



Rochester Hills Minutes City Council Regular Meeting

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*Erik Ambrozaitis, Jim Duistermars, Barbara Holder, Greg Hooper,
Linda Raschke, James Rosen, Ravi Yalamanchi*

Wednesday, October 18, 2006

7:30 PM

1000 Rochester Hills Drive

DRAFT

CALL TO ORDER

President Rosen called the Regular Rochester Hills City Council Meeting to order at 7:34 p.m. Michigan Time.

ROLL CALL

Present: Erik Ambrozaitis, Barbara Holder, Greg Hooper, Linda Raschke, James Rosen and Ravi Yalamanchi

Absent: Jim Duistermars

Others Present:

*Bryan Barnett, Mayor
Dan Casey, Manager of Economic Development
Scott Cope, Director of Building/Ordinance Enforcement
Ron Crowell, Fire Chief
Paul Davis, City Engineer
Derek Delacourt, Deputy Director of Planning
Todd Gary, Fire Marshall
Pam Lee, Director of Human Resources
Jane Leslie, City Clerk
Roger Rousse, Director of DPS/Engineering
Paul Shumejko, Transportation Engineer
John Staran, City Attorney*

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

Resolved that the Rochester Hills City Council hereby approves the Agenda for the Regular Meeting of October 18, 2006 with the following Addition under NEW BUSINESS:

2006-0770 - Adoption of Resolution changing the meeting time of the Wednesday, October 25, 2006 Work Session from 7:30 p.m. to 6:30 p.m.

A motion was made by Raschke, seconded by Yalamanchi, to Approve Agenda as Amended.

The motion carried by the following vote:

Aye: Ambrozaitis, Holder, Hooper, Raschke, Rosen and Yalamanchi

Absent: Duistermars

(Duistermars Entered at 7:38 p.m.)

Present: Erik Ambrozaitis, Jim Duistermars, Barbara Holder, Greg Hooper, Linda Raschke, James Rosen and Ravi Yalamanchi

PUBLIC COMMENT

Mr. Lee Zendel, 1575 Dutton Road, spoke about the financial benefits of a wellness plan in reduced healthcare costs. He also noted that, based on the millages passed to support the City schools, residents care more about schools than having safe roads and adequate police services.

The following two residents expressed their concerns due to the impending removal of the Tienken Road barricade. They requested discussion of the matter by City Council to examine the likely adverse consequences:

Mr. Tom Moskal, 3790 Rosewood Lane
Mr. Hank Donald, 3806 Rosewood Lane

President Rosen noted the suggestion would be taken under advisement.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

Ms. Holder provided detailed information regarding the many emergency services provided by the City Fire Department. She then detailed the duties of the City's Ordinance Officers and the unique dangers they face conducting their duties.

Mr. Ambrozaitis noted that while he is very concerned about addressing blight issues in the City, he stressed that he does not intend to increase bureaucracy.

Ms. Raschke stated that homeowners associations are very good about policing the homeowners within their neighborhoods with regard to the upkeep of their homes.

Mr. Duistermars noted that he is leery of any blight ordinance that dictates the behavior of residents and stressed that he would be "looking very carefully at how intrusive our City government will be." He noted that the City currently does a good job addressing this issue and that most residents maintain their homes.

Mr. Yalamanchi expressed his concern regarding the speed limit on Tienken Road once the barricade is removed. He suggested that the speed limit be 25 mph to the west of the barricade.

Mayor Barnett discussed the following items:

- A press conference at Fire Station 2 with State Representative John Garfield regarding State money to be released for a study on Auburn Road.
- An upcoming drive-through flu clinic at Fire Station 1.
- The administration is examining the issues associated with the opening of the Tienken Road barricade including speed limit issues.
- The administration is working on the blight issue and trying to determine a "middle of the road approach" that is not too punitive toward residents with limited resources.

Mayor Barnett suggested that the administration provide an update on the City's efforts to combat blight.

President Rosen noted he would consider placing the issue for discussion on an upcoming Work Session.

ATTORNEY MATTERS

2006-0762

Adoption of Resolution to adjourn to Closed Session at the conclusion of the October 18, 2006 City Council meeting for the purpose of discussing an Attorney/Client privileged communication regarding Waltonshire Estates

Attachments: Agenda summary.pdf; 101806 Agenda Summary.pdf; 101806 Resolution.pdf; 0762 Resolution.pdf

A motion was made by Duistermars, seconded by Holder, that this matter be Adopted by Resolution.

Resolved that the Rochester Hills City Council hereby agrees to meet in Closed Session, as permitted by State Statute MCLA 15.268, at the conclusion of the October 18, 2006 Regular City Council Meeting for the purpose of discussing an Attorney/Client Privileged Communication regarding Waltonshire Estates. City Council will not reconvene to open session at the conclusion of the Closed Session.

The motion carried by the following vote:

Aye: Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

Enactment No: RES0348-2006

PRESENTATIONS

2006-0763

Presentation by County Commissioner Sue Ann Douglas of Oakland County Flag to Marye Miller, OPC, for the Older Persons Commission

Attachments: Agenda Summary.pdf

Ms. Sue Ann Douglas, County Commissioner for District 12, presented Ms. Marye Miller, Director of the Older Persons Commission (OPC), with a County flag to be flown at the OPC Building.

Ms. Miller noted that the OPC is proud to have the Oakland County flag.

