



# Rochester Hills Minutes City Council Work Session

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

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Wednesday, June 20, 2007

7:30 PM

1000 Rochester Hills Drive

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**DRAFT**

## CALL TO ORDER

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

## ROLL CALL

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

**Absent:** Jim Duistermars and Greg Hooper

## Others Present:

*Bryan Barnett, Mayor  
Jim Bradford, Deputy Fire Chief  
Dan Casey, Manager of Economic Development  
Ron Crowell, Fire Chief  
Paul Davis, City Engineer  
Pam Lee, Director of Human Resources  
Jane Leslie, City Clerk  
Roger Rousse, Director of DPS/Engineering  
John Staran, City Attorney*

## PLEDGE OF ALLEGIANCE

## REVIEW OF AGENDA

President Rosen noted a correction to the text and dollar amount listed for the following Legislative File:

2007-0282 Request for Purchase Authorization - DPS/Engineering: Professional Construction Engineering Services for the Shadow Woods Subdivision Road Rehabilitation Project, increase blanket purchase order in the amount of \$63,800.00 for a new not-to-exceed amount of \$91,700.00 to Hubbell, Roth, & Clark, Inc. Bloomfield Hills, MI

## PUBLIC COMMENTS

*Ms. Melinda Hill, 1481 Mill Race, thanked City staff and all who participated in the Stream Bank Restoration presentation on June 18, 2007.*

*Mr. Lee Zendel, 1575 Dutton, commented on nine Firefighters who lost their lives in*

Charleston, South Carolina. He stated the City's Firefighters should have the finest equipment to do their job safely and effectively.

## LEGISLATIVE & ADMINISTRATIVE COMMENTS

**President Rosen** reiterated and expanded on a series of comments he made earlier in the year regarding personal conduct during City Council Meetings, that not only apply to elected officials, but candidates as well.

**Ms. Holder** stated she was in agreement with President Rosen's comments.

**Mr. Ambrozaitis** thanked Mr. John Anderson for his work with the Rochester Area Recreation Association.

**Mayor Barnett** stated his appreciation for President Rosen's comments regarding personal conduct at Council Meetings. He advised the City was preparing for the Festival of the Hills Fireworks Show, which is June 28, 2007, noting the children's entertainment would begin at 7:00 p.m., the band at 8:00 p.m., and the fireworks at 10:00 p.m.

## ADMINISTRATION

2007-0372

Request for Approval of a tax exemption for Maple Mold Technologies

**Attachments:** Agenda Summary.pdf; Agenda Summary 062007.pdf; Letter Maple Mold 052307.pdf; T&D Community Approvals.pdf; 2007 MMA T&D Members.pdf; Tax Chart 2008.pdf; Revised Financial Analysis.pdf; 0372 Suppl Info Reschedule.pdf; Resolution.pdf

**Mr. Dan Casey**, Manager of Economic Development, stated the Tool & Die Recovery Zone was established specifically for Tool & Die Manufacturers in the State of Michigan in 2004, in addition to the Renaissance Zone Act. He further stated the Recovery Zones involve one collaborative organization that could consist of up to 20 members comprised of Tool & Die Companies and/or service providers, and have joined together and have petitioned the State for the designation to become a Recovery Zone. He reminded Council they reviewed a similar request in 2005 for the Avon Broach Company, which was approved for a period of five years. He advised there are other Tool & Die Companies in Rochester Hills many of which do not qualify for the Recovery Zone Program. He stated establishing Recovery Zones is a new concept and thus, the effectiveness of this program is not known at this time. He informed Council that initially a request for a tax exemption could be a minimum of 5 years, or a maximum of up to 15 years.

