair, Bowyer, Deel, Hetrick, Morita, Mungioli and Walker

Enactment No: RES0113-2020

Whereas, the Rochester Hills City Council established a Special Assessment District by Resolution RES0306-2019 dated October 7, 2019 for the improvement of paving Michelson Road; and

Whereas, the Assessor filed a special assessment roll, and the City Council, pursuant to notice, held a Public Hearing on May 18, 2020 for the purpose of reviewing the special assessment roll, giving interested persons an opportunity to be heard, considering all objections to the roll and correcting or annulling the roll, as determined necessary, and the City Council is fully advised of the circumstances; and

Whereas, the City Council confirmed the special assessment roll by resolution adopted on May 18, 2020;

Now, Therefore Be It Resolved, that the special assessments shall be payable in installments over fifteen (15) years and interest on the unpaid balance shall accrue at the rate of Three (3.00%) Percent per annum with an interest start date of August 1, 2020.

Be It Further Resolved, that the City Council commands the City Treasurer to bill and collect the special assessments or installments, as provided in Sections 90-76 and Division 3, Payment of Assessments, of the Code of Ordinances, to be due on April 1, 2021.

Be It Further Resolved, that the City Council directs the City Treasurer to give notice by first class mail to each property owner listed on the special assessment roll that the roll

has been filed and stating the amount assessed and when and how it is to be paid, in accordance with Section 90, Division 3, Payment of Assessments, of the Code of Ordinances.

ORDINANCE FOR INTRODUCTION

2020-0174 Request for Acceptance for First Reading - An Ordinance to amend Sections 54-741, 54-743, 54-744, AND 54-745; in Chapter 54, Fees, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify fees charged for Water; Sewage Treatment, Non-Residential Water and High Strength Surcharge, and to repeal conflicting or inconsistent Ordinances, and prescribe a penalty for violations

Attachments: [06082020 Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[05182020 Agenda Summary.pdf](#)
[COSDS 2020-21 Rate Packet.pdf](#)
[WSAC Resolution.pdf](#)
[05182020 Resolution.pdf](#)
[Resolution \(Draft\).pdf](#)

Joe Snyder, Chief Financial Officer, stated that this is the first reading to amend the City of Rochester Hills Water and Sewer Rates Fee Ordinance to become effective on July 1, 2020. He mentioned that on May 6, the Water System Advisory Council (WSAC) met to consider, discuss and recommend updated water and sewer rates for the upcoming 2020-2021 rate year. The WASC unanimously recommended no changes to the water or sewer rates per unit, and an increase of 0.3 percent to the customer charge for billing. He noted that equals a two percent increase.

He mentioned that the only other changes proposed for the 2020-2021 rate year are various pass through charges from the Great Lakes Water Authority (GLWA) to the various industrial and commercial customers in the City.

President Deel requested further explanation behind the decision to have relatively no change in the bulk rate

Mr. Snyder explained said that the City purchases water and the treatment of sewer on behalf of all the residents. When reviewing the rates for the upcoming year, three different options are considered:

Option 1) *Break Even Methodology*. This option adjusts any pluses or minuses from the next year.

Option 2) *Keep it Flat or Do Nothing*. This option keeps the rates exactly the same.

Option 3) *The Smoothing*. This option smooths things out over the 4 years.

He pointed out that traditionally the Committee has chosen to compare the difference between the option to Do Nothing and The Smoothing option. Going with the Smoothing option would have generated a very minor two percent increase on resident water and sewer bills for the upcoming year. However, due to the COVID environment, a lot of people are having difficulty paying their

bills and the thought was that the City has operated the water and sewer system so conservatively and well over the past decade that we can help our residents by keeping things stable and flat, and absorbing any cost. Mr. Hetrick, Miss Bowyer and Mr. Walker were all on the Water System Advisory Council.

***Vice President Bowyer** reminded residents to run their sprinklers between midnight and 5:00 a.m., and to not start their sprinklers on the hour because the pressure drops across the system. She mentioned they should start their sprinklers on the quarter or half hour or 45 minutes to the hour, just not on the hour. She explained that the City gets a cheaper rate on the water at night.*

A motion was made by Bowyer, seconded by Blair, that this matter be Accepted for First Reading by Resolution. The motion carried by the following vote:

Aye 7 - Blair, Bowyer, Deel, Hetrick, Morita, Mungioli and Walker

Enactment No: RES0134-2020

Resolved, that an Ordinance to amend Sections 54-741, 54-743, 54-744, AND 54-745; in Chapter 54, Fees, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify fees charged for Water; Sewage Treatment, Non-Residential Water and High Strength Surcharge, and to repeal conflicting or inconsistent Ordinances, and prescribe a penalty for violations is hereby Accepted for First Reading.

