



Rochester Hills

Minutes - Draft

City Council Regular Meeting

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Home Page:
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*Susan M. Bowyer Ph.D., Kevin S. Brown, Dale A. Hetrick, James Kubicina,
Stephanie Morita, Mark A. Tisdell 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, May 15, 2017

7:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

*President Tisdell called the Regular Rochester Hills City Council Meeting to order at
7:04 p.m. Michigan Time.*

ROLL CALL

Present 6 - Susan M. Bowyer, Kevin S. Brown, Dale Hetrick, James Kubicina, Stephanie
Morita and Mark A. Tisdell

Absent 1 - Thomas W. Wiggins

Others Present:

*Bryan Barnett, Mayor
Sean Canto, Chief of Fire and Emergency Services
Scott Cope, Director of Building/Ordinance Compliance
Lisa Cummins, Manager of Purchasing
Pam Lee, City Accountant
Allan Schneck, Director of DPS/Engineering
Leanne Scott, Deputy Clerk
Joe Snyder, Chief Financial Officer
John Staran, City Attorney
Natalie Vaglia, Rochester Hills Government Youth Council Representative*

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

PLEDGE OF ALLEGIANCE

*Mr. Brown introduced Boy Scouts **James Abel** from Troop 360 and **Harry Craig**
from Troop 188. He noted that both Scouts are working on their Communications
Merit Badge and invited them to lead the Pledge of Allegiance.*

APPROVAL OF AGENDA

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

Aye 6 - Bowyer, Brown, Hetrick, Kubicina, Morita and Tisdel

Absent 1 - Wiggins

COUNCIL AND YOUTH COMMITTEE REPORTS

Rochester Hills Government Youth Council (RHGYC):

President Tisdel introduced **Natalia Vaglia**, RHGYC Representative, and stated that she is 15 years old and is a sophomore at Rochester Adams High School. He mentioned that this is Ms. Vaglia's first year on the RHGYC. He noted that Ms. Vaglia is a cheerleader and lacrosse player, is a member of the school's DECA Business Club, Youth in Government Club, and Key Club, and is a caddy at the Oakland Hills Country Club.

Ms. Vaglia reported that the RHGYC's annual 5K Walk/Run is scheduled for Saturday, June 17, 2017. A link to registration is available on the Youth Council page of the City's website. The charity benefitting from this year's 5K is the Assistance League of Southeastern Michigan. Community and business sponsorships are also welcome. The RHGYC members will be volunteering at the Back to the Beach 5K, and will be working on the Mayor's garden outside City Hall.

Older Persons' Commission (OPC):

Vice President Morita announced several upcoming events at the OPC, and noted that these events are open to the public. A Big Band night featuring vocalist Karen Newman is scheduled for Thursday, June 22, 2017, at 7:30 p.m. Proceeds will benefit the Act of Kindness Program. The Second Hand Jewelry Sale is set for Thursday, May 18, 2017, from 9:00 a.m. to 5:00 p.m. and on Friday, May 19, 2017, from 9:00 a.m. to 1:00 p.m. The 2017 5K Run/Walk benefitting the Meals on Wheels program is scheduled for Saturday, June 3, 2017. She noted that the Meals on Wheels program benefits the community by keeping its older residents independent in their own homes.

Paint Creek Trailways Commission (PCT):

Dr. Bowyer announced that the PCT is holding a Logo Design Contest, with a deadline for submissions of June 3, 2017. There is no fee to enter, and First Prize will receive \$250; Second Prize will receive \$100; and Third Prize will receive \$50. More information is available at paintcreektrail.org. National Trails Day is June 3, 2017, from 9:00 a.m. to 1:00 p.m. Activities will be held near the Paint Creek Cider Mill and will include a Tails For Trails day with activities for dogs, children, and more.

Water and Sewer Technical Review Committee (WSTRC):

Dr. Bowyer announced that the WSTRC met recently and reminded residents of the City's Watering Ordinance. Residents should set their automatic sprinkling systems to water their lawns between midnight and 5:00 a.m. each day to help

the City avoid high water usage during peak times and keep the water rates lower.

President Tisdell also noted that sprinkler systems should be set to begin at times off the top of the hour which also helps prevent usage surges.

Rochester-Avon Recreation Authority (RARA):

Mr. Kubicina announced that the DPS Department will host a Tons of Truck event on Saturday, May 20, 2017 at Borden Park from 9:00 a.m. to noon. He noted that RARA is a co-sponsor of the event.

