



# Rochester Hills

## Minutes

### Financial Services Committee

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Rochester Hills, MI 48309  
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Home Page:  
[www.rochesterhills.org](http://www.rochesterhills.org)

*Donald Atkinson, Bryan Barnett, John Dalton, Kurt Dawson, Rajeev Gudipati, Melinda Hill, Julie Jenuwine, Lang Liu, Lee Zendel*

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Thursday, January 15, 2004

5:00 PM

1000 Rochester Hills Drive

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**DRAFT**

## CALL TO ORDER

*Chairperson Hill called the meeting to order at 5:10 PM.*

## ROLL CALL

**Present:** Hill, Barnett, Atkinson and Zendel

**Absent:** Dalton

*Non-Voting Members Present: Dawson, Spaman and Gudipati*

*Non-Voting Members Absent: Lang*

*Others Present: Jean Farris. Supervisor of Procurement*

## APPROVAL OF MINUTES

**2004-0341**

Regular Meeting - August 11, 2003

**Attachments:** DRAFT FS Minutes 081103.pdf

**A motion was made by Council Representative Barnett, seconded by Citizen Representative Zendel, that this matter be Approved.**

**Resolved that the Financial Services Committee hereby approves the Minutes of the Regular Meeting of August 11, 2003 as presented.**

**The motion carried by the following vote:**

**Aye:** Hill, Barnett, Atkinson and Zendel

**Absent:** Dalton

**2004-0342**

Joint Meeting with Public Safety Committee - September 18, 2003

**Attachments:** DRAFT Joint Minutes 091803.pdf

**A motion was made by Council Representative Barnett, seconded by Citizen Representative Zendel, that this matter be Approved.**

**Resolved that the Financial Services Committee hereby approves the Minutes of the Joint Meeting with the Public Safety Committee of September 18, 2003 as presented.**

**The motion carried by the following vote:**

**Aye:** Hill, Barnett, Atkinson and Zendel

**Absent:** Dalton

**2004-0343** Regular Meeting - December 4, 2003

**Attachments:** DRAFT FS Minutes 120403.pdf

**A motion was made by Council Representative Barnett, seconded by Citizen Representative Zendel, that this matter be Approved.**

**Resolved that the Financial Services Committee hereby approves the Minutes of the Regular Meeting of December 4, 2003 as presented.**

**The motion carried by the following vote:**

**Aye:** Hill, Barnett, Atkinson and Zendel

**Absent:** Dalton

## COMMUNICATIONS

*None was presented.*

## NEW BUSINESS

*The Committee welcomed Mr. Donald Atkinson, the new Citizen Representative, and gave an overview of the Committee which included the following:*

*\* The Financial Services (FS) Committee serves as a liaison between the Administration and Council by reviewing budgetary items and/or budget amendments in detail before they are brought forward to City Council for action.*

*\* Since three (3) Council Members serve on the FS Committee, they are very familiar with the items as they are presented for action at a City Council meeting.*

*\* There are other city employees or consultants that will give presentations on specific topics that appear on the FS Committee agenda.*

*\* The FS Committee also may meet with the Community Development & Viability Committee (CDV) on issues that involve funding, i.e., local road funding and the water & sewer budget.*

*\* The FS Committee currently has two (2) youth representatives that are non-voting members.*

**2004-0344** Election of Chairperson

**A motion was made that this matter be Approved.**

**Resolved that a unanimous ballot be cast and Melinda Hill be elected as Chairperson of the Financial Services Committee for 2004.**

**The motion carried by the following vote:**

**Aye:** Hill, Barnett, Atkinson and Zendel

**Absent:** Dalton

2004-0345

Election of Vice Chairperson

**A motion was made that this matter be Approved.**

**Resolved that a unanimous ballot be cast and Bryan Barnett be elected as Vice Chairperson of the Financial Services Committee for 2004.**

**The motion carried by the following vote:**

**Aye:** Hill, Barnett, Atkinson and Zendel

**Absent:** Dalton

2004-0346

Establish 2004 Meeting Schedule

**A motion was made that this matter be Approved.**

**Resolved that the Financial Services Committee establish their 2004 Meeting Schedule as the Third Thursday of each month at 5:00 PM, with the understanding that when issues of great importance arise, that are of interest to the residents, the Committee will re-schedule those meetings as necessary.**