Presented

2006-0756

Presentation by Dan Keifer, Friends of the Clinton River Trail, regarding Pathway Millage

Attachments: Agenda Summary.pdf

Mr. Dan Keifer and Ms. Kathryn "Mimi" Zwolak, representatives of The Friends of the Clinton River Trail, spoke in support of the proposed Pathway Millage that was to be considered by voters at the November election. They stressed the need to continue the construction of pathways in Rochester Hills and that the millage was, in effect, a replacement of the recently expired Pathway Millage and, thus, would not result in a tax increase for residents.

Presented

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.

- 2006-0721** Approval of Minutes - Regular City Council Meeting - May 17, 2006
Attachments: Min CC 051706.pdf; 0721 Resolution.pdf
This Matter was Adopted by Resolution on the Consent Agenda.

Resolved that the Minutes of a Regular Rochester Hills City Council Meeting held on May 17, 2006 be approved as presented.
Enactment No: RES0349-2006
- 2006-0731** Approval of Minutes - City Council Work Session Meeting - May 24, 2006
Attachments: Min CC 052406.pdf; 0731 Resolution.pdf
This Matter was Adopted by Resolution on the Consent Agenda.

Resolved that the Minutes of a Rochester Hills City Council Work Session Meeting held on May 24, 2006 be approved as presented.
Enactment No: RES0350-2006
- 2006-0749** Approval of Minutes - Special City Council Work Session Meeting - May 31, 2006
Attachments: Min CC 053106.pdf; 0749 Resolution.pdf
This Matter was Adopted by Resolution on the Consent Agenda.

Resolved that the Minutes of a Special Rochester Hills City Council Work Session Meeting held on May 31, 2006 be approved as presented.
Enactment No: RES0351-2006
- 2006-0700** Acceptance of the Warranty Deed for Adams Road right-of-way granted by Rochester Hills Corporate Center LLC, for Adams Road, M-59 Development/Ring Road Phase I, for Parcel No. #15-30-176-001
Attachments: Agenda Summary.pdf; Map.pdf; Warranty Deed.pdf; 0700 Resolution.pdf
This Matter was Adopted by Resolution on the Consent Agenda.

Resolved that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a Warranty Deed for Adams Road right-of-way granted by Rochester Hills Corporate Center LLC, 28470 Thirteen Mile Road, Suite 220, Farmington Hills, Michigan 48334, for Adams Road, M-59 Development/Ring Road Phase I, to the City of Rochester Hills, 1000 Rochester Hills Drive, Rochester Hills, Michigan 48309, for Parcel No. #15-30-176-001.

Further Resolved that the City Clerk is directed to record the Warranty Deed with the Oakland County Register of Deeds.
Enactment No: RES0352-2006

Passed The Consent Agenda

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

Aye: Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

PUBLIC HEARINGS

2006-0715 Request to establish an Industrial Development District by Avon Gear Company at 2770 Research Drive, Rochester Hills, MI 48309

Attachments: Agenda Summary.pdf; Public Hearing Notice.pdf; 100406 Agenda Summary.pdf; Establish Public Hearing Resolution.pdf; 0715 Resolution.pdf

Mr. Dan Casey, Manager of Economic Development, provided a brief overview of the request before Council noting the following:

- Avon Gear had begun to outgrow their current facility, a 60,000 square foot building on Research Drive.

- Despite having leased an additional 28,000 square feet within the City, Avon Gear had approached the City and State regarding a site search and incentive packages to support their potential future projects.

- Avon Gear was considering the following options:

- 1) Expansion of their existing building on vacant land they do not own.
- 2) Lease another facility in Rochester Hills or another surrounding community.
- 3) Complete relocation to another facility outside of Rochester Hills, as there are no buildings large enough to suit their needs.
- 4) Relocation to land in Alabama owned by their parent company.

Mr. Casey noted that after multiple meetings with Avon Gear they requested a tax abatement. He stressed that this would allow Avon Gear to remain in the community, retain at least some of the current jobs, as well as create new positions. He explained that the request entails the following:

- \$7 million in new equipment
- Retention of 24 jobs directly related to the new equipment
- Creation of 24 new jobs

Mr. Casey noted that, although Avon Gear requested a twelve-year abatement, they only qualified for eight years under the City Council's Tax Abatement Policy.

Mr. Dave Share, General Manager of Avon Gear Company, 2770 Research Drive, provided a brief presentation regarding his company and the tax abatement request:

- Was founded in 1974
- Currently has annual sales of \$32 million
- Currently employees 136 people
- Was sold in 1996 to a Japanese gear company
- Sales doubled from 2000 to 2004, and then again from 2004 to present
- Primary client is Caterpillar and Caterpillar's suppliers
- Most of Caterpillar's equipment contains many Avon Gear parts
- The average age of Avon Gear employees is 40 years
- Employees on average remain with the company five years
- Ten percent of employees live in the Rochester/Rochester Hills area
- The average hourly rate for employees is approximately \$14.00
- Annual bonuses average \$4,400 for all employees
- Supports 29 local vendors

Mr. Share stressed that Avon Gear was motivated to seek a tax abatement because they anticipate a significant increase in business from Caterpillar, which will require a significant investment in new equipment to meet these needs. He further indicated that it is anticipated Avon Gear will again double their sales within the next three years. He noted that Caterpillar also anticipates increasing their annual sales significantly from \$35 billion to \$50 billion by 2010.

Mr. Share and *Mr. Casey* addressed questions and concerns raised by Council as follows:

- Caterpillar is a strong company having exceeded their profit projections in recent years and continuing to grow.
- The City cannot hold the company to creating jobs beyond the first two years of the tax abatement.
- If the company does not meet the requirements of the tax abatement agreement the Council can reduce the number of years of the abatement.
- There were other options for relocation in the City that did not quite meet the company's needs.