**Margaret O'Reilly**, Consultant, Hartland Michigan, stated that Council's approval of this request is just the first step, an application to the State of Michigan is required. She discussed a report by the Center for Automotive Research that stated if small Tool & Die shops collaborate there could be advantageous efficiencies. She noted the following benefits of establishing a collaborative group in the Tool & Die business:

- 1) Purchasing equipment and sharing it, rather than numerous Tool & Die Companies purchasing the same item in one area.
- 2) Sharing employees who have a certain expertise and only have enough work to keep them busy 60% of the time in a work week; when the other 40% of the employee's time could be spent at another facility.
- 3) Paying a lower price for steel.
- 4) Reducing the price for health care for employees

**Mr. Douglas Bachan**, President, Maple Mold Technologies, advised he moved to Rochester Hills in 1992, purchased a building, and opened his Tool & Die Business with ten employees. He further advised as years progressed he employed 50 people. He stated currently there are 15 employees, and he struggles to locate work for them on a daily basis. He further stated he has personally invested \$500,000 into this business to keep his workers employed. He emphasized how difficult it has been to stay in business and that he has had to form collaboratives with individuals in the Tool & Die business. He commented he would like to keep his business in Rochester Hills.

**Mr. Casey** advised the estimated taxes to be paid during the requested eight years would be \$108,514, which includes a phase-in over the final three years of the exemption in 25% increments. He further advised the total taxes that would be exempted (that is the benefit that Maple Mold would receive over the eight-year period) is estimated at \$230,000. He stated the City's portion of the taxes, the amount paid to the City during the eight-year time frame, is estimated at \$19,000. He commented that the portion that would be exempted would be estimated at \$45,000 over the eight-year time frame.

**Ms. O'Reilly** advised when a Tool & Die Recovery Zone is under this program, it is attached to the company where it is located, and if the company moves, or Mr. Bachan is no longer in business, the Recovery Zone is dissolved.

**Mr. Yalamanchi** questioned Mr. Buschan if the tax abatement is approved at \$280,000 over eight years, (\$35,000 per year) would that help his Tool & Die Business begin to thrive.

**Mr. Bachan** replied he would purchase new equipment so he is able to stay competitive with other Tool & Die shops.

**Mr. Yalamanchi** requested an evaluation of Maple Mold Technologies to check the progression of the company for items such as financial stability and employee growth, to determine the validity of the City approving a Recovery Zones in the future.

**Ms. O'Reilly** stated the State of Michigan requires a yearly audit of the companies in the collaborative. She further stated the State of Michigan is very strict on these audits, as the State is giving up a lot and they need to be sure that the companies are doing what they agreed to do.

**Mayor Barnett** indicated an overall frustration with the program, as the City is not reimbursed for anything; yet is still required to perform all services.

**Ms. Raschke** stated she was in favor of keeping jobs here in Michigan.

**Mr. Yalamanchi** stated he was in favor of allowing Maple Mold to be a Recovery Zone, but cautioned Council that they need to look at the possibility of other companies coming to them for Tax Abatements as well as Recovery Zones.

**President Rosen** requested Mr. Casey to bring information regarding recent Tax Abatements within the City to Council for their review.

#### Discussed

2007-0382

Request for Approval to prepare and submit an RFP for the the purchase of fire apparatus consisting of two Rescue/Pumpers and one Ladder Truck

**Attachments:** Agenda Summary.pdf; Apparatus Presentation.pdf; Resolution.pdf

**Mr. Ron Crowell**, Fire Chief, stated the need to replace two Rescue/Pumpers and a

Ladder Truck (Quint). He further stated that it takes approximately 12 to 18 months to build the vehicles, and if they are included in the 2008 Budget, they would be able to take delivery on them in 2008. He informed Council of the cost savings if a cooperative purchase was made with two other Fire Departments. He stated the cost for the Pumpers would be about \$350,000 each and a 75-foot Ladder Truck would cost about \$550,000.

**Mr. Ambrozaitis** questioned if there was a similar truck available for purchase that would fulfill the same quality of service, but would be smaller and more fuel-efficient.

**Chief Crowell** stated the fire vehicles could be shortened by four feet. However the Fire Department needs to meet certain requirements so the vehicle would be classified as a Class A Pumper.