**The motion carried by the following vote:**

**Aye:** Hill, Barnett, Atkinson and Zendel

**Absent:** Dalton

2004-0347

Purchasing Ordinance - Proposed Amendment

**Attachments:** Purchasing Ordinance.pdf

*The Committee reviewed Section 2-275 of Chapter 2, Administration, of the Code of Ordinances of the City of Rochester Hills, called "Purchasing Authority" and discussed the following:*

*\* Change orders to contracts previously authorized by City Council, shall be authorized without further City Council approval if there are funds budgeted to cover the change order provided that the change order does not alter the scope of the original contract and does not exceed ten percent (10%) of the original amount.*

*It was the consensus of the Committee that the ten percent (10%) threshold discussed in the above ordinance is working well for change orders and it would not be prudent to apply it to Professional Services.*

**Discussed**

Jean Farris, Supervisor of Procurement, gave an update on the following programs within the Purchasing Department :

The Mitten System

*\* The Mitten System is an electronic bidding system that allows municipalities to place their bids on the Internet to attract and share vendors within the tri-county area and as well as state and nation-wide if needed.*

*\* Rochester Hills joined a core group in March, 2003 that included Farmington Hills, Southfield, Sterling Heights, Troy, and Warren. It has expanded to twenty (20) communities.*

*\* There is no cost to the City because vendors pay \$30 annually to register and receive*

*electronic notification of bids.*

#### The P-Card Program

*\* The "P-Card" Program is basically a credit card that employees can use for approved purchases that are less than \$1,000.00.*

*\* Transactions are automatically deducted from the City's account and will be integrated with the JD Edwards Financial System to be tracked within the blanket purchase orders.*

#### The Red Book Program

*\* The Purchasing Department will be re-writing the Red Book to include the JDE financial processes that are currently being used.*

*\* A pilot program will be developed and tested regarding a more centralized approach of coordinating and combining purchases among city departments.*

*\* The Purchasing Department is fully staffed and running smoothly with Julie Hamilton focusing on the JDE Financial System.*

*The Committee thanked Ms. Farris for her update.*

**2004-0348**

#### 2005 Budget Schedule

**Attachments:** 2005 Budget & CIP Schedule.pdf

*Mr. Spaman, Finance Director, distributed the 2005 Budget & CIP Schedule which was also distributed to Department Directors and City Council Members. He reviewed the meeting dates along with the goals and/or deadlines. The schedule has basically stayed the same as 2004.*

**Discussed**

## ANY OTHER BUSINESS

#### One Time Tax Billing

*Mr. Spaman discussed the proposed state legislation that would call for an annual one-time tax levy of 100% in July versus the annual summer levy for 60% and annual winter levy for 40% of taxes. The proposed legislation is being promoted mainly by the school districts. It would have some adverse effects on the City's fiscal year, budget process and fund balance, but it could provide some cost savings resulting from the elimination of a second tax collection each year. There is much opposition including farmers and senior citizens.*

#### Michigan Next Energy Authority

*Mr. Spaman briefly discussed the Michigan Next Energy Authority that was created in 2002. They are in charge of certifying companies that use alternate energy technology and can be exempt from personal property tax. Energy Conversion Devices, LLC and Ovonic Battery Company, both located at 2956 Waterview Drive in Rochester Hills, have been certified and will be asking the City Council to approve their exemption. The administration is recommending that Council "opt out" of the local unit tax exemption. The Committee concurred.*

## NEXT MEETING DATE

*February 19, 2004 - 5:00 PM.*

## **ADJOURNMENT**

*There being no further business, Chairperson Hill adjourned the meeting at 6:30 PM*

Note:

Anyone planning to attend the meeting who has need of special assistance under the Americans with Disabilities Act (ADA) is asked to contact the Clerk's Office at 248-841-2460 at least 48 hours prior to the meeting.

*Minutes were transcribed by Sue Busam and Denise Mertz.*