President Rosen **Opened the Public Hearing at 8:54 p.m.**

Mr. Lee Zendel, 1575 Dutton Road, noted that he follows the futures markets and that metals prices are hitting all time highs. He stated that any concerns about Caterpillar are misplaced.

There being no further Public Comment, *President Rosen* **Closed the Public Hearing at 8:55 p.m.**

President Rosen questioned why Avon Gear needs the tax abatement.

Mr. Share noted that it allows Avon Gear to remain competitive by driving down their costs, as well as assisting them in purchasing the "latest and greatest" technology.

A motion was made by Hooper, seconded by Raschke, that this matter be Adopted by Resolution.

Whereas, Avon Gear Company, as owner of certain industrial property in the City of Rochester Hills, Oakland County, Michigan, has filed a request with the City of Rochester Hills City Council for the establishment of an Industrial Development District under the "Plant Rehabilitation and Industrial Development Districts Act of 1974," as amended; and

Whereas, the proposed industrial development district is that property located at 2770 Research Drive, Rochester Hills, Michigan, more particularly described as:

T3N, R11E, SEC 29 & 30 Rochester Hills Executive Park Lot 29 11-18-87 FR 300-005 & 15-30-476-007; and

Whereas, the Rochester Hills City Council held a public hearing regarding this request at the Regular Meeting of October 18, 2006 at 7:30 p.m. in the Council Chambers, at 1000 Rochester Hills Drive, Rochester Hills, Michigan, during which the owner of the property and all interested parties were given the opportunity to be heard; and

Whereas, the establishment of an Industrial Development District is consistent with City objectives for industrial development and the creation of new employment opportunities.

Resolved that the Rochester Hills City Council determines that the levies of ad valorem taxes are at a rate, when taken together with the rates of ad valorem taxes levied by any other taxing authority which levies taxes within the City of Rochester Hills, equals or exceeds \$30.00 for each \$1,000.00 of taxable value and, therefore, is eligible for designation as an Industrial Development District pursuant to said Act; and

Be It Further Resolved that the above listed legal description is hereby designated as an Industrial Development District.

The motion carried by the following vote:

Aye: Ambrozaitis, Duisternars, Holder, Hooper, Raschke, Rosen and Yalamanchi

Enactment No: RES0353-2006

2006-0716

Request for an Industrial Facilities Exemption Certificate by Avon Gear Company for personal property at 2770 Research Drive, Rochester Hills, MI 48309

Attachments: Agenda Summary.pdf; Financial Analysis.pdf; Development Agreement.pdf; Public Hearing Notice.pdf; Tax Abatement Packet.pdf; 100406 Agenda Summary.pdf; Public Hearing Resolution.pdf; 0716 Resolution.pdf

*President Rosen **Opened the Public Hearing at 8:59 p.m.***

*There being no Public Comment, President Rosen **Closed the Public Hearing at 9:00 p.m.***

A motion was made by Hooper, seconded by Yalamanchi, that this matter be Adopted by Resolution.

Whereas, Avon Gear Co., as owners of certain industrial property in the City of Rochester Hills, Oakland County, Michigan, is located within an Industrial Development District under the "Plant Rehabilitation and Industrial Development Districts Act of 1974," as amended; and

Whereas, the Industrial Development District is that property located at 2770 Research Drive, Rochester Hills, Michigan, more particularly described as follows:

T3N, R11E, SEC 29 & 30 Rochester Hills Executive Park Lot 29 11-18-87 FR 300-005 & 15-30-476-007.

Whereas, Avon Gear Co. has made application to the Rochester Hills City Council for an Industrial Facilities Exemption Certificate under the above noted legislation; and

Whereas, the Rochester Hills City Council has reviewed the application and made the following findings:

- a. The granting of the Industrial Facilities Exemption Certificate, considered together with the aggregate amount of Industrial Facilities Exemption Certificates

previously granted and currently in force, does not have the effect of substantially impeding the operation of the City of Rochester Hills or impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Rochester Hills in which the facility is located.

- b. Completion of the facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to retain and create employment.
- c. Completion of the facility does not constitute merely the addition of machinery and equipment for the purpose of increasing productive capacity, but rather is primarily for the purpose and will primarily have the effect of providing a new facility on industrial property.
- d. The construction of the industrial facility meets the objectives of job creation within the established industrial corridor of the City of Rochester Hills.

Resolved that pursuant to Section 9, (1) and (2) of Act 198 of Public Acts of 1974, as amended, the City Council of the City of Rochester Hills hereby approves the request of Avon Gear Co. for an Industrial Facilities Exemption Certificate for a period of eight (8) years for personal property only; and

Be It Further Resolved that the accompanying Development Agreement between Avon Gear Co. and the City of Rochester Hills is hereby approved after review by the City Attorney as to form, and is to be sent to the Department of Treasury and the State Tax Commission along with this resolution.

The motion carried by the following vote:

Aye: Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

Enactment No: RES0354-2006

ORDINANCE FOR INTRODUCTION

2006-0690

Acceptance for First Reading of an Ordinance to Amend Articles II through IV of Chapter 58, Fire Prevention and Protection, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to adopt the International Fire Code and Amendments thereto, repeal conflicting ordinances, and prescribe a penalty for violations

Attachments: Agenda Summary.pdf; First Reading Agenda Summary.pdf; 082206 Memo T. Gary.pdf; Ordinance Amendment.pdf; First Reading Resolution.pdf; 0690 Resolution.pdf

A motion was made by Duistermars, seconded by Raschke, that this matter be Accepted for First Reading by Resolution.