#### Discussed

2007-0373

Request for Purchase Authorization - FIRE: Project Budget for Fire Apparatus Exhaust Extraction Systems for City Fire Stations 1, 2, 3 and 4 in the amount not-to-exceed \$175,000; Nederman, Inc., Westland, Michigan and other contractors, as required.

**Attachments:** Agenda Summary.pdf; Proposal Tabulation.pdf; Resolution.pdf

**Mr. Jim Bradford**, Deputy Fire Chief, stated the Fire Department was requesting to purchase an Exhaust Extraction System for City Fire Stations 1,2,3,and 4. He further stated the Nederman Corporation was selected as it has the most effective system for removing exhaust gasses from vehicles, which operate within the Fire Station facility, noting the Nederman Company's system is specifically designed for Fire Stations. He stated the price includes the removal of the current systems at the Fire Stations, which are inoperable.

**President Rosen** questioned if this system was similar to what is used in a car dealership.

**Deputy Fire Chief Bradford** stated it is similar; but has a "quick release" and has to be manually hooked up to the vehicle when pulling into the Fire Station. He further stated it is a Code requirement by MIOSHA to have an Exhaust System installed.

**Ms. Raschke** stated in years past a Firefighter would be exposed to hazardous fumes when he had to manually hook up the Fire Truck to the Exhaust System inside the Fire Station.

**Deputy Fire Chief Bradford** informed Council the proposed system has a handle on the hose, so that the person hooking up the hose is not actually sticking their face down into the exhaust to hook it up. He further explained the hook-up has a magnetic plate, which attaches inside of the apparatus. He advised the new trucks would automatically have this design, which will be installed at the factory. He commented that other communities have used this system and have had excellent things to say about it.

#### Discussed

2007-0389

Request for Waiver of Ordinance - Mill Race Road Extension

**Attachments:** Agenda Summary.pdf; Ordinance.pdf; Road and Parcels.pdf; Mill Race Pics.pdf; Resolution.pdf

**Mr. Paul Davis**, City Engineer, stated Mr. Howard Elandt, Winkler Mill LLC, 6420 Cornerstone Dr., is requesting a 200 ft. road extension on Mill Race Road.

**Ms. Melinda Hill**, 1481 Mill Race Road, noted various aspects of Mill Race Road that she and other residents enjoy, and do not want to see altered.

**Mr. Davis** stated that safety was the first priority along the roadway for the residents. He further stated the Planning Department required Mr. Elandt to do a tree survey and identify what trees were going to be removed.

**Mr. Ambrozaitis** suggested the residents should have one representative to convey their thoughts and concerns.

**Mr. Davis** stated the Ordinance requires the road construction to be a Class C Standard. He further stated Mr. Elandt was before Council to receive a variance requiring the Class C Standard. He advised the approved construction plans were offset to the south to avoid the existing trees on the north side of the road where there are three homes.

#### Discussed

2007-0409

Request for Purchase Authorization - DPS/ENG: Livernois Boulevard Irrigation System Project in the amount of \$150,000; Michigan Automatic Sprinkler, Inc., Commerce Twp, MI and Michigan Lawn Maintenance, Inc. d/b/a/ Sherman Nursery Farms, Columbus, MI

**Attachments:** Agenda Summary.pdf; Proposal Tabulation.pdf; Resolution.pdf

**Mr. Roger Rousse**, Director of DPS/Engineering, stated this project was funded with Metro-Act Funds, which are monies appropriated to the City each year for right-of-way maintenance. He further stated the City has received multiple complaints regarding the seed mixture and how the trees were growing on the boulevard. He advised staff was working closely with a sprinkler company that is willing to design a system within the City's budget. He stated there would be concrete placed in some locations of Livernois Road boulevard where it would be difficult to irrigate, and installation costs of an Irrigation System in that small of an area would not be justified.

**Mr. Rousse** stated the Forestry Department evaluated all vegetation on the boulevard and advised what they thought would survive and removed what would need to be replaced.