Southeast Michigan Council of Governments (SEMCOG):

Mr. Hetrick announced that SEMCOG's online survey regarding autonomous vehicles is still available. Anyone interested in taking the survey should email Mr. Hetrick and he will provide a link to the website.

President Tisdell noted that the RHGYC's 5K beneficiary this year, the Assistance League of Southeast Michigan, provides services to women who are the victim of felony sexual assault, helping them after the assault with replacing clothing and other items that had been confiscated as evidence. He stated that their assistance strives to add dignity to the investigative process for the victims.

PRESENTATIONS

2017-0219 Request for Acceptance of Fiscal Year 2016 Comprehensive Annual Financial Report (CAFR) presented by the audit firm of Plante & Moran, PLLC

Attachments: [051517 Agenda Summary.pdf](#)
[2016 Presentation.pdf](#)
[Resolution \(Draft\).pdf](#)

Mayor Barnett stated that elected officials have the important job of ensuring the health, safety, and welfare of its citizens while utilizing the resources given to the City by its residents in a responsible way. He noted that **Joe Heffernan**, Plante & Moran PLLC, has provided services to the City for over 15 years and will be retiring next month. He commented that the City has benefitted from Mr. Heffernan's steady hand and guidance over the years, and fared well during the recessionary period. He noted that **Lisa Manetta** has led the audit team over the last couple of years and will move forward to continue Plante & Moran's audit services for the City.

Ms. Manetta stated that as in previous years the City's Comprehensive Annual Financial Report is prepared in its entirety by the City's Fiscal Services Department. She noted that Plante & Moran's responsibility is to audit the numbers and render an opinion, which once again is a clean and unmodified opinion indicating that the financial information and disclosures are materially correct and in accordance with the Governmental Accounting Standards applicable to the City. She commented that as in previous years, the City did an excellent job in preparing for the audit.

She stated that Plante & Moran will have a letter that goes into the audit process itself. She pointed out that it was a transitional year for the City's Fiscal team with the appointment of Joe Snyder as Chief Financial Officer; and she commented between Mr. Snyder and Pam Lee, City Accountant, the audit itself was very smooth. She noted that she is happy to report that the City is still financially very sound, having always placed a high value on strategic planning and setting priorities. She commented that in attending the State of the City, it is always good to hear of the things happening in the City that make it a great place to live.

Ms. Manetta's presentation reviewed the following:

Overview:

A four-year history of total revenues and expenditures for all governmental funds combined showed that revenues increased in 2016 by approximately 4-1/2 percent. While many of their clients have seen revenues stabilize as taxable values recover, these other cities are still challenged with expenditures rising faster than the rate of recovery due to legacy costs, infrastructure and capital outlay. This is not as significant of a challenge to the City as it has addressed its legacy and capital costs. She noted that the City has a structural surplus of recurring revenues compared to recurring expenditures. She pointed out that while there was a decrease in fund balance in 2016, it was a planned decrease as a result of expenditures for capital outlay for priority projects.

***Mr. Heffernan** stated that when reviewing a private entity, having more revenues than expenditures is always looked at favorably. He explained that in a governmental scenario, managing resources and spending them appropriately is more of a focus. When expenditures are higher than revenues, a review is made as to whether there is a structural concern for the difference. He noted that this is not the case in Rochester Hills as it planned its spending following carefully managing its fund balance during the downturn. He commented that the City's forecasting has ensured that it is managing its resources appropriately.*

Governmental Revenues:

***Ms. Manetta** reviewed the four-year trend of governmental revenues, noting that the most significant revenue source is property taxes. She pointed out that revenues increased more significantly in 2015 due to the new Fire Millage; however, 2016 increases were the result of the recovery of taxable values. She stated that most of the revenue sources are relatively flat from one year to the next, which she commented is consistent with seeing things leveling off. She mentioned that there was a slight uptick in interest and investment earnings this past year.*

Governmental Expenditures:

***Ms. Manetta** reviewed the four-year history of governmental expenditures, noting that Public Safety expenditures increased this year due to increased*

personnel costs. The next largest expenditure was Capital Outlay. She noted that there had been a decrease in outlay during the period of 2009 through 2012 to better manage fund balance during the downturn. She pointed out that an increase Capital Outlay expenditures 2014, 2015 and 2016 was due to the focus of the Strategic Planning Committee's prioritization of infrastructure needs.