Resolved that an Ordinance to Amend Articles II through IV of Chapter 58, Fire Prevention and Protection, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to adopt the International Fire Code and Amendments thereto, repeal conflicting ordinances, and prescribe a penalty for violations is hereby accepted for First Reading.

The motion carried by the following vote:

Aye: Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

Enactment No: RES0372-2006

2006-0689

Acceptance for First Reading of an Ordinance to Modify Sections 54-37 and 54-192, and Add Sections 54-31A and 54-38A of Chapter 54, Fees, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to reposition the fee charged for Fire Safety Inspections, Prescribe fees for annual Burning Permits and permits to sell Fireworks, and to repeal conflicting Ordinances

Attachments: Agenda Summary.pdf; First Reading Agenda Summary.pdf; Ordinance Amendment.pdf; First Reading Resolution.pdf; Suppl Info.pdf; 0689 Resolution.pdf

Mr. Ambrozaitis questioned the reference in the modified ordinance to the sale of fireworks.

Fire Chief Ron Crowell and Fire Marshall Todd Gary explained that it refers to businesses selling legal fireworks such as sparklers.

President Rosen reminded residents that this was the final year in which leaf burning would be permitted.

A motion was made by Raschke, seconded by Duistermars, that this matter be Accepted for First Reading by Resolution.

Resolved that an Ordinance to Modify Sections 54-37 and 54-192, and Add Sections 54-31A and 54-38A of Chapter 54, Fees, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to Reposition the fee charged for Fire Safety Inspections, Prescribe fees for annual Burning Permits and permits to sell Fireworks, and to repeal conflicting Ordinances, is hereby accepted for First Reading.

The motion carried by the following vote:

Aye: Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

Enactment No: RES0373-2006

UNFINISHED BUSINESS

2006-0609

Adoption of Resolution Accepting the Special Assessment Roll for the purpose of maintaining and operating the existing public improvements of street lighting on an ongoing basis in Section 27 for Denison Acres and Rochester Hills Heathers Subdivisions located at Harrington and West Auburn Road and at Walbridge and West Auburn Road and Scheduling a Public Hearing

Attachments: Agenda Summary.pdf; Public Hearing Notice - SAD Roll.pdf; Assessor's Certificate.pdf; 101806 Agenda Summary.pdf; SAD Roll - 2006.pdf; 081606 Agenda Summary.pdf; 090206 Agenda summary.pdf; 092806 Agenda Summary.pdf; 1984 Lighting Agreements.pdf; Denison Le

A motion was made by Ambrozaitis, seconded by Hooper, that this matter be Adopted by Resolution.

Whereas, on October 4, 2006, City Council established by Resolution RES0332-2006 a Special Assessment District for the purpose of maintaining and operating the existing public improvement of street lighting on an ongoing basis in Section 27 and more particularly described as:

Denison Acres and Rochester Hills Heathers Subdivisions located at Harrington

and West Auburn Road, and at Walbridge and West Auburn Road in the City of Rochester Hills, Oakland County, Michigan

Whereas, the City Assessor has completed and filed with the City Clerk a special assessment roll and has affixed his certificate thereto; and

Whereas, the City Clerk has presented the special assessment roll to the City Council for review and confirmation.

Now, Therefore, Be It Resolved that the Rochester Hills City Council accepts the special assessment roll as presented and orders it filed in the office of the City Clerk for examination by the public during regular business hours.

Be It Further Resolved that before confirming the special assessment roll, the City Council shall hold a Public Hearing on Wednesday, November 1, 2006 at 7:30 PM at the Rochester Hills Municipal Offices, 1000 Rochester Hills Drive, Rochester Hills, Michigan 48309, at which time the City Council shall review the special assessment roll, give interested persons an opportunity to be heard, consider all objections to the roll and correct or annul the roll, as determined necessary. The City Clerk shall, not less than ten (10) days prior to the City Council meeting, cause notice of the Public Hearing Review Meeting and the filing of the special assessment roll to be published in the Rochester Eccentric and send by first-class mail to all owners of property included in the proposed Special Assessment District as shown by the City's current tax roll.

The motion carried by the following vote:

Aye: Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

Enactment No: RES0368-2006

NEW BUSINESS

2006-0746

Request by the Historic Districts Study Committee to grant to the Historic Districts Commission reviewing rights for 920 South Boulevard

Attachments: Agenda Summary.pdf; Survey Sheets.pdf; Yurk 06-19-06 Letter.pdf; Taubman 06-21-06 Letter.pdf; Preliminary Report.pdf; Building Inspection.pdf; Architectural Review.pdf; 0746 Resolution.pdf

Mr. Derek Delacourt, Deputy Director of Planning and staff liaison to the Historic Districts Study Committee (HDSC); and Mr. Jason Thompson, Chair of the HDSC, were present to request that Council grant review rights for property at 920 South Boulevard, thereby postponing the proposed demolition of a potentially historic structure within the City.

Council members determined that a six-month review was appropriate, as opposed to the one-year review originally requested by the HDSC.

Mr. Delacourt reassured Council that there is no cost associated with the study, as HDSC members serve on a volunteer basis.

Mr. Duistermars stressed his opposition to forcing property owners to adhere to historic preservation efforts against their will.