ORDINANCE FOR ADOPTION

2020-0157 Request for Acceptance for Second Reading and Adoption - an Ordinance to Amend Section 30-29 of Chapter 30, Community Development, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to update the owner's name for the Cliffview Tax Exemption; repeal conflicting Ordinances, and prescribe a penalty for violations

Attachments: [05182020 Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[05042020 Agenda Summary.pdf](#)
[Loomis et al Email Request.pdf](#)
[Purchase Agreement.pdf](#)
[05042020 Resolution.pdf](#)
[Resolution \(Draft\).pdf](#)

Laurie Taylor, Assessing Director, stated this is the Second Reading for this Ordinance Amendment.

Deputy Clerk Leanne Scott indicated that there were no emails received nor any individuals requesting to speak on this item.

A motion was made by Mungioli, seconded by Hetrick, that this matter be Accepted for Second Reading and Adoption by Resolution. The motion carried by the following vote:

Aye 7 - Blair, Bowyer, Deel, Hetrick, Morita, Mungioli and Walker

Enactment No: RES0114-2020

Resolved, that an Ordinance to Amend Section 30-29 of Chapter 30, Community

Development, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to update the owner's name for the Cliffview Tax Exemption; repeal conflicting Ordinances, and prescribe a penalty for violations is hereby accepted for Second Reading and Adoption, and shall become effective on Monday, May 25, 2020 following its publication in the Oakland Press on Sunday, May 24, 2020.

- 2020-0158** Request for Acceptance of Second Reading - an Ordinance to Amend Section 30-32 of Chapter 30, Community Development, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan to update the owner's name for the Danish Village Tax Exemption; repeal conflicting Ordinances, and prescribe a penalty for violations

Attachments: [05182020 Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[05042020 Agenda Summary.pdf](#)
[Regulatory Agreement.pdf](#)
[Warranty Deed.pdf](#)
[05042020 Resolution.pdf](#)
[Resolution \(Draft\).pdf](#)

Deputy Clerk Leanne Scott indicated that there were no emails received nor any individuals requesting to speak on this item.

A motion was made by Mungioli, seconded by Hetrick, that this matter be Accepted for Second Reading and Adoption by Resolution. The motion carried by the following vote:

Aye 7 - Blair, Bowyer, Deel, Hetrick, Morita, Mungioli and Walker

Enactment No: RES0115-2020

Resolved, that an Ordinance to Amend Section 30-32 of Chapter 30, Community Development, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to update the owner's name for the Danish Village Tax Exemption; repeal conflicting Ordinances, and prescribe a penalty for violations is hereby accepted for Second Reading and Adoption and shall become effective on Monday, May 25, 2020, following its publication in the Oakland Press on Sunday, May 24, 2020.

PUBLIC COMMENT for Items not on the Agenda

Deputy Clerk Leanne Scott indicated that there were no emails received nor any individuals requesting to speak on this item.

CONSENT AGENDA

All matters under Consent Agenda are considered to be routine and will be enacted by one motion, without discussion. If any Council Member or Citizen requests discussion of an item, it will be removed from Consent Agenda for separate discussion.

- 2020-0191** Approval of Minutes - City Council Regular Meeting - December 9, 2019

Attachments: [CC Min 120919.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0116-2020

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on December 9, 2019 be approved as presented.

2020-0192 Approval of Minutes - City Council Special Meeting - January 13, 2020

Attachments: [CC Special Mtg Min 01132020.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0117-2020

Resolved, that the Minutes of a Rochester Hills City Council Special Meeting held on January 13, 2020 be approved as presented.

2020-0193 Approval of Minutes - City Council Regular Meeting - January 13, 2020

Attachments: [CC Min 01132020.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0118-2020

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on January 13, 2020 be approved as presented.

