



Rochester Hills

Minutes - Draft

City Council Regular Meeting

1000 Rochester Hills Dr
Rochester Hills, MI 48309
(248) 656-4600
Home Page:
www.rochesterhills.org

*Kevin S. Brown, Greg Hooper, Adam Kochenderfer, Stephanie Morita, Mark A. Tisdell,
Michael Webber and Thomas W. Wiggins*

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, June 2, 2014

7:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

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

ROLL CALL

Present 6 - Kevin S. Brown, Greg Hooper, Adam Kochenderfer, Stephanie Morita, Mark A. Tisdell and Michael Webber

Absent 1 - Thomas W. Wiggins

Others Present:

*Pranita Balusu, Rochester Hills Government Youth Council Representative
Bryan Barnett, Mayor
Tina Barton, City Clerk
Jim Breuckman, Manager of Planning
Sean Canto, Chief of Fire and Emergency Services
Kurt Dawson, Director of Assessing/Treasury
Linda Osiecki, Deputy Treasurer
Keith Sawdon, Director of Finance
Laurie Taylor, Deputy Director of Assessing*

Mr. Wiggins provided prior notice that he would be unable to attend the meeting.

PLEDGE OF ALLEGIANCE

Mr. Tisdell introduced **Pranita Balusu**. He noted that she has been a member of the Rochester Hills Government Youth Council (RHGYC) for three years. He stated that she has been Chairperson of the RHGYC's Green Team, was one of the early proponents of the Community Garden, and started a reusable grocery bag fund raiser, with proceeds used to purchase trees for Bloomer Park. He mentioned that Ms. Balusu teaches piano and ACT classes, volunteers for the Sunrise Assisted Living Home, is a member of the National Honor Society and Key Club, and has a Third Degree Black Belt in Tae Kwan Do. He reported that she

was awarded the Congressional Award Gold Medal, is a National Merit Scholar, and is one of two students from Michigan to win the 2014 Presidential Scholarship. He stated that she will attend the School of Engineering at the University of Michigan this fall. He thanked Ms. Balusu for her service to the City and wished her the best.

Ms. Balusu led the Pledge of Allegiance.

APPROVAL OF AGENDA

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

Aye 6 - Brown, Hooper, Kochenderfer, Morita, Tisdell and Webber

Absent 1 - Wiggins

PUBLIC COMMENT

Erin Howlett, 3597 Aynsley Drive, expressed concern that consideration of Oil and Gas Ordinances have not been on any City agenda since April 7, 2014. She stated that she was disappointed to hear City Attorney John Staran comment that due to the filing of a lawsuit against the City regarding the Oil and Gas Lease, no discussion would be held on the topic. She commented that she does not see how the proposed Ordinance has anything to do with the lawsuit filed against the City and stated that it should proceed.

James Smith, 1181 Whispering Knoll Lane, expressed concern over the possibility of fracking in Rochester Hills and questioned how the Charter Amendment passed in 2011 affected the potential for drilling under City-owned parks without approval of the City's voters.

Jeff McQueen, 323 North Castell, Rochester, stated that he is a long-time resident and a National Tea Party leader, and noted that he was asked to attend tonight to speak regarding the possibility of fracking in Rochester. He commented that while he may not oppose fracking, its use on public use lands should be put to a vote of the people.

Clark Barrett, 1376 Kingspath Drive, stated that no one in their right mind would place a gas pumping station near a school, nor would they place an oil or gas well in or under high density residential neighborhoods, parks or school zones. He stated that those attending meetings are not there to fear monger, but to educate the people about the risks.

Robert Kendig, 2484 Wortham Drive, stated that he still has difficulty understanding Council's urgency to have signed a gas and oil lease. He noted that the only people attending the meeting where the lease was approved were the Council members themselves and the three presenters. He stated that the two outgoing Council members opposing the lease commented that the citizens should have an opportunity to discuss and vote on the subject. He noted that the City Attorney's opinion that the lease is proper has not been tested in the courts. He stated that nothing in the Charter Amendment passed separates subterranean

and surface rights. He suggested the City give the money back and take the matter to a vote. He commented that the 400 property owners who have signed leases have put the rest of the community in danger.

Mike Powers, 3632 Aynsley Drive, stated that ignoring the Charter and the right to vote on the oil and gas issue is an example of government overreach. He commented that the decision was made too quickly.

Lisa Powers, 3632 Aynsley, questioned why Council signed a lease giving Jordan Oil a foothold in the community. She stated that oil and gas drilling is linked to risks. She commented that the information meeting held last month was an awkward non-productive format. She stated that oil and gas drilling does not belong here.

Joseph Lambourn, 1957 Ansal, requested the City's help in providing relief for a water bill he received after a pipe burst in his garage. He stated that while he understood that he should pay for the water that was used, as it did not flow into the sewer, he would request that the bill be adjusted downward to remove the sewer charge during that time.