PUBLIC COMMENT:

Ms. Melinda Hill, 1481 Mill Race, reminded Council members that they were not designating the site as historic, but rather were granting review rights to make that

determination. She further noted that Council had determined in 2002 that postponing demolition and granting the HDSC review rights was appropriate in cases where there is the possibility of losing a potentially historic structure.

A motion was made by Ambrozaitis, seconded by Holder, that this matter be Adopted by Resolution.

Whereas, 920 South Boulevard W. is an identified Potential Historic District in the City of Rochester Hills; and

Whereas, an Intensive Level Survey conducted in 2002 by Dr. Jane Busch at the request of the City of Rochester Hills identified this property as needing "extensive survey and additional research" in order to provide contextual information before the historical significance of the property could be evaluated; and

Whereas, the property owner has requested review and approval of a demolition permit for the structures on the subject site.

Now, Therefore, Be It Resolved that the Rochester Hills City Council grants review rights regarding 920 South Boulevard W. (Parcel Identification Number 15-34-352-012) for a period not to exceed one six (6) months.

The motion carried by the following vote:

Aye: Ambrozaitis, Holder, Hooper, Raschke and Yalamanchi

Nay: Duistermars and Rosen

Enactment No: RES0357-2006

2006-0725

Request from Lee's Investment Inc., to transfer stock interest in 2006 Class C Licensed Business located at 173 S. Livernois, Rochester Hills, MI

Attachments: Agenda Summary.pdf; Staff Report.pdf; Application.pdf; LCC Notice.pdf; Receipt.pdf; Menu.pdf; AIS Resolution.pdf; 0725 Resolution.pdf

Mr. Frank Bujold, Attorney, 2588 Coolidge, Troy, was present to address any questions or concerns raised by City Council.

A motion was made by Yalamanchi, seconded by Ambrozaitis, that this matter be Adopted by Resolution.

Resolved that the request from Lee's Investment Inc., to transfer stock interest in 2006 Class C licensed business, by dropping Sik Wai Lee and Sau Sheung Lee as stockholders, through transfer of 500 shares of stock each to existing stockholder, Li Wai Chen Weng, and new stockholder, Hazel Yung, located at 173 South Livernois, Rochester Hills, Oakland County, Michigan 48307, be considered for approval.

The motion carried by the following vote:

Aye: Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

Enactment No: RES0358-2006

2006-0726

Request for a "New from Quota" Class C Liquor License from JSBAR, LLC, doing business as The Hills Grille, located at the northwest corner of Tienken & Rochester Roads, Rochester Hills, MI 48306

Attachments: Agenda Summary.pdf; Staff Report.pdf; Application.pdf; Intent to Lease.pdf; Operating Agreement.pdf; Site Plan.pdf; Menu.pdf; AIS Resolution.pdf; 0726 Resolution.pdf

Ms. Kelly Allen, Attorney for Adkison, Need & Allen, PLLC, 39533 Woodward Avenue, Bloomfield Hills, introduced the four men planning to own and operate the Hills Grille at the Papa Joe's development:

- **Mr. Steven Stauch**, 3320 Crestwater, Rochester Hills
- **Mr. John Pewinski**, 221 Walper, Clawson
- **Mr. Jon Robinson**, 6424 Marcy Court, Brighton
- **Mr. Jason Nies**, 1329 Clear Creek, Rochester Hills

Ms. Allen noted that all but one of the owners would be residents of Rochester Hills. She further noted their experience in the restaurant business as well as finance and marketing. She then briefly described the restaurant concept, noting the following:

- Upper scale, sports-oriented restaurant.
- The bar will be incidental to the restaurant.
- Will employ approximately 60 workers.
- Hope to hire workers from the community, especially high school students.
- Not a chain restaurant.

Council members praised the young men for their efforts and welcomed them to the community.

President Rosen expressed concern for the financial risk of this venture combined with the applicants' "modest experience."

A motion was made by Ambrozaitis, seconded by Duistermars, that this matter be Adopted by Resolution.

Resolved that the request from JSBAR, LLC, doing business as The Hills Grille, for a New Class C License, to be located at the northwest corner of Tienken and Rochester Roads, Rochester Hills, Oakland County, Michigan 48306, be considered for approval "Above All Others" by the Michigan Liquor Control Commission.

The motion carried by the following vote:

Aye: Ambrozaitis, Duistermars, Holder, Hooper, Raschke and Yalamanchi

Nay: Rosen

Enactment No: RES0359-2006

(Recess 9:47 p.m. - 10:00 p.m.)

2006-0384

Request for Purchase Authorization: DPS - An Amendment to a Blanket Purchase for the "2006" Pathway Rehabilitation Project in the amount of \$52,923.04 for a new not-to-exceed total of \$198,020.00; Pro-Line Asphalt Paving, Washington, MI

Attachments: Agenda Summary.pdf; Bid tabulation.pdf; 060706 Agenda Summary.pdf; 060706 Resolution.pdf; 0384 Resolution.pdf

Mr. Roger Rousse, Director of DPS/Engineering, and Mr. Paul Shumejko, Transportation Engineer, explained to Council that there were unforeseen complications with some of the pathway rehabilitation projects resulting in unanticipated costs. They noted that the City used to budget contingency amounts for such circumstances but that was no longer the common practice.

Council members expressed support for reinstating the practice of including contingency amounts for such projects.

A motion was made by Raschke, seconded by Hooper, that this matter be Adopted by Resolution.