2020-0171 Request for Purchase Authorization - FISCAL: Purchase Authorization for annual support and maintenance through April 30, 2021 for the City's water and sewer utility billing software in the amount of \$35,350.00; TruePoint Solutions, Incline Village, NV

Attachments: [05182020 Agenda Summary.pdf](#)
[TruePoint Invoice.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0119-2020

Resolved, that the Rochester Hills City Council hereby authorizes the purchase of annual support and maintenance through April 30, 2021 for the City's water and sewer utility billing software to TruePoint Solutions, Incline Village, Nevada in the amount of \$35,350.00.

2020-0179 Request for Purchase Authorization - DPS/ENG: Blanket Purchase Order/Contract for 2020 Pavement Striping Program in the amount of \$66,789.84 with a 5% project contingency in the amount of \$3,205.91 for a total not-to-exceed project amount of \$69,995.75; P.K. Contracting, Inc., Troy, MI

Attachments: [05182020 Agenda Summary.pdf](#)
[2020 Striping Program Map.pdf](#)
[2020 Pavement Striping Bid Tab.pdf](#)
[PK Striping Price Extension Ltr.pdf](#)
[RCOC 2020 Striping Price Extension.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0120-2020

Resolved, that the Rochester Hills City Council hereby authorizes a blanket purchase order/contract for 2020 Pavement Striping Program to P.K. Contracting, Inc., Troy, Michigan in the amount of \$ \$66,789.84 with a 5% project contingency in the amount of \$3,205.91 for a total not-to-exceed project amount of \$69,995.75 and further authorizes the Mayor to execute a contract on behalf of the City.

Further Resolved, that the City's acceptance of the proposal and approval of the award of a contract shall be contingent and conditioned upon the parties' entry into and execution of a written agreement acceptable to the City.

- 2020-0184** Request for Purchase Authorization - DPS/ENG: Blanket Purchase Order/Contract for the installation, operations and maintenance of the proposed traffic signal upgrade at the intersection of Adams Road and Tienken Road in the not-to-exceed contract amount of \$43,750.00; Road Commission for Oakland County (RCOC), Waterford, MI

Attachments: [05182020 Agenda Summary.pdf](#)
[Agreement.pdf](#)
[Traffic Signal Plan.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0121-2020

Resolved, that the Rochester Hills City Council hereby authorizes a blanket purchase order/contract for the installation, operations and maintenance of the proposed traffic signal upgrade at the intersection of Adams Road and Tienken Road to Road Commission for Oakland County (RCOC), Waterford, Michigan in the not-to-exceed contract amount of \$43,750.00 and further authorizes the Mayor to execute a contract on behalf of the City.

- 2020-0187** Request for Approval of the Temporary Relocation of Precincts for the August 4, 2020 Primary Election and the November 3, 2020 General Election

Attachments: [05182020 Agenda Summary.pdf](#)
[Current Council Districts_Polling Locations Map.pdf](#)
[RHS_New Address.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0122-2020

Resolved, that the Rochester Hills City Council hereby approves the temporary relocation of the following precincts for the August 4, 2020 Primary Election:

Precinct #1 **from** Faith Church **to** Hampton Elementary
Precinct #2 **from** Bellbrook **to** Meadow Brook Elementary
Precinct #3 **from** Meadows School **to** Avondale Middle School
Precinct #5 **from** Reuther Middle School **to** Rochester University
Precinct #6 **from** Avon Clubhouse **to** Avondale Middle School
Precinct #8 **from** Van Hoosen Middle School **to** Rochester Adams High School
Precinct #11 **from** Reuther Middle School **to** Rochester University
Precinct #13 **from** Deerfield Elementary School **to** Avondale Middle School
Precinct #15 **from** St. Mary's of the Hills **to** Rochester High School
Precinct #22 **from** St. Luke's Methodist Church **to** Brewster Elementary School
Precinct #23 **from** Samaritas **to** Long Meadow Elementary
Precinct #24 **from** Rochester Hills Offices **to** Hamlin Elementary School
Precinct #26 **from** Van Hoosen Middle School **to** Rochester Adams High School
Precinct #27 **from** St. Mary's of the Hills **to** Rochester High School
Precinct #30 **from** St. Mary's of the hills **to** Rochester High School
Precinct #31 **from** Reuther Middle School **to** Rochester University