Lee Zendel, 1575 Dutton Road, stated that the proposed Gas and Oil Ordinance is unnecessary as there is no place in Rochester Hills where a wellhead could be sited. He pointed out that the Ontario Ministry of Natural Resources reports that there are 500 producing gas wells drilled into Lake Erie plus 25 directional wells underneath. He questioned whether those in opposition have made inquiries to tax assessors in communities where drilling is allowed to determine whether there are any negative property value effects. He added that there are two wells drilled under the lake at Kensington Metropark. He commented that the Michigan Department of Environmental Quality representative he spoke with stated that the average well produces 10 barrels each day, which would require potentially only one to three trucks a month.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

President Hooper stated that on the advice of the City Attorney, there will be no public comment from himself or other City Council members, or public forum held on the topic of oil and gas until the lawsuit is settled.

In response to the request from a resident for relief on a high water and sewer bill due to a ruptured water pipe, he questioned whether there is an appeal process that the resident could go through to request a reduction due to extenuating circumstances.

Keith Sawdon, Director of Finance, responded that the City's Ordinance addresses the ability for a bill adjustment, but only when the City has found an error in billing. He stated that the City's goal is not to collect against a resident and user when it did not incur cost on other side. Credits are not issued unless there is one hundred percent assurance that the City did not incur a cost as a result.

President Hooper suggested that the resident utilize the appeal process to determine if the bill could be reduced.

He announced the following upcoming events:

- Candidate Forum for State Representative for District 45 - Wednesday, June 18th, 7:00 p.m., City Hall Auditorium.
- Candidate Forum for Congressional District 45 - Sunday, June 22nd, 3:00 p.m., Oakland University.

He announced that City Clerk Tina Barton attained her Master Municipal Clerk designation; and Deputy Clerk Leanne Scott achieved her Certified Municipal Clerk designation. He expressed his congratulations to both members of the Clerk's Department and stated that their efforts show their professionalism. He commented that Rochester Hills is well served.

Mr. Webber noted that the Older Persons' Commission (OPC) welcomes new Executive Director Renee Cortright, who replaced Marye Miller. He mentioned that Michigan Governor Rick Snyder gave an address at the OPC today on the topic of aging and things that can be done to help the senior population in Michigan. He added that the OPC's annual fundraiser, the Walk for Meals, will take place this Saturday, June 7th, at 8:00 a.m.

Mr. Brown expressed his appreciation for the residents in attendance and encouraged them to stay past public comment to view the rest of Council's agenda.

Mr. Kochenderfer thanked those in attendance tonight, and those who attended and participated in the City's Memorial Day Parade.

Ms. Morita expressed her thanks to those in attendance. She announced that the annual Paint Creek Trail Crawl is set for Saturday, June 7th, beginning at 9:00 a.m. in Lake Orion.

Mr. Tisdell noted that Jim Breuckman, Manager of Planning, will be leaving the City to become the City Manager for Pleasant Ridge. He mentioned that two years ago, Mr. Breuckman presented a value per acre study which became a valuable tool for Council to use as additional development is planned in the City. He expressed his congratulations to Mr. Breuckman and wished him the best.

Pranita Balusu, Rochester Hills Government Youth Council (RHGYC) Representative, announced that the RHGYC's Sixth Annual 5K Walk/Run will be held Saturday, June 14th starting at 8:30 a.m. Proceeds will benefit the charity Blessings in a Backpack, which provides meals for children over the weekend. She noted that the 5K has many local sponsors, and encouraged interested runners to go to goracego.com or the Youth Council area of the City's website for more information. She announced that RHGYC members will be volunteering at the Older Persons' Commission two days next week. She noted that interviews for next year's RHGYC will be held in the next couple of weeks.

Mayor Barnett commented that the City's Youth Council is considered the best in the state and is a model for many other communities considering starting one. He mentioned the following:

- Construction projects ongoing include:
 - * Avon Road Rehabilitation. The project is on time and on schedule.
 - * Tienken Road Reconstruction will begin this summer.
 - * Road rehabilitation and infrastructure projects are ongoing in quite a few subdivisions, including Vintage Estates, Quail Ridge, Eddington Farms, and Grosse Pines. Interactive maps for Capital Improvement and Road projects can be viewed on the City's website.
- The City's Financial Summary, presented at the last meeting by the Auditors, is on the City's website. The Seven-Year Financial Forecast, presented later this evening, will be uploaded to the site later this week.
- The Spring Hills Herald is on the City's website.
- Paddlepalooza, originally scheduled for May 31st, was postponed due to high water levels and dangerous currents. The new date is Saturday, June 14th. Those enjoying the river should be extremely cautious and avoid the river during periods of high water.

Mayor Barnett displayed pictures from Governor Snyder's address at the OPC, the Memorial Day Parade, and a ribbon-cutting at the new Planet Fitness on Livernois.

ATTORNEY MATTERS

None.

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.