Resolved that Rochester Hills City Council hereby authorizes an amendment to the existing Pro-Line Asphalt blanket purchase order for the "2006" Pathway Rehabilitation Project in the amount of \$52,923.04 for a new not-to-exceed total of \$198,020.00.

The motion carried by the following vote:

Aye: Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

Enactment No: RES0360-2006

2006-0728

Request for Purchase Authorization - HUMAN RESOURCES: Contract extension and blanket purchase order for employee group life/ADD and disability insurance in the amount of \$395,000.00 through December 31, 2008; CIGNA Group Insurance, Southfield, MI

Attachments: Agenda Summary.pdf; January2007 renewal doc2 .pdf; 0728 Resolution.pdf

Mr. Yalamanchi questioned why the 2007 budget for these insurance costs was \$240,000, yet this purchase of \$395,000 is for 2007 and 2008.

Ms. Pam Lee, Director of Human Resources, noted that she was unsure how the Fiscal Department made that final determination of the amount for the 2007 Budget, but assured Council that the request before them would cover all eligible, full-time employees of the City for two years. She further explained that the increase in short term disability was based on actual claims from the previous year.

A motion was made by Raschke, seconded by Yalamanchi, that this matter be Adopted by Resolution.

Resolved that the Rochester Hills City Council hereby authorizes the extension of the contract and approval of a Blanket Purchase Order to CIGNA Group Insurance, Southfield, Michigan, for the purchase of employee group life/ADD and disability insurance in the amount not-to-exceed \$395,000 through December 31, 2008.

The motion carried by the following vote:

Aye: Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

Enactment No: RES0361-2006

2006-0482

Request for Approval of the Memorandum of Understanding Regarding the Northern Oakland-Northern Macomb Connection between the City of Detroit, Board of Water Commissioners and the City of Rochester Hills

Attachments: Agenda Summary.pdf; Memorandum of Understanding.pdf; 0482 Resolution.pdf

Mr. Roger Rouse, Director of DPS/Engineering, reminded Council that representatives of the Detroit Water & Sewerage Department (DWSD) had discussed this proposed new water connection project at a Council Work Session in June.

Mr. Ambrozaitis expressed some concern that Council would be agreeing to a contract without having seen any water rates.

City Attorney John Staran explained that the issue before Council was merely an agreement that only obligates the City to "negotiate in good faith" toward a final agreement, but does not obligate the City to anything beyond those negotiations. He stressed that this agreement is being sought with all affected communities to provide the DWSD with a reasonable impetus to move forward with such a costly project.

Mr. Rouse indicated that the benefit of this new water connection is that it will add another level of reliability to the City's water supply system by adding another water access point. He further noted that it is unknown at this time how this project will affect the City's water rates. He stressed that that issue will need to be resolved before any final contract is signed between the City and the DWSD.

A motion was made by Yalamanchi, seconded by Hooper, that this matter be Adopted by Resolution.

Resolved that the Rochester Hills City Council approves the Memorandum of Understanding Regarding the Northern Oakland-Northern Macomb Connection Between the City of Detroit, Board of Water Commissioners and the City of Rochester Hills and authorizes the Mayor to execute the Memorandum on behalf of the City.

The motion carried by the following vote:

Aye: Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

Enactment No: RES0362-2006

2006-0380

Recommendation from Administration & Information Services (AIS) Committee regarding Car Allowance for Mayor in lieu of assigned City Vehicle

Attachments: Agenda Summary.pdf; 3-months mileage reimbursemt -Mayor Barnett.pdf; 052306 Staff Report - Mayor Vehicle.pdf; 2006 Survey - Car Allowances.pdf; 052306 AIS Resolution.pdf; 0380 Resolution.pdf

Ms. Pam Lee, Director of Human Resources, explained the request to provide a car allowance for the Mayor in lieu of providing a City vehicle, noting the following:

- *The current Mayor prefers to use his personal vehicle.*
- *The current vehicle designated for the Mayor's use is due for replacement.*
- *The vehicle is sitting idle while insurance continues to be paid.*
- *The Administration & Information Services (AIS) Committee-recommended amount of \$350 is less than car allowances paid by other local communities such as Troy.*
- *This car allowance would be more cost effective than the cost of a new vehicle including gas, insurance, fuel, etc.*

Mr. Ambrozaitis expressed his opposition to this request stating that the Mayor already receives an adequate salary and does not need this additional amount. He stated that Rochester Hills' Mayor should not have a car allowance or a car.

Mayor Barnett stressed that this is not a new expense, but rather a vehicle has been in place for the Mayor's use and is part of the City Charter. He further noted the cost savings in that he will bear the financial burden of insurance, maintenance, fuel, etc.

Mr. Yalamanchi requested responses to several questions submitted by resident Deanna Hilbert, 3234 Quail Ridge Circle. Mayor Barnett and Ms. Lee responded as follows:

- The Mayor's monthly car expenses thus far have averaged approximately \$300.
- A car allowance is considered income and is taxable as such.
- It is assumed that the \$350 will be used for vehicle related expenses, but no documentation will be required.
- Other communities that have implemented this same plan did so as a cost saving measure.

Mr. Yalamanchi agreed that this is the type of cost containment alternative the City needs. He suggested that the administration apply this to other individuals who use City vehicles.

Ms. Lee explained that there are very few City vehicles provided to workers to be taken home.

Mr. Duistermars noted that this was a reasonable request stressing that, as Rochester Hills has a strong Mayor form of government, the Mayor acts as an ambassador of the City in addition to his City business duties.

PUBLIC COMMENT:

Ms. Melinda Hill, 1481 Mill Race, urged Council to eliminate the Mayor's vehicle and urged the Mayor to withdraw his request for reimbursement.