Mr. Heffernan stated that it is most important for a municipality to manage its capital outlay appropriately. He mentioned that the majority of communities in southeast Michigan followed the same trend to lower capital outlay in 2009 and 2010, and have not yet come back up as their revenues are not there to support a return to higher levels. He stated that many communities are struggling with operational issues due to deferred maintenance and capital replacement, and cannot yet return to appropriate levels.

Fund Balances:

Ms. Manetta reviewed fund balances, noting that restricted fund balances encompass the largest categories of the City's Fund Balances. She explained that restricted fund balances include dedicated property tax monies or millages that can only be used for a certain purpose. She pointed out that a \$5 million decrease in restricted fund balance represents fund balance used for its intended purpose. She stated that unassigned fund balance is available for uses that the City Council would deem appropriate through the budgetary process. She noted that unassigned fund balance continues to be steady for the years under review.

Water and Sewer Fund Activity:

Ms. Manetta noted that unrestricted equity increased in 2016 over 2015, and that corresponds to an increase in operating revenue, due largely to increased consumption and use of water and sewer services.

Mr. Heffernan commented that most of southeast Michigan saw increases in water consumption due to the dry year. He noted that these increases should not be depended on to continue for 2017. He mentioned that overall consumption per person has been declining by approximately one-quarter percent each year.

Council Discussion:

President Tisdell commented that it is always good to see that the City is doing what Council, through the Strategic Planning Committee, have set as priorities. He noted that the use of Fund Balance purchases assets that will have a 20-plus year life. He mentioned that Vice President Morita, Mr. Brown and Mr. Kubicina comprise the Strategic Planning Committee.

Mr. Heffernan stated that there is a high correlation between the communities that made it through the recession and long-term financial planning. He stated that he is convinced that long-term planning is critical even when times are good.

President Tisdell commented that previous Council Member Adam Kochenderfer used to state that it was more difficult to plan when times are good. He noted that retired Finance Director Keith Sawdon and Joe Snyder, Chief Financial Officer, have built that culture and are maintaining it in the City.

Mr. Brown stated that the Mayor and Staff's leadership was appreciated as the City came through the downturn cycle. He commented that the City cut back on some infrastructure spending and focused on local roads over the past few years to make up the difference. He noted that the one thing residents do not realize is that City Staff are doing more with less. He stated that while employee numbers were cut back, those remaining have been able to keep the level of service to the residents. He commented that while a few employees have been added back, the City is doing a great job running an efficient organization while keeping the operating costs within the budget.

Mr. Heffernan stated that cities are unable to return to the staffing levels from 2009, noting that the current stable revenues represent a 25 percent reduction over previous revenue trends. He commented that while property taxes are increasing by inflation, the level of taxable values will never return to their previous heights.

Mr. Hetrick stated that maintaining the five-year forecast and fiscal responsibility is critical moving forward.

Ms. Manetta reviewed Plante & Moran's report to City Council, stating that any internal control matters discovered during the audit are noted in the letter. She mentioned that one matter was highlighted in the letter relative to the Older Persons' Commission, which was reported to their board.

She explained that the second section of the report to Council reviews the audit process, and details that there were no surprises that arose and no new significant financial statement changes noted other than some additional investment footnote disclosures. She stated that any adjustments proposed were posted by the Finance Department; and no material adjustments, disagreements, or challenges were noted.

Mr. Heffernan stated that relative to economic outlook, the City is in a strong financial position. He noted that while most communities struggle with legacy costs, the City's Pension Plans are defined contribution and are paid leaving no obligation. He mentioned that Retiree Health Care has approximately a \$2 million obligation; and he noted that the City had the funds set aside to fully fund this obligation several years ago. He commented that many communities must strive to find ways to address their capital outlay shortages, and the City has successfully managed capital outlay by its forecasting.

He noted that while revenue sharing is a stable source, the City will be receiving a little less than predicted for the current year. He stated that there are some administrative duties required by the City in order to receive the revenues.

He mentioned that there is new legislation forthcoming on trunk lines, which will reduce the local City share for State trunk line improvements. He noted that

proposed legislation on transformational brownfields may allow for captures to fund economic development. He stated that legislation regarding Post Employment Benefits will require the liability to be placed within the City's financial statements, with footnote reporting of the liabilities for retiree health care funds required in 2017 and a more significant impact in 2018 for many cities. He noted that the City's liability for 2018 may not be as significant as others.