2014-0229 Approval of Minutes - City Council Special Meeting - May 12, 2014

Attachments: [CC Special Mtg Min 051214.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0130-2014

Resolved, that the Minutes of a Rochester Hills City Council Special Meeting held on May 12, 2014 be approved as presented.

2014-0207 Request for Approval of the Storm Water Maintenance Agreement between the City of Rochester Hills and Ray Estate RCI Rochester, LLC, a Michigan limited liability company, for Ray Connect Building Addition

Attachments: [Agenda Summary.pdf](#)
[Storm Water Sys Maint Agreement.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0131-2014

Resolved, that the Rochester Hills City Council approves the Storm Water Maintenance Agreement, relative to the details of the development and use, repair and maintenance of the storm water system, from Ray Estate RCI Rochester LLC, a Michigan limited liability company, for Ray Connect Building Addition, for City File #08-002.3, for Parcel No. 15-29-452-036.

Passed the Consent Agenda

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

Aye 6 - Brown, Hooper, Kochenderfer, Morita, Tisdell and Webber

Absent 1 - Wiggins

ORDINANCE FOR INTRODUCTION

2014-0098 Acceptance for First Reading - An Ordinance to amend Chapter 138, Zoning, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, Sections of C-I, Commercial Improvement district, including Sections 138-6.300, Principal Uses Permitted; 138-6.301, Conditional Uses; 138-6.302, Required Conditions; and Section 138-6.303, Area, Bulk and Development Regulations, and to prescribe a penalty for the violation thereof

Attachments: [Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[Minutes PC 052014.pdf](#)
[Minutes PC 041514.pdf](#)
[Ordinance w-markup 051314.pdf](#)
[Ordinance 051314.pdf](#)
[Memo Breuckman 051314.pdf](#)
[Memo Breuckman 041014.pdf](#)
[Public Hearing Notice.pdf](#)
[Resolution.pdf](#)

Jim Breuckman, Manager of Planning, stated that the proposed Amendment pertains to the properties zoned CI which are located in the Olde Towne area on Auburn between John R and Dequindre. He stated that the list of uses permitted was tied to the B-2 district, which were predominately retail and some office. He explained that the City now has the FB-2, Flexible Business Overlay district, which permits a range of mixed uses; and he noted that the FB-2 zone did not exist when the CI district was created in 1986. He commented that the FB-2 district permits a more appropriate range of uses than the B-2 district, allowing for mixed uses and residential, and prohibiting some outdoor uses such as used car lots. He added that the Amendment proposes to amend setback requirements. He noted that the majority of the older buildings in the district are on property lines. The

Amendment provides for approval to allow setbacks as little as zero to ten feet, and would be more in keeping with the existing developed character of that district. He mentioned that the Amendment also contains some updates to section numbers elsewhere in the Zoning Ordinance.

President Hooper noted that the Planning Commission considered the proposed Amendment on April 15th, held a Public Hearing, and voted to recommend approval on May 20th.

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

Aye 6 - Brown, Hooper, Kochenderfer, Morita, Tisdell and Webber

Absent 1 - Wiggins

Resolved, that an Ordinance to amend Chapter 138, Zoning, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, Sections of C-I, Commercial Improvement district, including Sections 138-6.300, Principal Uses Permitted; 138-6.301, Conditional Uses; 138-6.302, Required Conditions; and Section 138-6.303, Area, Bulk and Development Regulations, and to prescribe a penalty for the violation thereof, is hereby accepted for First Reading.

2014-0099 Acceptance for First Reading - An Ordinance to amend Chapter 138 Zoning, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to revise Principal and Conditional Uses, required conditions, front yard setback requirements, parking space requirements, and to add building design standards

Attachments: [Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[REC-W Rezoning Map.pdf](#)
[Letter to property owners.pdf](#)
[M-59 Corridor Plan Development Plan Map.pdf](#)
[Ordinance w-markups 051314.pdf](#)
[Ordinance 051314.pdf](#)
[Minutes PC 052014.pdf](#)
[Minutes PC 041514.pdf](#)
[Memo Breuckman 051314.pdf](#)
[Memo Breuckman 041014.pdf](#)
[Public Hearing Notice.pdf](#)
[Resolution.pdf](#)

Jim Breuckman, Manager of Planning, noted that the Regional Employment Center (REC) was identified in the 2007 Master Land Use plan for the area generally bounded by the Clinton River Trail and Auburn Road, and between Livernois and the west City boundary. He noted that this area contains the majority of the City's industry and technology uses. The M-59 Corridor Plan was completed in 2012 and provided recommendations for the future development of the REC. He explained that the proposed Amendment would create four REC districts, including REC-W - Workplace, REC-M - Mixed Use, REC-C - M-59 Corridor, and REC-I - Interchange. He explained that the only rezonings currently proposed are for those properties currently zoned I - Industrial to be rezoned to REC-W. He stated that the goal is to allow existing businesses to grow in place, keeping the uses permitted in the industrial district, but allowing for further evolution within sites. He displayed

a map, and noted that the corridor along M-59 permits taller buildings. He added that the proposed REC zoning would allow for greater administrative review of site plans for expansions. He reviewed the tables for permitted uses, noting setback changes.