Further Resolved, that the Rochester Hills City Council hereby approves the temporary relocation of the following precincts for the November 3, 2020 General Election:

Precinct #1 **from** Faith Church **to** Hampton Elementary
Precinct #2 **from** Bellbrook **to** Meadow Brook Elementary
Precinct #3 **from** Meadows School **to** Avondale Middle School
Precinct #6 **from** Avon Clubhouse **to** Avondale Middle School
Precinct #13 **from** Deerfield Elementary School **to** Avondale Middle School
Precinct #15 **from** St. Mary's of the Hills **to** Rochester High School
Precinct #22 **from** St. Luke's Methodist Church **to** Brewster Elementary School
Precinct #23 **from** Samaritas **to** Long Meadow Elementary
Precinct #24 **from** Rochester Hills Offices **to** Hamlin Elementary School
Precinct #27 **from** St. Mary's of the Hills **to** Rochester High School
Precinct #30 **from** St. Mary's of the hills **to** Rochester High School

Passed the Consent Agenda

A motion was made by Mungioli, seconded by Walker, including all the preceding items marked as having been adopted on the Consent Agenda. The motion carried by the following vote:

Aye 7 - Blair, Bowyer, Deel, Hetrick, Morita, Mungioli and Walker

LEGISLATIVE & ADMINISTRATIVE COMMENTS

Vice President Bowyer noted the following 5k runs and events:

- *The OPC 5K Walk/Run. She encouraged individuals registering for the 5k to download the form, fill it out and send it in by June 1, 2020. If you meet this deadline, you can get the T-shirt which they will hand out on June 5 as you drive up.*
- *The Brooksie Way Half Marathon, 10K and 5K, is still scheduled for the end of September.*
- *Neighborhood House S 5K is still scheduled for October. The Neighborhood*

House is doing a great job helping our neighbors right now, so any help you care to give would be much appreciated.

Mayor Barnett provided the following updates:

- *The City worked closely with the schools to recognize the graduates of Rochester Community Schools and held a special ceremony this past Friday, with Police and Fire vehicles helping to light their buildings.*
- *The City recognized graduating seniors from Avondale High School, Adams High School, Rochester High School, Stoney Creek High School and Lutheran High Northwest on the new billboards in the City. This has received a lot of positive feedback.*
- *He thanked the small businesses doing exceptional work, highlighting the following:*
 - *Guardian Angel Home Health Care. They have been donating ventilators to Ascension.*
 - *Prefix Corporation. They are making approximately 1500 face shields daily for the local community.*
 - *Fanuc partnered with 3M and are making masks for local community and across the country.*
 - *Due to the present COVID situation, things will look different when returning to City Hall. We are looking at spatial distancing, cleaning the building and operations within the building. Our team is reimagining the visitor experience and working very closely with colleagues and places that have already opened up around the country to see what they are doing with common spaces.*
 - *He will be touring the Village of Rochester Hills tomorrow to try to see what can be done to help the small businesses when the Governor allows them to reopen.*
 - *The City has reached 80 percent in our census numbers. He encouraged everyone to complete their census.*

President Deel stated that it is heartwarming to see how the community businesses have come together and help out.

ATTORNEY'S REPORT

City Attorney John Staran had nothing to report.

NOMINATIONS/APPOINTMENTS

2020-0085 Request for Approval of a Planning Commission representative to the Zoning Board of Appeals for a one-year term to expire March 31, 2021

Attachments: [05182020 Agenda Summary.pdf](#)
[Memo PC Rep to ZBA 03162020.pdf](#)
[Minutes PC 04212020.pdf](#)
[Resolution \(Draft\).pdf](#)

Sara Roediger, Planning & Economic Development Director, states the Planning Commission unanimously recommended Ms. Brnabic to serve on the ZBA as she has been doing it for well over a decade.

Mr. Hetrick stated that Ms. Brnabic brings a wealth of knowledge relating to Ordinances and Zoning in the City. During his tenure on the Planning

Commission, he had the opportunity to work with her. He wholeheartedly supports her as a member of the Zoning Board of Appeals.