COUNCIL DISCUSSION:

Ms. Raschke disagreed noting her support for the car allowance and "called the question" to end debate on the issue.

2006-0380

Call the Question to Close debate on the Motion currently on the Floor - Recommendation from Administration & Information Services (AIS) Committee regarding Car Allowance for Mayor in lieu of assigned City Vehicle

A motion was made by Raschke, seconded by Duistermars, that this matter be Adopted by Resolution.

Resolved by the Rochester Hills City Council to hereby Call the Question to Close debate on the Motion currently on the Floor, that being the recommendation from the Administration & Information Services (AIS) Committee regarding a Car Allowance for the Mayor in lieu of an assigned City Vehicle.

The motion carried by the following vote:

Aye: Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

Absent: Ambrozaitis

2006-0380

Recommendation from Administration & Information Services (AIS) Committee regarding Car Allowance for Mayor in lieu of assigned City Vehicle

A motion was made by Raschke, seconded by Hooper, that this matter be Adopted by Resolution.

Whereas, the Administration & Information Services (AIS) Committee has reviewed and discussed the information provided by the Administration regarding a car allowance for the Mayor; and

Whereas, the Human Resources Director provided copies of Mayor Barnett's reimbursement expenses for the three-month period of June, July and August of 2006.

Be It Resolved that the Rochester Hills City Council hereby concurs with the recommendation of the Administration & Information Services (AIS) Committee and approves the authorization of a \$350.00 per month car allowance for Mayor Barnett as an optional cost savings measure in lieu of an assigned City Vehicle. The car allowance benefit shall commence beginning October 2006.

The motion carried by the following vote:

Aye: Duistermars, Holder, Hooper, Raschke and Yalamanchi

Nay: Ambrozaitis and Rosen

Enactment No: RES0363-2006

2006-0299

Approval of the Cost Participation Agreement for the Tienken Road Bridge at Kings Cove Drive between the City of Rochester Hills and Board of Road Commissioners for Oakland County

Attachments: Agenda Summary.pdf; Non-Participating Cost Participation Agreement.pdf; Posens Premium Costs.pdf; Posens Force Account.pdf; Tienken Rd & Kings Cove Traffic Study 2002 Excerpt.pdf; CIP 2006 Tienken Rd & Bridge Rehabilitation.pdf; Tienken Road Bridge and Si

Mr. Roger Rouse, Director of DPS/Engineering, explained that unforeseen expenses for the watermain relocation portion of this project have resulted in a need for additional funds. He further noted that the monies requested would be taken from the Tri-Party Fund fund balance as well as dollars set aside for the Avon Road improvement project. He noted that dollars would be reallocated for that project next year. He assured Council that the Avon Road project would still take place in 2007, but likely not until the fall rather than in the spring.

Ms. Raschke stressed the need to reopen Tienken Road as soon as possible, citing the hardship of area residents and businesses.

Mr. Ambrozaitis questioned whether this was an aberration or could this have been avoided.

Mr. Rouse explained that the City had done its due diligence but unfortunately there were unforeseen circumstances involving soil conditions, tree roots, etc.

PUBLIC COMMENT:

Ms. Melinda Hill, 1481 Mill Race, expressed her disapproval of this project, stressing that she had opposed it when she was on Council. She urged Council to deny this request and indicated it would be preferable to delay the project rather than to rush completion especially during the winter months.

COUNCIL DISCUSSION:

Mr. Duistermars disagreed and stressed that Council must rely on the expertise of City staff in these circumstances.

Ms. Holder agreed, stressing the need to complete the project without further delay.

Mr. Rosen suggested that a root cause analysis be conducted and indicated his belief that the County's insistence that this be a five-lane bridge likely attributed to these problems and cost over-runs.

Mr. Duistermars noted that the five-lane bridge was forward thinking, anticipating the possible needs for future residents of Rochester Hills.

PUBLIC COMMENT:

Mr. Lee Zendel, 1575 Dutton Road, noted that projects such as this often have unforeseen problems and are often addressed through contingencies. He also indicated the Council needs to take into consideration the cost in extra gas and wear and tear on the vehicles of residents detouring around this project.

COUNCIL DISCUSSION:

Mr. Hooper indicated that the width of the bridge was irrelevant in the difficulties encountered. He also noted that a further delay would not necessarily mean a better product, noting that MDOT has accelerated other projects that resulted in cost savings. He urged the contractors to complete the project by Christmas.

Mr. Mark Gilsbach, Posen Construction, 50500 Design Lane, Shelby, assured Council that that was their intention, noting that all of the equipment and materials are present. He stated that this type of project can be completed in 40 to 50 days depending on weather conditions.

Mayor Barnett urged Council to approve the request so that the project can move forward. He stressed that the City has been diligent about monitoring this project and addressing this delay as soon as possible.

A motion was made by Raschke, seconded by Duistermars, that this matter be Adopted by Resolution.