President Hooper noted that the Planning Commission has discussed the proposed Amendments during at least two meetings and a Public Hearing, and has recommended approval.

Mr. Webber questioned whether there has been any feedback from property owners.

Mr. Breuckman responded that a letter sent to all owners of the proposed rezoned properties explained that no rights or benefits would be taken away. He commented that several phone calls were received; and staff explained the Amendments. None of the property owners were present at the Planning Commission's Public Hearing.

Mr. Kochenderfer questioned whether the rezoning would create any nonconforming uses.

Mr. Breuckman responded that they would not.

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

Aye 6 - Brown, Hooper, Kochenderfer, Morita, Tisdell and Webber

Absent 1 - Wiggins

Resolved, that an Ordinance to amend Chapter 138 Zoning, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to revise Principal and Conditional Uses, required conditions, front yard setback requirements, parking space requirements, and to add building design standards is hereby accepted for First Reading.

ORDINANCE FOR ADOPTION

2014-0197 Acceptance for Second Reading and Adoption - an Ordinance to amend Sections 54-741 through 54-745 of Article XII, Utilities, of Chapter 54, Fees, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify water and sewer rates and fees, repeal conflicting Ordinances, and prescribe a penalty for violations

Attachments: [Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[051914 Agenda Summary.pdf](#)
[W&S TRC Resolution 043014.pdf](#)
[051914 Resolution.pdf](#)
[Resolution.pdf](#)

Keith Sawdon, Director of Finance, noted that the proposed Water and Sewer Rate Changes were presented at the May 19th meeting for First Reading. He explained that no changes were made to the proposed Ordinance since that first reading.

Mr. Brown stated that the proposed Ordinance Amendment is consistent with the discussions of the Water and Sewer Technical Review Committee.

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

Aye 6 - Brown, Hooper, Kochenderfer, Morita, Tisdell and Webber

Absent 1 - Wiggins

Enactment No: RES0132-2014

Resolved, that an Ordinance to amend Sections 54-741 through 54-745 of Article XII, Utilities, of Chapter 54, Fees, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify water and sewer rates and fees, repeal conflicting Ordinances, and prescribe a penalty for violations is hereby accepted for Second Reading and Adoption, and shall become effective on Tuesday, July 1, 2014 following its publication in the Oakland Press on Sunday, June 8, 2014.

NEW BUSINESS

2006-0226 Request for Preliminary Planned Unit Development and Conceptual Site Plan Approval - Enclaves of Rochester Hills, a proposed 26-unit residential development on two parcels totaling approximately 30 acres, located on the east side of Rochester Road, north of Tienken (north of Cross Creek Sub), zoned RE, Residential Estate, TJ Realvest, LLC, Applicant

Attachments: [Agenda Summary.pdf](#)
[Map aerial.pdf](#)
[Backup Docs.pdf](#)
[Concept PUD Plans.pdf](#)
[Elevation 2.pdf](#)
[Minutes PC 052014.pdf](#)
[Minutes PC 061813.pdf](#)
[Minutes PC 032106.pdf](#)
[Staff Report Concept PUD.pdf](#)
[Memo Breuckman 061313.pdf](#)
[Letter Kisil 060713.pdf](#)
[Resolution.pdf](#)

Jerry Kisil, representing TJ Realvest and **Ralph Nunez**, Design Team Plus, the developer's land planner, were in attendance representing the Applicant.

Mr. Kisil explained that the request is for the approval of a 26-unit Planned Unit Development (PUD). He noted that the plan conserves and amplifies natural features, with a goal of making it a unique development to the City. He described screening, sidewalks and landscape planning for the development.

Mr. Nunez noted that the plan includes 30.5 acres, and preserves 43 percent of the site for wetlands and mixed upland areas. He explained that the site was originally laid out for multiple family homes; however, it has now been changed to the Residential Estate zoning. He stated that the goal is for an up-north feel to the development. He pointed out that a right-of-way to accommodate a potential

eventual widening of Rochester Road is included, along with an eight-foot bike path. He commented that the development preserves and enhances existing hardwoods on the site, and noted that each lot will have 16 additional trees to be placed, reforesting the development.

Jim Breuckman, Manager of Planning, pointed out that this is a PUD concept plan, and explained that this first step includes Council's review and approval of layout, number of units and general concept for the development. He explained that given the topography, features and trees on site, the applicants had to do quite a bit of work to make sure that the concept would be feasible. He noted that the developer is a little further along than a typical concept plan. He stated that the tree survey needs to be finished; and mentioned that if it is found that additional tree preservation is necessary, the three units on the north side could be altered to conserve additional trees. He noted that neighbors attending the Planning Commission Public Hearing included the neighbor to the north, one to the south on Cross Creek, and a neighbor across Rochester Road. None of the neighbors attending were opposed. He stated that if approved, the PUD agreement and site plan would be prepared next.

