



# Rochester Hills

## Minutes - Draft

### City Council Regular Meeting

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

*Greg Hooper, Nathan Klomp, Adam Kochenderfer, James Rosen, Mark Tisdel,  
Michael Webber and Ravi Yalamanchi*

*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."*

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Monday, December 12, 2011

7:00 PM

1000 Rochester Hills Drive

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## CALL TO ORDER

*President Hooper called the Regular Rochester Hills City Council Meeting to order at 7:05 p.m. Michigan Time.*

## ROLL CALL

**Present** 7 - Greg Hooper, Nathan Klomp, Adam Kochenderfer, James Rosen, Mark Tisdel, Michael Webber and Ravi Yalamanchi

## Others Present:

*Bryan Barnett, Mayor  
Tara Beatty, Chief Assistant  
Scott Cope, Director of Building/Ordinance Compliance  
Kurt Dawson, Director of Assessing/Treasury  
Susan Galeczka, Deputy City Clerk  
Mike Hartner, Director of Parks and Forestry  
Sean Kosecki, Rochester Hills Government Youth Council Representative  
Ed Leafdale, General Foreman  
Keith Sawdon, Director of Finance  
Allan Schneck, Director of DPS/Engineering  
John Staran, City Attorney*

## PLEDGE OF ALLEGIANCE

## APPROVAL OF AGENDA

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

**Aye** 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdel, Webber and Yalamanchi

## PUBLIC COMMENT

**Scot Beaton**, 655 Bolinger Street, expressed his appreciation for the Planning Commission's discussion of the new sign for City Hall, and stated that it is unfortunate that the process is so far along that the Commission did not have the opportunity to weigh in on what the sign would look like. He mentioned that there was a brief discussion during the meeting regarding the possibility of drafting an ordinance to specify that any municipal improvement should go for review just as any private sector proposal does.

**Kim Barno**, 891 River Bend Drive, stated that she read an article that states that Magna Gas would be moving to Rochester Hills. She commented that she learned that the company produces synthetic gas products from organic materials and questioned what the permit process is to allow them to locate a plant in the City. She expressed concern that the manufacturing process for this material could be dangerous and questioned whether the City has conducted an environmental impact study or created an evacuation plan in the event an accident might occur.

**Peggy Fisher**, 3508 Wedgewood Drive, expressed concern over declining home values in the city, noting a drop in values of approximately 25 percent since 2006. She commented that home values are based on positive perception of the community, and she requested that the City implement a strategy to increase values. She suggested a move to develop new parks, implement a purchasing program to give residents discounts, or allow a reduction in taxes for first-year residents of the City.

**Alice Benbow**, 1582 Northumberland, commented that controversial agenda items such as Smart Meters should not be placed last on Council's agenda. She commented that corporations should not be given tax exempt status.

## LEGISLATIVE & ADMINISTRATIVE COMMENTS

**President Hooper** noted that this is the last meeting of 2011 and wished everyone a Merry Christmas and a safe holiday season. In response to Public Comment, he stated that the City's Sign Ordinance is under review. He mentioned that he does not know anything about Magna Gas or their proposed relocation to the City. He stated that the City has known about declining home values since 2008 and completes a comprehensive financial outlook every year. He mentioned that Oakland County's current projection is that values will not bottom-out until 2014. He stated that the City does everything it can to enhance and increase home values and noted that each Council member is affected by the values.

**Mr. Webber** expressed his wish that everyone has a Merry Christmas, Happy Holidays and a safe New Year.

**Mr. Klomp** expressed his holiday wishes to everyone.

**Mr. Kochenderfer** noted that declining home values have been experienced throughout all of southeast Michigan. He commented that as Council reviews the City's budget, it will look toward where cost savings and efficiencies can be realized without slashing services.

**Mr. Rosen** encouraged everyone to celebrate the holidays safely.

**Mr. Tisdell** expressed his holiday wishes to everyone. He commented that falling real estate values are in part due to demographics. He mentioned that 78 million aging "Baby Boomers" once created housing demands and are now followed by 46 million "Generation X-ers"; and he noted that this signifies a 41 percent decrease in potential home buyers. He pointed out that 80 million "Millennials" will not reach their peak spending until 2025. He stated that he is a big believer in promoting Rochester Hills as a preferred destination for families.

**Mr. Yalamanchi** wished everyone a Merry Christmas and Happy Holidays.

**Sean Kosecki**, Rochester Hills Government Youth Council (RHGYC) Representative, reported that the RHGYC participated in the Rochester Hometown Christmas Parade and helped at the City's Holiday Family Fun Night. He announced that the group's Youth Summit, targeting students in grades Eight through Twelve, will be held on March 10, 2012.