***Vice President Bowyer** concurred with what Mr. Hetrick stated and expressed her support for Ms. Brnabic.*

***Ms. Morita** stated she has worked with Ms. Brnabic and shared that she is an asset to the City.*

A motion was made by Hetrick, seconded by Morita, that this matter be Adopted by Resolution. The motion carried by the following vote:

Aye 7 - Blair, Bowyer, Deel, Hetrick, Morita, Mungoli and Walker

Enactment No: RES0123-2020

Resolved, that the Rochester Hills City Council hereby appoints Deborah Brnabic to serve as the Planning Commission representative to the Zoning Board of Appeals for a one-year term to expire on March 31, 2021.

2020-0170 Nomination/Appointment of one (1) Citizen Representative to the Rochester Avon Recreation Authority for a three-year term to expire May 31, 2023

Attachments: [05182020 Agenda Summary.pdf](#)
[Nomination Form.pdf](#)
[Hauser CQ.pdf](#)
[McCracken CQ.pdf](#)
[Notice of Vacancy.pdf](#)
[Resolution \(Draft\).pdf](#)

***Ms. Mungoli** stated she is the Council representative to the RARA Board and she has been impressed with Mr. Hauser's ability to lead. She mentioned that he has a strong knowledge of the organization.*

A motion was made by Mungoli, seconded by Blair, that this matter be Adopted by Resolution. The motion carried by the following vote:

Aye 6 - Blair, Bowyer, Deel, Hetrick, Mungoli and Walker

Nay 1 - Morita

Enactment No: RES0124-2020

Resolved, that the Rochester Hills City Council hereby appoints _____ to the Rochester Avon Recreation Authority to serve a three-year term expiring May 31, 2023.

NEW BUSINESS

2020-0154 Request for Purchase Authorization - MAYORS/FISCAL: Approval of Insurance Coverage (general liability, motor vehicle, physical damage, property and crime coverage) pool contributions/costs, legal defense and risk management consulting in the amount not-to-exceed \$400,194.00; Michigan Municipal Risk Management Authority, Livonia, MI

Attachments: [05182020 Agenda Summary.pdf](#)
[Renewal Prem and Net Asset Dist Analysis.pdf](#)
[MMRMA Insurance Proposal.pdf](#)
[Resolution \(Draft\).pdf](#)

Ms. Morita stated that as her firm does work for the Michigan Municipal Risk Management Authority (MMRMA), she will recuse herself from discussion and vote on this item.

Joe Snyder, Chief Financial Officer, stated that the request before Council this evening is for approval to renew the City's insurance policy with the MMRMA for a one-year period covering July 1, 2020, through June 30, 2021, in the amount of \$400,194, representing a 2.9 percent increase from last year's policy. He stated that MMRMA's service to local units of government in the State provides assistance with the administration of claims, legal defense, risk management consultation, and loss control services. He explained that the City has been a member of MMRMA's self-insurance pool since 1985. He noted that the City has been a long-term member of the MMRMA and the long-term status provides the City with long-term member shares of the net asset distribution shared by the MMRMA to its member community. The City was informed that MMRMA will send the City a net asset distribution check in the amount of \$357,246. He pointed out that the net cost to the City of Rochester Hills, premium less net asset distribution, for insurance is approximately \$42,948.

A motion was made by Hetrick, seconded by Walker, that this matter be Adopted by Resolution. The motion carried by the following vote:

Aye 6 - Blair, Bowyer, Deel, Hetrick, Munglioli and Walker

Abstain 1 - Morita

Enactment No: RES0125-2020

Whereas, the Mayor is requesting continuation of the City's Insurance (general liability, motor vehicle physical damage, property, and crime coverage) coverage including pool contributions, stop loss coverage, SIR (self-insured retention) fund replenishment, and risk management consulting in the amount not-to-exceed \$400,194 for the period of July 1, 2020 through July 1, 2021 with the Michigan Municipal Risk Management Authority (MMRMA), located in Livonia Michigan.

Resolved, that the City of Rochester Hills City Council hereby authorizes a Blanket Purchase Order/contribution to the Michigan Municipal Risk Management Authority (MMRMA) of Livonia, Michigan, for general liability, motor vehicle physical damage, property and crime coverage, pool contributions, stop loss coverage, SIR (self-insured retention) fund replenishment, and risk management consulting in the amount not-to-exceed \$400,194 for the period of July 1, 2020 through July 1, 2021.