President Hooper noted that the Planning Commission reviewed the development at two meetings and recommended approval.

Council Discussion:

Mr. Tisdell questioned what the typical lot size will be and how it will fit with the character of the community.

Mr. Breuckman responded that the open space development concept usually fares better.

Mr. Nunez noted that the proposed lot size is typically four-tenths of an acre. He explained that the development strives to keep open space in public areas rather than under private holding.

Mr. Tisdell questioned whether additional creativity was needed considering the areas where the topography requires more expensive development.

Mr. Nunez responded that it was, and noted that the development will have some retaining walls; however, they will be more of a boulder-type stair-stepped wall rather than a straight wall.

Mr. Kisil mentioned that the home prices will start in the \$700,000 to \$800,000 range. He noted that there have been discussions regarding incorporating water features into the retaining walls.

Mr. Tisdell expressed his support, noting that it is a credit to the demand for this area to have a development such as this.

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

Aye 6 - Brown, Hooper, Kochenderfer, Morita, Tisdell and Webber

Absent 1 - Wiggins

Enactment No: RES0133-2014

Resolved, that the Rochester Hills City Council hereby approves the Preliminary Planned Unit Development and Conceptual Site Plan for Enclaves of Rochester Hills, a proposed 26-unit residential development on two parcels totaling approximately 30 acres, located on the east side of Rochester Road, north of Tienken, zoned RE, Residential Estate, Parcels No. 15-02-177-001 and 15-02-102-023, TJ Realvest, LLC, Applicant, based on plans dated received by the Planning and Economic Development Department on April 21, 2014, with the following findings and conditions:

Findings:

1. The proposed PUD will allow more of the natural features to be preserved in their existing state than would be possible using conventional development and design standards.
2. The proposed development layout and design will result in a superior site layout compared to what could be achieved using conventional standards.
3. The PUD represents an aesthetic improvement and will create a more beautiful development than could be built using conventional standards.

Conditions:

1. Concept plan approval is for up to 26 units, with the understanding that a reduction in units may be necessary to meet engineering design requirements.
2. Addressing all comments in City Department review letters in the PUD Agreement and/or final site plan, whichever is most appropriate.
3. The street design modification is granted subject to the streets being designed to an appropriate set of low-speed, low-volume street design guidelines, and as approved by the City's Traffic Engineer.
4. Obtaining a Tree Removal Permit, Wetland Use Permit, Natural Features Setback Modifications, and Steep Slope Permit as part of the final site plan review process.
5. Review the tree preservation with the intent of keeping lot 24 and if necessary, explore the elimination of either lot two, three or four.

2014-0173 Request for a Conditional Land Use Approval to permit a group home child care center with up to 12 children located at 2869 Hartline Dr., north of Auburn between Crooks and Livernois, zoned R-4, One-Family Residential - Danielle's Day Care, Danielle Johnston, Applicant

Attachments: [Agenda Summary.pdf](#)
[Map aerial.pdf](#)
[Letter of Intent.pdf](#)
[Staff Report.pdf](#)
[Minutes PC 052014.pdf](#)
[PHN 052014.pdf](#)
[Resolution.pdf](#)

Jim Breuckman, Manager of Planning, noted that State Licensing permits a small family daycare encompassing zero to six children under the Zoning Act. He explained that the Applicant has been running a small daycare and wishes to expand her daycare to the next step of a facility for seven to 12 children. He noted that while the daycare for zero to six children is permitted by right, the City's local Zoning Ordinance specifies that a Conditional Land Use Permit is required for the expansion.

He stated that notice went to the adjacent neighbors; and at the Planning Commission's May meeting, three of the neighbors attended and spoke highly of the applicant. He noted that the property owner who sent a letter in opposition does not live in the home and has a tenant. He stated that the Planning Commission recommends approval with a condition added that requires conformance with State Regulations and local Building Codes.

Danielle Johnston, the Applicant, stated that she wants to expand her daycare to accommodate 12 children and will hire an employee. She commented that she currently has a waiting list, and noted that once she receives approval from Council, she can move on to apply to the State for her new license.

Mr. Tisdell questioned whether the R-4 zoning in place accommodates this type of development without any change; and once the Conditional Land Use approval is granted, whether Ms. Johnston will be ready to apply for her license.

Mr. Breuckman responded that R-4 does accommodate the development. He noted that daycares have been permitted in residential districts since the beginning of zoning in the community.

Mr. Brown questioned whether the tenants of the home owned by the person sending the letter in opposition came to voice their support for Ms. Johnston.

Mr. Breuckman responded that he did not believe they did.

Ms. Johnston stated that she has spoken to the tenant of the home in question and stated that the tenant gave her support.

Mr. Brown stated that he has had his own children in a similar facility. He commented that it is a good experience to have mixed age group in a smaller flexible environment.