**Mr. Yalamanchi** asked if the City could connect to a well to water the grass and trees on the City's boulevards.

**Mr. Rousse** replied the wells would require an increase to the initial investment already slated for this project. He stated he would do a cost analysis for using wells. He further stated with a well there would be ongoing maintenance and upkeep costs. He advised that existing vegetation could be salvaged with the installation of an irrigation system. He felt the City's Forestry and Parks Department could help in developing a landscape plan.

**Mr. Ambrozaitis** asked what the cost of water would be to keep the plants and shrubbery watered on the boulevard.

**Mr. Rousse** replied that he would estimate that the water costs would be somewhere in the thousands of dollars.

**Mr. Ambrozaitis** suggested the possible use of vegetation that would not need excessive maintenance in the upkeep of the boulevard.

**Mr. Rousse** stated that concept would be covered in the landscape plan.

*Ambrozaitis* inquired if this would be brought before Council again.

*Mr. Rouse* stated it would return to Council as another CIP Project.

**PUBLIC COMMENT**

*Ms. Melinda Hill*, 1481 Mill Race, stated she was not in favor of installing an Irrigation System on this boulevard and then adding additional expense for landscaping. She suggested using rocks and native grasses so no mowing would be required.

*Mr. Lee Zendel*, 1575 Dutton, suggested drip irrigation as a means to water the boulevard. He commented that the City could have a well drilled on the boulevard, and the only costs involved for the remainder of the upkeep of the site would be a charge for electricity.

*Mayor Barnett* stated his office has received many complaints from residents regarding this boulevard. He further stated that by beautifying this area, many residents' concerns would be addressed, and would be appreciated by all of those residents who travel through the area on a regular basis.

*Mr. Rouse* stated he has observed what other communities have constructed on their boulevards, and the only way to accomplish it was to install an Irrigation System. He noted that this project is most worthy of the Metro Act Funds available to the City.

*Mayor Barnett*, advised over the past three to four years the City has received approximately \$200,000 annually from Metro Act funds. He stated he would address another boulevard issue in 2008.

*Ms. Melinda Hill* encouraged Council to consider putting rocks in the boulevard rather than solid pavement. She suggested the use of salt and drought intolerant plants to help beautify the boulevard.

*Mr. Paul Miller*, stated he was not in favor of having an Irrigation System installed in the boulevard.

**Discussed**

**2007-0282**

Request for Purchase Authorization - DPS/Engineering: Professional Construction Engineering Services for the Shadow Woods Subdivision Road Rehabilitation Project, increase blanket purchase order in the amount of \$63,800.00 for a new not-to-exceed amount of \$91,700.00 to Hubbell, Roth & Clark, Inc., Bloomfield Hills, MI

**Attachments:** Agenda Summary.pdf; Amended Proposal.pdf; HRC Proposal.pdf; Agenda Summary 042507.pdf; Resolution 042507.pdf; Resolution.pdf

*Mr. Paul Davis*, City Engineer, advised the employee responsible to do the inspections for the Shadow Woods project would be absent from work for an extended period of time. He further advised that at an appropriation of funds was brought before Council to have a consultant perform inspections as needed. He requested Council to increase the already blanketed amount of \$63,800 to \$91,700, and that would allow the firm that the City was originally going to use as needed to provide full time inspections. He commented that if and when the City employee is able to return to work, the inspections would again become his responsibility, and the consultant will no longer do inspections.

*Mr. Ambrozaitis* questioned why the City did not have an additional inspector on staff to complete the inspections on this project.

*Mr. Davis explained the City Engineering Department has three full-time inspectors that are very knowledgeable for inspecting City projects. He further explained when City staff is not available for inspections; they have an option to hire outside consultants.*

**Discussed**

**2007-0411**

Request for a "New from Quota" Class C Liquor License from Los Cuatro Amigos, Inc. to be located at 870 S. Rochester Road, Rochester Hills, Michigan 48307

**Attachments:** Agenda Summary.pdf; Application Info.pdf; Letter from Attorney 051107.pdf; Los Cuatro Amigos - Dept. Reports.pdf; Resolution.pdf