Mr. Kubicina stated that prior to joining Council, he had the opportunity to sit in on a number of audits for the Rochester-Avon Recreation Authority and he noted that Plante & Moran's audits were always concise and easy to understand. He commented that Mr. Heffernan will be missed and he wished him well in his upcoming retirement. He congratulated Ms. Manetta for being named a Partner in the firm and wished her well.

Mayor Barnett expressed his appreciation to the Plante & Moran team, noting that the audit team spends three to four weeks at the City each year diving through everything with the result of being able to tell Council and the community that the City is well-run and their money is being used appropriately in Rochester Hills. He pointed out that the City's team is responsible for carrying out the desires of Council. He stated that the City has confidence in Mr. Snyder in his new role as Chief Financial Officer. He expressed his appreciation to Ms. Lee for the work her team performs each year. He stated that he speaks all over the country highlighting the City's seven-year forecast and three-year budgeting efforts. He noted that the City of Rochester Hills is in the top five percent of financially-managed comparable cities.

Mr. Hetrick expressed his thanks to the Plante & Moran team, and noted that this is the second year in a row of the City's structural surplus.

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

Aye 6 - Bowyer, Brown, Hetrick, Kubicina, Morita and Tisdell

Absent 1 - Wiggins

Enactment No: RES0160-2017

Resolved, that the Rochester Hills City Council hereby acknowledges receipt of the Comprehensive Annual Financial Report (CAFR) from the Administration and the auditing firm of Plante & Moran, PLLC for the 2016 Fiscal Year.

ORDINANCE FOR INTRODUCTION

2017-0225 Request for Acceptance for First Reading - 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: [051517 Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[Resolution \(Draft\).pdf](#)

Joe Snyder, Chief Financial Officer, stated that the Ordinance presented for first reading this evening addresses proposed water and sewer rate changes for the 2017 to 2018 season. He noted that the Water and Sewer Technical Review Committee (WSTRC) met on May 10, 2017, to discuss and explore various rate options for the upcoming season, which begins July 1, 2017. The WSTRC voted unanimously to recommend the rates proposed, including a 1.9 percent increase for water, a 3.8 percent increase for sewer, and a customer charge decrease of 7.7 percent. He explained that the average resident using 12 units per period would see their bill increase approximately 2.4 percent.

He pointed out that the water charge increase to the City from the North Oakland County Water Authority (NOCWA) will be approximately four percent, and the sewer charge from the Oakland County Water Resource Commission (OCWRC) is 6.7 percent. He mentioned that more water was sold in the last period than was expected due to the hot and dry summer, resulting in a 13.5 percent increase in revenues in 2016 over 2015. He noted that outside watering increased 65 percent over that time period as well. He explained that the gains in revenue will be spread over the next four years to offset future rate increases from the providers.

He noted that at their April 17, 2017 meeting, Council chose to prepay an assessment from the OCWRC, saving \$300,000 per year from being rolled onto the water and sewer bills, equating to approximately 12 cents per resident per unit and saving \$1.44 per bill or \$8.60 per year per resident. He added that NOCWA saved Rochester Hills' taxpayers \$1.4 million, or 48 cents per unit, and \$5.76 per average total bill. He stated that between OCWRC and NOCWA, each resident saved approximately \$43.00 per year on their water bill.

Vice President Morita requested Mr. Snyder review the other options that the WSTRC considered and why the proposed option was selected.

Mr. Snyder responded that three different options were proposed, including assessing rates to break-even by the year, keeping rates the same, and the smoothing method utilized that averages the rate changes out over the next four years.

He stated that Option 1 might have decreased water rates for the coming year; however, for the three subsequent years rates would increase approximately eight percent each year. Option 2 of doing nothing to increase rates this year would require increases of five percent in each of three subsequent years. The Option selected increases rates by 2-1/2 to three percent each year over the next four years.

Mr. Brown stated that the option selected allows the city's fixed income residents to manage their budgets easier. He commented that the option selected keeps rate increases lower than the normal increase would.

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

Aye 6 - Bowyer, Brown, Hetrick, Kubicina, Morita and Tisdell

Absent 1 - Wiggins

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 First Reading.