President Hooper noted that a Public Hearing was held at the Planning Commission level, attended by three neighbors who spoke highly of Ms. Johnston. He stated that the Planning Commission recommended approval.

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

Aye 6 - Brown, Hooper, Kochenderfer, Morita, Tisdell and Webber

Absent 1 - Wiggins

Enactment No: RES0134-2014

Resolved, that the Rochester Hills City Council hereby approves a Conditional Land Use permit for Danielle's Day Care, to allow a group home child center with up to 12 children, located at 2869 Hartline Dr., north of Auburn between Crooks and Livernois, Parcel No. 15-28-453-100, zoned R-4, One Family Residential, Danielle Johnston, Applicant, with the following findings and condition:

Findings:

1. The proposed use is consistent with the intent and purpose of the Zoning Ordinance in general, and of Section 138-4.300 in particular.
2. The proposed use has been designed to be compatible, harmonious and appropriate with the existing character of the general vicinity and adjacent uses of land.
3. The proposed development is served adequately by essential public facilities and services, such as highways, streets, police and fire protection, drainage ways, and refuse disposal.
4. The development should not be detrimental, hazardous or unreasonably disturbing to existing land uses, persons, property or the public welfare.
5. The proposed development does not create additional requirements at public cost for public facilities and services that will be detrimental to the economic welfare of the community.
6. Off-street parking areas have been designed to avoid common traffic problems and promote safety.

Condition:

1. The applicant must comply with all State licensing and Building Code regulations.

2014-0201 Request for Purchase Authorization - TREAS/ASSESS: Blanket Purchase Order for printing and mailing of Treasurer property tax billings and various Assessor reports and forms in the amount not-to-exceed \$118,500.00 for three years; DataMail Services, Madison Heights, MI

Attachments: [Agenda Summary.pdf](#)
[Proposal Tabulation.pdf](#)
[Resolution.pdf](#)

Kurt Dawson, Director of Assessing/Treasury; **Linda Osiecki**, Deputy Treasurer; and **Laurie Taylor**, Deputy Director of Assessing, were in attendance.

Mr. Dawson noted that the Treasurer Department mails out Summer and

Winter Tax Bills; and the Assessing Department mails Assessing Change Notices and Personal Property Tax Statements. He stated that notices and statements are designed in-house, and the chosen firm will provide printing and mailing services. He noted that DataMail is recommended.

President Hooper requested that the reasons for the selection of DataMail over the lower bidders be discussed.

Mr. Dawson responded that the lowest bidder was a very small company and mentioned outsourcing printing in their bid. As the mailings are of a sensitive nature and timing is critical, they were not considered further. When considering KCI and DataMail, DataMail was cheapest for Treasury mailings, and KCI was cheapest for Assessing mailings. KCI would have required a change of format and the development of different envelopes, which would have required additional cost.

Ms. Taylor stated that Assessing Change Notices must be mailed within 14 days to allow for enough review time. She pointed out that this year, Personal Property Tax Returns were due on February 20th, and the Department had almost 800 records to process in two days along with estimates required. DataMail met a deadline of February 26th, with a five-day turn-around. She noted that KCI's submittal mentioned that they may need to take up to ten days for this function. She stated that if the deadline had been missed, the Board of Review would have to be extended.

Mr. Dawson noted that the City used to have a 10-day deadline; however, the Legislature and Tax Commission cut the deadline to five days.

Mr. Webber commented that KCI does a lot of municipal work and questioned whether deadlines would be an issue with all municipalities.

Mr. Dawson responded that KCI is also based in Grand Rapids, and most of their clients are on the west side of the state. DataMail has local clients.

Ms. Morita questioned how many Personal Property parcels are processed each year.

Ms. Taylor responded that almost 800 parcels were processed in a two-day period. She noted that the City currently has 2,200 to 2,300 Personal Property Tax parcels. She stated that the Department probably turns around 250 statements, with the rest being estimates. She mentioned that these statements must go out at the same time.

Ms. Morita questioned how the new Personal Property Tax Laws will affect the Board of Review.

Ms. Taylor responded that requests for exemption will have to be filed prior to Board of Review. She commented that this will be another piece of paper that will need to be processed.

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

Aye 6 - Brown, Hooper, Kochenderfer, Morita, Tisdell and Webber

Absent 1 - Wiggins

Enactment No: RES0135-2014

Resolved, that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order to DataMail Services, Madison Heights, Michigan for printing and mailing of Treasurer property tax billings and various Assessor reports and forms in the amount not-to-exceed \$118,500.00 for three years.