*Ms. Kelly Allen, Attorney, Los Cuatro Amigos, stated Mark and Cheryl Fields, owners, propose to open an authentic Mexican Restaurant. She requested Council designate to Los Cuatro Amigos one of the last two remaining Quota Licenses. The owner of the property plans to refurbish the entire exterior of the shopping mall area.*

*Ms. Raschke commented the property refurbishment will be a big improvement, and the new restaurant will be the anchor of the L shaped mall.*

*Ms. Kelly stated Los Cuatro Amigos is a Kentucky Corporation, and they are authorized to do business in the State of Michigan.*

*Mr. Mark Fields, owner of Los Cuatro Amigos, stated that he is from the east side of Detroit and still has family in that area.*

*President Rosen stated he discussed this issue with Mr. John Staran, City Attorney, and he was informed that it was at the Council's discretion of whether or not to allow Los Cuatro Amigos to receive one of the last two Quota Licenses. He commented that the Liquor Committee gave no recommendation.*

**Discussed**

**2007-0399**

Salary Recommendation for Directors' General Adjustment - 2008

**Attachments:** Agenda Summary.pdf; Meeting Memo 042407.pdf; CPI Data.pdf; Dir & Mayor 2008 Salary Rec.pdf; EE Group Wage Adjustments.pdf; General Adjustments Survey 2007.pdf; Resolution.pdf

*Ms. Pam Lee, Director of Human Resources, stated the Human Resource Technical Committee (HRTC) met and made the recommendation to Council for a 2.3 % pay adjustment for Department Directors for the year 2008.*

*Mr. Ambrozaitis requested clarification regarding the Longevity Benefit for City employees.*

*Ms. Lee explained the Longevity Benefit is based on the number of years an employee has worked with the City and begins when the employee has accumulated five years of consecutive service, up to a maximum of eighteen years.*

*Mr. Yalamanchi asked Ms. Lee to prepare a chart of the Longevity percentages for the Directors, and supply Council with a copy at their next meeting.*

**Discussed**

**Mr. Duistermars entered at 10:12 p.m.**

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

**Absent:** Greg Hooper

**2007-0398**

Salary Recommendation for Directors' Equity Adjustment Pool - 2008

**Attachments:** Agenda Summary.pdf; Meeting Memo 042407.pdf; RH Director Desc.pdf; 2007 Director\_Deputy Comparison.pdf; MML Descriptions.pdf; Assessor.pdf; Building.pdf; City Clerk.pdf; Finance.pdf; Fire.pdf; Human Resources.pdf; MIS.pdf; Planning & Econ Devel.pdf; Publi

**Ms. Pam Lee**, Director of Human Resources, stated the recommendation of the Human Resource Technical Committee is to maintain the current Equity Adjustment Pool for Directors.

**Discussed**

**2007-0400**

Salary Recommendation for Directors' Variable Performance (Discretionary) Pool - 2008

**Attachments:** Agenda Summary.pdf; Meeting Memo 042407.pdf; Resolution.pdf

**Ms. Pam Lee**, Director of Human Resources, stated the recommendation of the Human Resource Technical Committee for the Director's Discretionary Performance was to keep the \$20,000 which is consistent with last year's recommendation.

**Mr. Ambrozaitis** asked if Council would be provided with how the \$20,000 was distributed.

**Ms. Lee** stated it was the Mayor's prerogative to determine how the fund is distributed amongst the Directors..

**Mr. Yalamanchi** recommended to Council that they may either reduce or increase the amount of the fund, but let the prerogative of making the decision as to how much a Director receives up to the Administration.

**Discussed**

**2007-0401**

Salary Recommendation for Mayor - 2008

**Attachments:** Agenda Summary.pdf; Meeting Memo 042407.pdf; Dir & Mayor 2008 Salary Rec.pdf; Mayor.pdf; Resolution.pdf

**Ms. Pamela Lee**, Director of Human Resources, stated the salary recommendation of the Human Resource Technical Committee for the Mayor is 2.3%.