PUBLIC COMMENT for Items not on the Agenda

Deanna Schaefer, Deputy District Director for Congressman Dave Trott, reported that the 11th Congressional District represented by Congressman Trott includes a very small portion of Rochester Hills south of M-59 and west to Livernois. The Congressman represents western Oakland and Western Wayne County. She noted that it is a large territory and a very diverse District, from Rochester Hills to Canton. She stated that the Congressman has two offices, including his District of Columbia office handling legislative matters, and an office in Troy at Big Beaver and Rochester Road handling community affairs and constituent services operations. She noted that constituent services include help with federal agencies such as navigating the Veterans Administration, Immigration issues, Social Security, the Service Academy nomination process or Eagle Scout recognitions.

Mayor Barnett expressed his appreciation to Ms. Schaefer for her comments and to Congressman Trott, noting that he speaks with him regularly. He commented that Congressman Trott has always represented Rochester Hills well.

Lee Zendel, 1575 Dutton Road, stated that he recently attended a meeting of the Human Resources Technical Review Committee, and felt that there was no innovation being presented there relative to Human Resources issues. He cited the book *Good Profit* by Charles Koch, CEO of Koch Industries, which highlights the corporation's management principles. He commented that the City must begin innovative efforts and incentives to begin motivating its employees to do better. He stated that one-size-fits-all pay grades and job titles usually do not motivate employees to excel.

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.

2017-0235 Approval of Minutes - City Council Regular Meeting - May 1, 2017

Attachments: [CC Min 050117.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0162-2017

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on May 1, 2017 be approved as presented/amended.

- 2017-0216** Request for Purchase Authorization - FISCAL/ACCOUNTING: Purchase Order for Annual Support & Maintenance for the City's utility billing software system in the amount of \$33,500.00 through April 30, 2018; TruePoint Solutions, Incline Village, NV

Attachments: [051517 Agenda Summary.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0163-2017

Resolved, that the Rochester Hills City Council hereby authorizes a Purchase Order in the amount of \$33,500.00 for annual support and maintenance for the City's utility billing software system to TruePoint Solutions, Incline Village, Nevada through April 30, 2018.

- 2017-0231** Request for Approval of the Community Development Block Grant 2018-2020 Cooperation Agreement

Attachments: [051517 Agenda Summary.pdf](#)
[OC Letter for Cooperation Agreement.pdf](#)
[Cooperative Agreement.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0164-2017

Resolved, that the Rochester Hills City Council authorizes that the City opt into Oakland County's Urban County Community Development Block Grant (CDBG) programs for years 2018, 2019, and 2020. Furthermore, we resolve to remain in Oakland County's urban county Community Development programs, which shall be automatically renewed in successive three-year qualification periods of time, or until such time that it is in the best interest of the City to terminate the Cooperative Agreement.

- 2017-0199** Request for Purchase Authorization - DPS/FLEET: Purchase of one (1) trailer mounted hydroseeder in the amount of \$28,970.00; Alta Equipment Company, New Hudson, MI

Attachments: [051517 Agenda Summary.pdf](#)
[BID Tabulation.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0165-2017

Resolved, that the Rochester Hills City Council hereby authorizes the purchase of one (1) trailer mounted hydroseeder to Alta Equipment Company, New Hudson, Michigan in the amount of \$28,970.00.

Passed the Consent Agenda

A motion was made by Kubicina, 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 - Bowyer, Brown, Hetrick, Kubicina, Morita and Tisdel

Absent 1 - Wiggins

LEGISLATIVE & ADMINISTRATIVE COMMENTS

*In response to Public Comment by Mr. Zendel, **President Tisdel** stated that the City retained a consultant that spoke with many of the City's employees. He commented that there are many contractual constraints that the City must adhere to that can limit the amount of creativity in Human Resource programs available to the City. He stated that he would hope that the Administration has instituted a culture of challenging the status quo. He noted that he believes that the budget structure has allowed the Administration to go above and beyond what transpires in many other communities.*

***Vice President Morita** expressed her thanks to Ms. Schaefer for attending the meeting, and offered her regards to Congressman Trott.*

***Dr. Bowyer** commented that she would love to be able to challenge and compensate employees more; however, in a bureaucratic structure such as the City's it is difficult to do so. She announced several 5K Run/Walks in 2017 and noted the following:*