2020-0172 Request for Purchase Authorization - MIS: Blanket Purchase Order/Contract for Network Security Detection and Response System Services in the amount not-to-exceed \$190,000.00 through May 31, 2023; Creative Breakthroughs Inc., Ferndale, MI

Attachments: [05182020 Agenda Summary.pdf](#)
[Bid Tabulation.pdf](#)
[Resolution \(Draft\).pdf](#)

Kevin Krajewski, Information Systems Director, stated that protection of critical digital assets of the City is an essential service and one of the most important provided by his department. He noted they take a layered approach and do not rely on just one system or technology to protect the City's network from digital attacks. The system being requested gives unique visibility in communications between equipment within our network, as well as to and from the internet. It has the ability to correlate seemingly disparate events and recognize them as a single attack event. If the event is serious and should be stopped, the system has the ability to interrupt those communications instantaneously giving the MIS team time to investigate the problem. He stated the product proposed meets all of the City's requirements at a reasonable price.

Mr. Blair pointed out that the layering approach the MIS department takes is very important and they address much more than just the technology in these layers. They work to educate the team so they are not clicking emails they should not be. He stressed that the MIS department is very well trained in assessing and responding to risks and threats and software applications.

A motion was made by Blair, seconded by Bowyer, that this matter be Adopted by Resolution. The motion carried by the following vote:

Aye 7 - Blair, Bowyer, Deel, Hetrick, Morita, Mungoli and Walker

Enactment No: RES0126-2020

Resolved, that the Rochester Hills City Council authorizes a Blanket Purchase Order/Contract for Network Security Detection and Response System Services to Creative Breakthroughs (CBI), Ferndale, Michigan in the amount not-to-exceed \$190,000.00 through May 31, 2023 and further authorizes the Mayor to execute a contract on behalf of the City.

Further Resolved, that the City's acceptance of the proposal and approval of the award of a contract shall be contingent and conditioned upon the parties' entry into and execution of a written agreement acceptable to the City.

2020-0183 Request for Purchase Authorization - MIS: Blanket Purchase Order/Contract for JDE Consulting and Support Services in the amount not-to-exceed \$127,000.00 through May 31, 2021; JDEvolution LLC, Flower Mound, TX

Attachments: [05182020 Agenda Summary.pdf](#)
[Resolution \(Draft\).pdf](#)

Kevin Krajewski, Information Systems Director, explained that JDEvolution is a software development consulting firm that has been involved in the customization and modification of our financial system for many years. He stated that the City's contract with JDEvolution is a result of our financial system process for services. These services have been used by several departments for the past several years to modify or enhance the system in accordance with changes in laws and regulations or to enhance functionality. He mentioned that JDEvolution will assist the City during the upgrade of our financial software system in the coming year, providing support to internal staff as well as to modifications in the code as we go through the upgrade process; their services are crucial to the successful financial system upgrade. He pointed out that this

request is for a 6 year contract and noted it would be disadvantageous to try to bring on a new consultant to the project at this time as it would be very difficult to get them up to speed on all the City's processes and system customizations and functionalities. He stated that next year, after the financial system upgrade is completed, these services will be rebid.

***Mr. Blair** stated that these are customizations and not configurations. This is modifying the software so that it better suits the needs of Rochester Hills. He shared that many software companies do not give that capability to customers, so engaging a third party to do this is a smart move.*

A motion was made by Blair, seconded by Hetrick, that this matter be Adopted by Resolution. The motion carried by the following vote:

Aye 7 - Blair, Bowyer, Deel, Hetrick, Morita, Mungoli and Walker

Enactment No: RES0127-2020

Resolved, that the Rochester Hills City Council hereby authorizes a blanket purchase order/contract for JDE Consulting and Support Services to JDEvolution LLC, Flower Mound, Texas in the amount not-to-exceed \$127,000.00 through May 31, 2021 and further authorizes the Mayor to execute an agreement on behalf of the City.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

- Regular Meeting - Monday, June 8, 2020 - 7:00 p.m.

ADJOURNMENT

There being no further business before Council, it was moved by Walker and seconded by Mungoli to adjourn the meeting at 9:19 p.m.

*RYAN DEEL, President
Rochester Hills City Council*

*TINA BARTON, MMC, Clerk
City of Rochester Hills*

*MARY FRONCZAK
City Council Coordinator
City Clerk's Office*

Approved as presented at the (insert date, or dates) Regular City Council Meeting.