**Discussed**

**2007-0402**

Salary Recommendation for City Council - 2008

**Attachments:** Agenda Summary.pdf; Meeting Memo 051507.pdf; 2006 CC Comp.pdf; CC and B&C Survey 2007.pdf; CC Compensation Survey 2007.pdf; CC Wage Adjustments.pdf; Resolution.pdf

**Ms. Pam Lee**, Director of Human Resources, stated the recommendation is in conjunction with other Boards and that is \$65.00 per meeting, that is an increase of \$5 per meeting.



*Mr. Yalamanchi* stated he was not in favor of increasing Council's pay per meeting.

*Ms. Holder* stated the \$5 increase would only occur after 32 meetings.

*Mr. Duistermars* commented that he was not in favor of a salary increase for Council Members.

#### Discussed

2007-0298

Discussion of the Defined Contribution Retirement Plan for City Council Members

**Attachments:** Agenda Summary.pdf; 062707 Agenda Summary.pdf; 050207 Agenda Summary.pdf; CC Minutes 050207 .pdf; Memo P. Lee 041007.pdf; Resolution.pdf

*Ms. Pam Lee*, Director of Human Resources, stated the Human Resource Technical Committee recommended that there be no change be made to the current Council's Defined Compensation Plan.

*Ms. Holder* stated that she felt each Council Member would be independently responsible to make their own decision concerning this issue.

*Ms. Raschke* stated that she felt it was a personal choice of each Council Member to either participate or opt out of the Plan.

#### Discussed

2007-0403

Salary Recommendation for Boards & Commissions - 2008

**Attachments:** Agenda Summary.pdf; 2006\_2007 B&C Comp.pdf; 2007 City Council B&C Survey.pdf; Cover Memo for May 15.pdf; Resolution.pdf

*Ms. Pam Lee*, Director of Human Resources, stated the Human Resource Technical Committee (HRTC) had no recommendations for Boards & Commissions. She noted that in other local communities there is no compensation for any of their Boards or Commissions and that was the basis for the HRTC's decision.

#### Discussed

## CITY COUNCIL

### ANY OTHER BUSINESS

*Mr. Ambrozaitis* inquired when the Blight Ordinance would be brought to Council for review.

*President Rosen* stated the Blight Ordinance is a large item and needs a substantial amount of time for discussion, and would return for discussion at the August 1st meeting or the August 8th meeting.

*Ms. Raschke* requested a letter be sent to the proprietors of the Sears Essentials parking lot thanking them for repaving it.

*Mayor Barnett* stated June 22 and 23 is the Relay for Life event days, which will be held at the Hart Middle School. He advised the City employees have held numerous

*fundraisers to benefit the American Cancer Society.*

## **NEXT MEETING DATE**

*Wednesday, Regular Meeting, June 27, 2007 at 7:30 p.m.*

**President Rosen** advised Council there would not be a meeting on Wednesday, July 4 due to the Holiday. He further advised of the possible cancellation of the July 11th meeting due to the lack of Agenda items. He stated Mayor Barnett and Clerk Leslie will check with each department to determine if there are items that need to be brought before Council on July 11, 2007 and that Council would be advised of the meeting cancellation by June 29, or July 2, 2007. President Rosen also discussed with Council the November and December meeting schedule. He reminded Council of the past practices of not holding the first meeting of the year on January 2; thus, the first meeting of 2008 would be on Wednesday, January 9, 2008.

**Mayor Barnett** informed Council that he sent a letter to the Auburn Hills City Council accepting their invitation to attend one of their Council meetings and stated their response would come via the Clerk's Office. He stated the Administration suggested a Tuesday evening meeting so it would not interfere with a Planning Commission Meeting night.

## **ADJOURNMENT**

*There being no further business before Council, President Rosen adjourned the meeting at 10:55 p.m.*

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*JAMES ROSEN, President  
Rochester Hills City Council*

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*JANE LESLIE, Clerk  
City of Rochester Hills*

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*SUE SMITH  
Administrative Secretary  
City Clerk's Office*

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