Whereas, unforeseen construction costs have been incurred by the project contractor, Posen Construction, Inc., during the effort to relocate water mains for the Cities of Rochester and Rochester Hills; and

Whereas, the Posen Construction has submitted a preliminary claim estimating the reimbursement of the unforeseen construction costs that include reimbursement for worker wage and benefits, equipment, materials, insurances and subcontractor payments for additional dewatering, pipe jack and boring, and pipe directional drilling in a net estimated amount of \$300,000.00; and

Whereas, the City, along with the Road Commission for Oakland County, desire to pay Posen Construction an estimated additional \$200,000.00 for an expedited construction schedule that also includes cold weather protection measures in order to keep the project construction progressing and not breaking on November 14th until July 1, 2007; and

Whereas, the City's local share of the \$500,000.00 will be fifty percent (50%) and result in an increased contribution of \$250,000.00 by Rochester Hills. Tri-Party funds originally allocated in 2006 for the Avon Road (Princeton to Grovecrest) project will be used to fund the City's local share; and

Whereas, the proposed Cost Participation Agreement is a mechanism to program the Tri-Party funds through the Board of Road Commissions for the County of Oakland (BOARD); and

Whereas, upon execution of this Agreement, the BOARD shall submit an invoice to the City in the amount of \$41,667, which is fifty percent (50%) of the City's share; and

Whereas, upon completion of the project, the BOARD will submit an estimated final invoice to the City for the remainder of the City's share.

Resolved that the Rochester Hills City Council hereby approves all conditions of the Cost Share Agreement for Tienken Road at Kings' Cove Drive with the Board of Road Commissioners for the County of Oakland and authorizes the Mayor and Clerk to execute the agreement on behalf of the City.

The motion carried by the following vote:

Aye: Duistermars, Holder, Hooper, Raschke and Yalamanchi

Nay: Ambrozaitis and Rosen

Enactment No: RES0364-2006

2006-0770

Adoption of Resolution changing meeting time of Wednesday, October 25, 2006 Work Session from 7:30 PM to 6:30 PM

Attachments: 0770 Resolution.pdf

A motion was made by Raschke, seconded by Ambrozaitis, that this matter be Adopted by Resolution.

Resolved that the Rochester Hills City Council hereby agrees to change its Wednesday, October 25, 2006 Regular Work Session time from 7:30 PM to 6:30 PM, Michigan time.

Further Resolved that the City Clerk shall provide proper notice of the Meeting Time Change pursuant to 15.265, Section 5(3) of the Michigan Open Meetings Act, Public Act No. 267 of 1976 as amended.

The motion carried by the following vote:

Aye: Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

Enactment No: RES0365-2006

COUNCIL COMMITTEE REPORTS

Administration & Information Services (AIS) Committee

Ms. Holder, Chair of the AIS Committee, requested that Mr. Yalamanchi attend the next meeting to discuss his request that the Accounting Department be moved to the Fiscal Department.

Planning Commission

Mr. Hooper, Council's representative to the Planning Commission, noted that the Commissioners had recommended approval of a new Sikh Temple on Auburn Road. He also indicated they had discussed a denied rezoning of a property on Auburn Road, as well as a 10-unit condominium complex on Carter Road off of Dequindre.

Public Safety (PS) Committee

Ms. Raschke, Chair of the PS Committee, requested that Mr. Hooper's recommendation for addressing the Police Millage issue be brought before Council for discussion in the near future.

ANY OTHER BUSINESS

President Rosen discussed the issue of rescheduling Council's first meeting in December, as Ms. Holder and Ms. Raschke would not be in attendance. He further noted that the subject of dissolving the Communication Committees would need to be resolved before the final committee meetings in December; therefore, moving the first meeting in December to the final Wednesday in November would be most expedient.

Council Consensus was to reschedule the meeting as suggested.

President Rosen took a "straw poll" to determine whether, considering the lateness of the hour, Council members would be willing to postpone the Closed Session scheduled to follow the regular meeting.

Council Consensus was to rescind the earlier vote to meet in closed session following the Council meeting.

2006-0762

Adoption of Resolution to Rescind the Resolution to adjourn to Closed Session at the conclusion of the October 18, 2006 City Council meeting for the purpose of discussing an Attorney/Client privileged communication regarding Waltonshire Estates

Attachments: Agenda summary.pdf; 101806 Agenda Summary.pdf; 101806 Resolution.pdf; 0762 Resolution.pdf

A motion was made by Duistermars, seconded by Yalamanchi, that this matter be Adopted by Resolution.

Whereas, the Regular Rochester Hills City Council meeting of October 18, 2006 did not adjourn until 11:56 p.m.; and

Whereas, Council consensus determined that due to the lateness of the hour it would be advisable to reschedule the planned Closed Session meeting for the purpose of discussing an Attorney/Client privileged communication regarding Waltonshire Estates to follow either the next City Council Work Session on October 25, 2006 or prior to the next City Council regular meeting on November 1, 2006.

Resolved that the Rochester Hills City Council hereby rescinds Resolution RES0348-2006 adopted at the Regular City Council Meeting of October 18, 2006 wherein City Council agreed to meet in Closed Session, as permitted by State Statute MCLA 15.268, at the conclusion of the October 18, 2006 Regular City Council Meeting for the purpose of discussing an Attorney/Client Privileged Communication regarding Waltonshire Estates. City Council did not intend to reconvene to open session at the conclusion of the Closed Session.

The motion carried by the following vote:

Aye: Ambrozaitis, Duistermars, Holder, Hooper, Raschke, Rosen and Yalamanchi

Enactment No: RES0348-2006

NEXT MEETING DATE

Work Session - Wednesday, October 25, 2006 at 6:30 p.m.

ADJOURNMENT

There being no further business before Council, President Rosen adjourned the meeting at 11:56 p.m.

*JAMES ROSEN, President
Rochester Hills City Council*

*JANE LESLIE, Clerk
City of Rochester Hills*

*MARGARET A. MANZ
Administrative Secretary
City Clerk's Office*

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