- *Ashleigh's Walk/Run 5K, promoting boating safety and awareness, scheduled for Sunday, May 21, 2017 from 8:00 a.m. to 10:00 a.m. at Thelma Spencer Park.*
- *The Older Persons' Commission (OPC) 5K Run/Walk for Meals, Saturday, June 3, 2017 from 8:30 a.m. to 10:30 a.m. beginning at the OPC on Letica Drive.*
- *The Rochester Hills Government Youth Council 5K Run/Walk, Saturday, June 17, 2017, 8:30 a.m. to 10:30 a.m., Bloomer Park, benefitting the Assistance League of Southeast Michigan.*
- *Paint Creek Trail Labor Day Bridge Walk, Monday, September 4, 2017.*
- *Michigan Ovarian Cancer Alliance (MIOCA) Wheels and Teal Car Show and 5K, Saturday, September 16, 2017, Village of Rochester Hills.*
- *The Brooksie Way, Sunday, September 24, 2017, 8:00 a.m. to noon, starting at the Meadow Brook Music Festival.*

***Mr. Brown** stated that he participated in the Hometown Hustle benefitting the Rochester Community Schools this past weekend. He commented that he was the fastest of the elected officials participating. He mentioned several individuals participating, including Jessica Zacharias, an Oakland University graduate, who recently published her own autobiography. He credited President Tisdel, Mr. Kubicina, and DPS Director Allan Schneck for their efforts with the SAD Policy; and Mr. Schneck finding ways to improve the condition of the City's gravel roads with additional grading and calcium chloride treatment ahead of schedule. He commented that the mild winter allowed the City to tap the unused funds to help give those roads some extra attention.*

Mr. Hetrick commented that these types of efforts are perfect examples of challenging the status quo, and credited Mr. Schneck for his efforts.

Mr. Kubicina noted that yesterday was Mother's Day, and he commented that this is one of his favorite holidays.

Mayor Barnett responded to Mr. Zendel's comments, noting that the Administration will be proposing some dramatic changes when it comes to compensation. He stated that he is proud of the City's record relative to innovation. He made the following announcements:

- The City will host the Governor of Thuringia, Germany tomorrow for the opening of the new Jenoptik facility.
- The Green School recycling program yielded a check for \$25,000 for the local schools. The schools have received a three-year total of \$75,000.
- He attended the ribbon cutting for the Blossom Collection Showcase by Mocerri in Oakland Township.
- Tons of Trucks/Kids' Day in the Park is set for Saturday, May 20, 2017, 9:00 a.m. to noon, Borden Park.
- Spencer Beach opens Saturday, May 27, 2017.
- City Hall will be closed Monday, May 29, 2017 for observance of Memorial Day. There will be a ceremony at 9:00 a.m. at Mount Avon Cemetery in Rochester and at 10:30 a.m. at Veterans Memorial Pointe. No parade will be held this year.
- The 9th Annual Paddlepalooza is set for Saturday, June 3, 2017.

ATTORNEY'S REPORT

City Attorney John Staran had nothing to report.

NEW BUSINESS

2017-0230 Request for Purchase Authorization - FISCAL: Increase to Blanket Purchase Order for JDE Consulting Services in the amount of \$3,500.00 for a new not-to-exceed amount of \$28,500.00; JDEvolution, LLC, Flower Mound, Texas

Attachments: [051517 Agenda Summary.pdf](#)
[Resolution \(Draft\).pdf](#)

Joe Snyder, Chief Financial Officer, noted that the requested Blanket Purchase Order is used for customization and maintenance of the City's financial software system. He explained that JDEvolution works side-by-side with the City's in-house staff. The City's in-house staff maintains day-to-day operation and maintenance of the system. Occasionally situations arise that call for outside assistance from a firm that specializes in the JDE system. He commented that typically the City comes in well under the annual blanket amount; however, due to the change of the City's banking services in November of 2016, several new interfaces and check formatting changes were needed, requiring use of most of the existing blanket. In addition, to comply with new Affordable Care Act requirements, additional updates were required. He mentioned that budget is available, within the City's

Human Resources Division cost center to cover the increase and no additional funds would be required.

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

Aye 6 - Bowyer, Brown, Hetrick, Kubicina, Morita and Tisdel

Absent 1 - Wiggins

Enactment No: RES0166-2017

Resolved, that the Rochester Hills City Council hereby authorizes an increase to the Blanket Purchase Order for JDE Consulting Services in the amount of \$3,500.00 for a new not-to-exceed amount of \$28,500.00 to JDEvolution, LLC, Flower Mound, Texas.