- 2014-0228** Request for Purchase Authorization - Fire: Increase to Blanket Purchase Order for Fire Hose in the amount of \$34,000.00 for a new not-to-exceed amount of \$58,000.00 through October 31, 2016; Fire Equipment Associates, Flushing, MI

Attachments: [Agenda Summary.pdf](#)
[Tabulation.pdf](#)
[Resolution.pdf](#)

Sean Canto, Chief of Fire and Emergency Services, noted that several sections of fire hose must be taken out of service due to new National Fire Prevention Association Standards adopted in 2013. The Department currently has 142 sections of hose, or approximately 9,650 feet, that will be removed from service due to age or not having the proper locking couplings that attach the hose to the apparatus. He explained that as the line is laid down the street and the hose is charged with water, it begins to spin and could actually uncouple itself. Being under pressure, it could injure a firefighter. The aging hose, along with the sections without proper couplings, must be taken out of service.

President Hooper stated that clearly if the couplings are not conforming to current code, those sections of hose should immediately be replaced.

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

Aye 6 - Brown, Hooper, Kochenderfer, Morita, Tisdell and Webber

Absent 1 - Wiggins

Enactment No: RES0136-2014

Resolved, that the Rochester Hills City Council hereby authorizes the increase to the Blanket Purchase Order to Fire Equipment Associates, Flushing, Michigan, for fire hose in the amount of \$34,000.00 for a new not-to-exceed amount of \$58,000.00 through October 31, 2016.

(Mr. Webber exited at 8:30 p.m. and re-entered at 8:33 p.m.)

- 2014-0227** Update on the City's seven-year Financial Forecast - Fiscal Years 2015 to 2021

Attachments: [Agenda Summary.pdf](#)
[Suppl Financial Forecast \(Revised\).pdf](#)
[2015-2021 Financial Forecast.pdf](#)

Keith Sawdon, Director of Finance, stated that the Administration is beginning

the budget process for Fiscal Year (FY) 2015. He explained that the Planning Commission adopted the Capital Improvement Plan at its April meeting, and noted that the next step is to look out into the future, reviewing policies and programs going forward. He stated that the financial forecast, a process that was started in 2009, encompasses looking five years beyond the budget that will be presented in August. He gave a presentation, highlighting the following:

- Long range forecasting is undertaken to help prevent surprises, allows the City to be pro-active instead of re-active, helps establish priorities for the coming budget plan, and helps with decision making. The Forecast presented is not intended to be a budget, proposed spending plan, or policy recommendation to City Council.*
- Economic Assumptions are based on the current position in the business cycle, and include:*
 - * A small uptick in economic activity in FY 2014*
 - * Modest recovery in FY 2015 and FY 2016*
 - * Normal economy for period FY 2017 through FY 2021, with the following:*
 - Citywide taxable values improving*
 - Modest increases in funding from the State*
 - Credit market softening*
 - Improving unemployment levels for the City and to a lesser degree the County and State*
 - Continued pressure on Consumer Confidence, but to a lesser degree on household budgets from higher energy and food costs*

Forecasting Assumptions:

- Revenues*
 - * No new millage introduced. All millages expiring in the forecasting timeline are renewed at current levels.*
 - * Current millage rates only adjusted to the Headlee Maximum if funding is needed to fill an operating shortfall and the increase does not increase the City's total millage rate.*
 - * Taxable Values estimates for the years FY 2015 (actual) for Real Property (2.25 percent increase) and Personal Property (7.94 percent decrease).*
 - * Estimated Taxable Values for both Real and Personal Property for FY 2016 (1.5 percent increase), FY 2017 and FY 2018 (1.75 percent), and FY 2019 to FY 2021 (Real - 2.25 percent, Personal 2.00 percent).*
 - * State Shared Revenue is expected to increase 1.0 percent FY 2015 to FY 2021; Act 51 Revenue stays flat.*
 - * Interest rates increase 0.25 percent for FY 2015, 0.3 percent for FY 2016, 0.5 percent for FY 2017, 1.0 percent for FY 2018, and 2.0 percent for FY 2019 to FY 2021.*
- Expenditures (Base Year is the FY 2014 Amended First Quarter Budget)*
 - * Assumes no changes in programs, services or policies; forecasting changes in Number of Employees, Salary and Wages, Health Care and other Fringe Benefits, Inflation, and price adjustments in the Sheriff Contract.*
 - * Number of Employees increases by 1 (Museum Program Coordinator Full-time from Part-time).*

- * *Salary and Wages increase 1.0 percent per year FY 2015 to FY 2021).*
- * *Health Care (Core Plan) increases 9.0 percent per year FY 2015 to 2021).*
- * *The City's overall employee count reduced by 20 percent from 2003 to 2015.*
- * *Inflation: General City-wide 1.5 percent per year; Capital Project 2.0 percent per year.*

* *Sheriff Contract: 1.68 percent for FY 2015 based on current contract; 3.0 percent estimated FY 2016 to 2020.*

- *General Fund*

* *Approximately 32 percent of all FY 2015 revenue or over 120 percent of FY 2015 tax revenue collected in General Fund is transferred to other funds to support their activities.*

* *The fund is fiscally sound following current budget policies. That soundness generally comes by limiting transfers to other funds.*

* *The fund is currently able to provide approximately \$5 million per year in annual funding to support Local Street operations and capital improvements.*

- *Major Road Fund*

* *Receives more in Act 51 funds than it needs for maintenance costs.*

* *That excess was being transferred to the Local Street Fund to be used for Local Street maintenance. That practice ends with FY 2015.*

* *The fund's fund balance is used for construction projects and should last with good prioritization of capital projects and with the phase out of its transfer to Local Streets.*

Mr. Sawdon noted that the Administration is looking to pre-fund Tienken Road rehabilitation from Adams to Livernois.