2017-0233 Request for Purchase Authorization - FIRE: Blanket Purchase Order/Contract for Emergency Medical Billing Services and Electronic Patient Care Reporting in the amount not-to-exceed \$214,500.00 through May 1, 2019; The AccuMed Group, Riverview, MI and ESO Solutions, Austin, TX

Attachments: [051517 Agenda Summary.pdf](#)
[Resolution \(Draft\).pdf](#)

Sean Canto, Chief of Fire and Emergency Services, explained that the City had a three-year contract with AccuMed with the option of a two-year renewal. He noted that the current fee to the City is six percent of the total billing that the City receives. He mentioned that Farmington Hills solicited bids from AccuMed and received rates of 7.39 percent for the first year and 7.35 percent and 7.32 percent for subsequent years. He added that AccuMed also provides the City's ESO Solutions reporting software. Training is provided for personnel according to State requirements. He noted that in 2016, the City billed out approximately \$2.4 million and collected \$1.5 million. AccuMed's portion of that fee was \$94,000. He mentioned that the uncollected fee goes into collections, which AccuMed also handles. He noted that if the City were to absorb the collections duties, two employees would need to be hired to provide the information required to insurance companies.

Public Comment:

Lee Zendel, 1575 Dutton Road, commented that in previous years the City has paid as much as ten percent; and he noted that AccuMed has done well by the City over the years.

President Tisdel stated that two full-time employees including the cost of benefits would be required to provide the same services. He noted that AccuMed is a professional organization dedicated to billing and patient reporting, and an organization such as this will have a much higher capture ratio on billing and collection amounts.

Chief Canto noted that the firm is up-to-date on some of the reporting and billing requirements for the Affordable Care Act. He commented that the department made in the range of 4,300 medical runs in 2016 and AccuMed received approximately \$22 per incident.

Mr. Brown stated that he typically likes to see expiring contracts go out for open bid, and he noted that he appreciates the feedback provided as to how the City's contract compares with the open market.

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

Aye 6 - Bowyer, Brown, Hetrick, Kubicina, Morita and Tisdell

Absent 1 - Wiggins

Enactment No: RES0167-2017

Resolved, that the Rochester Hills City Council hereby authorizes a two-year contract for emergency medical billing services to the AccuMed Group, Riverview, Michigan in the amount not-to-exceed \$214,500.00 through May 1, 2019 and further authorizes the Mayor to execute a contract addendum on behalf of the City.

Resolved, that the Rochester Hills City Council hereby authorizes a two-year contract for Electronic Patient Care Reporting Software to ESO Solutions, Austin, Texas through May 1, 2019 and further authorizes the Mayor to execute a contract addendum 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.

2017-0227 Request for Purchase Authorization - FACILITIES: Contract/Blanket Purchase Order for janitorial services in the amount not-to-exceed \$124,000.00 through June 30, 2018; Americlean, Inc., Chesterfield Township, MI

Attachments: [051517 Agenda Summary.pdf](#)
[Proposals Summary.pdf](#)
[Resolution \(Draft\).pdf](#)

Scott Cope, Director of Building/Ordinance Compliance, stated that janitorial services are provided to City Hall, Fire Station #1, the DPS Garage, and the Van Hoosen Museum buildings. Four proposals were received and reviewed, and Americlean and Saber Building Services were interviewed. Subsequent to the interview process, the committee chose to recommend Americlean because of their low cost and work plan.

Vice President Morita questioned if the City is advertising for a part-time person to provide cleaning services at the Museum and how this person will interface with the cleaning contract.

Mr. Cope stated that if the position is filled, the Museum portion of the cleaning contract will be removed.

Vice President Morita noted that the Museum has some very delicate items that need special attention. She questioned whether the intent is to have someone trained to clean those items.

Mr. Cope responded that the City has had several concerns through the years mainly with the variety of workers that have been assigned. The other firms that

the City has had through the years have not been able to keep a steady person at the Museum, creating a challenge with training personnel to handle the Museum's delicate items. He noted that in discussions with Parks Director Ken Elwert and Mayor Barnett, it was decided that it would be best to seek a person the City would hire and would have some better control over the consistency of the cleaning and maintenance of those buildings.

Dr. Bowyer questioned whether the contract price would be reduced if a City employee were hired for the Museum services.

Mr. Cope responded that it would as that portion of the contract would be removed.

Dr. Bowyer pointed out that the contract pays a low wage, which could yield continuing problems with personnel assigned to the City.

Mr. Cope responded that this is the fifth cleaning company that the City has had in the last six or so years. He commented that each time the Administration goes through a review of the janitorial contracts, a contractor is sought that will provide the best value and services to the City. He explained that the Administration started out opting for the mid-range in pricing and found that it did not get the services promised. He noted that with the last contract, the City opted for the higher range hoping to receive better service from a larger company with more resources; and this too resulted in the same types of problems. He stated that in interviewing Americlean, it was determined that while they are the cheapest price, they have provided a good work plan.

President Tisdell commented that he is glad to see that there is progress being made toward providing the Museum with appropriate services.

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

Aye 6 - Bowyer, Brown, Hetrick, Kubicina, Morita and Tisdell

Absent 1 - Wiggins

Enactment No: RES0168-2017

Resolved, that the Rochester Hills City Council hereby authorizes a Contract/Blanket Purchase Order in the amount not-to-exceed \$124,000.00 to Americlean, Inc., Chesterfield Township, Michigan for janitorial services through June 30, 2018 and further authorizes the Mayor to execute a contract on behalf of the City.

2017-0236

Request for Purchase Authorization - CLERKS: Purchase authorization for additional election tabulators, accessible voting devices and high speed AV tabulators in the amount not-to-exceed \$267,694.45; Hart InterCivic, Austin, TX

Attachments: [051517 Agenda Summary.pdf](#)
[Order Summary.pdf](#)
[Resolution \(Draft\).pdf](#)

Leanne Scott, Deputy Clerk, explained that at the April 17, 2017 Council

Meeting, Council approved the grant agreement for the election equipment through the Help America Vote Act. At that time, Tina Barton, City Clerk, informed Council that a request would be forthcoming to purchase additional voting equipment. The items requested for approval tonight were budgeted for in the Capital Improvement Plan.

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

Aye 6 - Bowyer, Brown, Hetrick, Kubicina, Morita and Tisdell

Absent 1 - Wiggins

Enactment No: RES0169-2017

Resolved, that the Rochester Hills City Council hereby authorizes the purchase of additional election tabulators, accessible voting devices and high speed AV tabulators to Hart InterCivic, Austin, Texas in the amount not-to-exceed \$267,694.45.

2017-0237 Request for Purchase Authorization - DPS/ENG: Blanket Purchase Order/Contract for construction engineering services for the paving portion of the Belle Cone Gardens, Homestead Acres & Sunnydale Gardens Subdivisions Water Main Replacement & Road Resurfacing Project in the not-to-exceed amount of \$34,800.00; Spalding DeDecker, Rochester Hills, MI

Attachments: [051517 Agenda Summary.pdf](#)
[Services Agreement.pdf](#)
[Resolution \(Draft\).pdf](#)

Allan Schneck, Director of DPS/Engineering, stated that the request for approval is to enter into a contract with Spalding DeDecker for construction engineering services related to the watermain project in Section 33. He pointed out that there were no funds budgeted for this particular activity; however, for the second consecutive year the City is pursuing funding through a pilot road matching funding program through Oakland County in the amount of \$86,914. Those funds, when awarded, can be used for services pertaining to the Local Street program. He mentioned that the City is slightly over budget in its contingency item for Local Roads; and after adding this expense to that potential over budget amount, the total is less than the \$86,914 that will be pursued through Oakland County. He noted that there will not be any impact to retained earnings within Local Streets.

Mr. Brown expressed his appreciation to Mr. Schneck for his creativity in the budget process to ensure that the City stays under budget while accomplishing the necessary work.

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

Aye 6 - Bowyer, Brown, Hetrick, Kubicina, Morita and Tisdell

Absent 1 - Wiggins

Enactment No: RES0170-2017

Resolved, that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order/Contract for construction engineering services for the paving portion of the Belle

Cone Gardens, Homestead Acres & Sunnydale Gardens Subdivisions Water Main Replacement & Road Resurfacing Project to Spalding DeDecker, Rochester Hills, Michigan in the not-to-exceed amount of \$34,800.00 and further authorizes the Mayor to execute the contract on behalf of the City.

ANY OTHER BUSINESS

Mayor Barnett announced that City has a new partnership with the Paint Creek Center for the Arts to display student artwork along a lower hallway at City Hall.

NEXT MEETING DATE

Regular Meeting - Monday, June 5, 2017 - 7:00 p.m.

ADJOURNMENT

There being no further business before Council, President Tisdell adjourned the meeting at 8:36 p.m.

*MARK A. TISDELL, President
Rochester Hills City Council*

*LEANNE L. SCOTT, CMC, Deputy Clerk
City of Rochester Hills*

*MARY JO PACHLA, CMMC
Administrative Secretary
City Clerk's Office*

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