- *Local Street Fund*

* *The fund does not receive enough Act 51 (Gas Tax) funding to cover its maintenance costs.*

* *The only dedicated funding sources for Local Streets is Act 51 funding and the voter approved Local Street Millage(s).*

* *Local Streets has no funding source available for the capital improvements of Local (subdivision) streets and must rely on General Fund for support of its capital needs.*

- *Fire Fund*

* *In FY 2012, the millage rate needed to be set at the Headlee limit where it is today in the model. The increase did not increase the City's total millage rate.*

* *The stabilization and improvement in taxable values has improved the Fire Fund. The finalization of the union contract is affecting the amount that can be set aside for capital needs.*

* *The fund has no operating millage remaining to support any new operating costs.*

- *Special Police Fund*

* *In FY 2015 Police Services will no longer be subsidized by General Fund as its voter-approved dedicated millage begins.*

* *Sheriff Contract pricing adjusts each year which will require the millage to rise to offset those increases.*

- *Water Resources Fund*
 - * *Has no dedicated funding source. Must make fund balance last as long as possible to pay for maintenance costs related to the City's storm water damage.*
 - * *Many of the City's drains were constructed under Chapter 20 of the Michigan Drain Code which obligates the City to pay Oakland County Water Resources for maintenance related work. This limits the City's ability to contain maintenance costs.*
 - * *The fund will be out of money after FY 2018.*
- *Critical Forecasted factors to focus on*
 - * *Thirty-two percent of General Fund revenue, or 120 percent of General Fund tax revenue is transferred to other funds.*
 - * *Local Streets needs additional funding sources if it wants to continue performing major subdivision road capital activity. General Fund is able to give some limited support in this area.*
 - * *Fire Fund is using all of its Charter approved millage for operations and can no longer contribute to the Fire Apparatus (Capital) Fund or support any new operating cost.*
 - * *Water Resource Fund needs a future funding source to pay for the maintenance performed by Oakland County Water Resources if it is to survive beyond FY 2018.*

Mr. Sawdon summarized the presentation with the following:

- *Like many governments, the City faced a major economic downturn, which challenged its ability to deliver programs and services supported by property taxes and State revenues.*
- *With Council's support, it was able to identify and manage during the worst of the economic storm, carefully prioritizing services and programs.*
- *The Financial Forecast helped get ahead of issues and address them before they became problems, move to a three-year approach to budgeting, bring services and expenses in line with revenue resources, and become pro-active on issues affecting the City's ability to deliver services to its residents.*
- *Without Council's support, the City might not have been able to manage during the recession.*
- *There will always be financial challenges; but with careful planning, many of these challenges can and will be turned into opportunities.*

Mr. Sawdon noted that this is probably one of the better financial forecasts he has been able to present to Council.

Council Discussion:

Mr. Webber expressed his appreciation, noting that the forecast sets the tone for the upcoming budget process. He mentioned that the Police Millage will have to increase as expenditures increase to continue to support 57 officers, it is important to note Council's intent to maintain the overall millage rate. He commented that while it has been discussed over a number of years, the City must address the lack of funding source for the Water Resources Fund. He stated that he would be interested in learning what other communities will do.

President Hooper commented that while he would like to see a Chapter 20 millage for drain maintenance purposes, proposals have not been successful to date.

Discussed.

COUNCIL COMMITTEE REPORTS

Paint Creek Trailways Commission:

Ms. Morita explained that each community represented on the Paint Creek Trailways Commission determines how their two votes are allocated. She noted that some communities allow their representatives to sit in if their respective Council or citizen representative is unavailable. She mentioned that at the last meeting, both she and Mr. Webber were in attendance; however, neither citizen representative was there. She questioned whether Council wishes to have the Council Alternate to vote in the Citizen Representative's place in their absence, and vice versa if the Council representatives are not in attendance, to preserve the community's two votes on the Commission.

President Hooper stated that it makes perfect sense to allow for that substitution to preserve the community's votes.

Ms. Morita requested contact information for the Citizen Representatives to coordinate meeting scheduling should an absence be needed.

President Hooper indicated the Clerk's Office would provide this information.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Regular Meeting - Monday, June 16, 2014 - 7:00 p.m.

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 9:22 p.m.

GREG HOOPER, President
Rochester Hills City Council

TINA BARTON, MMC, Clerk
City of Rochester Hills

MARY JO PACHLA
Administrative Secretary
City Clerk's Office

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