**Mayor Barnett** expressed Holiday Greetings to everyone. He reported that the City held a holiday luncheon for staff today and announced that Al Brown, Park Ranger II, is the City's Employee of the Year, and Tracey Balint, Project Engineer, Jason Dale, Media Production Technician, and Diane Keller, Accountant, were all recognized as well. He made the following announcements:

- The Holiday Helpers Giving Tree has once again had all its tags taken by companies who will be purchasing gifts for needy families. Thanks go to everyone who participated.
- The City lost a long-time employee this week, with the passing of Doug Haselhuhn, Crew Leader. Thoughts and prayers go to Mr. Haselhuhn's family.
- Residents are encouraged to watch Rochester Hills Television for announcements on City Hall hours and upcoming events.

In response to Public Comment, Mayor Barnett responded with the following:

- The Administration learned of Magna Gas' interest in locating in the City from the Rochester Patch and began making inquiries immediately. Magna Gas proposes to locate a sales office here with one employee initially, with the potential to grow to three-to-five employees. The City has only known about Magna Gas for eight days; however, as information is received, City staff will ensure that the company follows all Building Code regulations and undertakes a complete zoning review.
- An Oakland Press article listing 2010 home values in Oakland County communities reported that Rochester Hills is fourth on the list in terms of the highest performing communities to retain values. While the Administration

*recognizes declining values, it also notes that the community has many amenities that help retain values, such as the Rochester Hills Public Library, excellent schools, the Older Persons' Center, and many more tangible benefits. Last year, the City eliminated the fees and inspection costs for neighborhood associations who wish to improve their entryways. The City is not running out of money; in fact, it will finish the year \$4 million under budget.*

*- Smart Meters are on the agenda tonight with DTE Energy representatives and staff in attendance to provide additional information.*

## ATTORNEY MATTERS

*City Attorney John Staran had nothing to report.*

## PRESENTATIONS

- 2011-0567 Proclamation in Recognition of Eagle Scout Jacob Bertolet for his outstanding achievement in planning, implementing and completing his Eagle Scout Project at the City of Rochester Hills Department of Public Service Facility

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

*Mayor Barnett stated that recognizing individuals who do outstanding things for the community is one of the nicer parts of his job. He commented that the City has been blessed with a tremendous relationship with the community's Eagle Scouts; and Ed Leafdale, General Foreman, has worked with the Scouts on a dozen projects in the community. He commended Jacob Bertolet, Tanner Ellsworth, Jacob Lowder and Chris Ogg for completing their Eagle Scout projects at Veterans Memorial Pointe and at the DPS Facility, and read a proclamation recognizing their efforts.*

*It was noted that Tanner Ellsworth was not in attendance as he was taking his final examinations at Brigham Young University.*

*Council extended their congratulations to the Scouts.*

**See Also Legislative Files 2011-0569, 2011-0570 and 2011-0571.**

### **Presented.**

**Whereas**, Boy Scouts of America provides young men with opportunities to become proficient outdoorsmen, learn skills, and participate in community activities; and

**Whereas**, Young men, who master scouting skills, dedicate their efforts to upholding the Boy Scout Pledge and serve their community with honor, can attain the rank of Eagle Scout, the highest rank in Scouting; and

**Whereas**, Jacob Bertolet, Boy Scout Troop 123, planned, organized, and executed a major service project at the Rochester Hills Department of Public Service Facility. Jacob designed, built, and installed a bridge connecting the building area with the parking lot, eliminating the need for people to walk around the lot to enter the building; and

**Whereas**, In building the bridge, Jacob worked closely with Rochester Hills Department of Public Service and Building Department personnel. Jacob had to adapt his plans to Building Department codes and inspections, which meant he had to redesign the bridge to meet those codes; and

**Whereas**, Jacob enlisted the help of 36 volunteers who logged over 384 hours in planning, fundraising, and executing this project.

**Now, Therefore, Be It Resolved**, that the Mayor and City Council of the City of Rochester Hills hereby recognize and congratulate Jacob Bertolet on attaining the rank of Eagle Scout, and offer our sincere best wishes for his future.

**2011-0569** Proclamation in Recognition of Eagle Scout Tanner Ellsworth for his outstanding achievement in planning, implementing and completing his Eagle Scout Project at Veterans Memorial Pointe

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

**See Also Legislative File 2011-0567.**

**Presented.**

**Whereas**, Boy Scouts of America provides young men with opportunities to become proficient outdoorsmen, learn skills, and participate in community activities; and

**Whereas**, Young men, who master scouting skills, dedicate their efforts to upholding the Boy Scout Pledge and serve their community with honor, can attain the rank of Eagle Scout; and

**Whereas**, Tanner Ellsworth, Boy Scout Troop 298, planned, organized, and executed a major service project at Veterans Memorial Pointe. Tanner designed and built a Civil War Memorial Garden to honor the soldiers from Oakland County who fought in the Civil War; and

**Whereas**, To honor the Veterans, Tanner had a plaque made with a quote by President Abraham Lincoln that reads, "I pray that our heavenly Father may assuage the anguish of your bereavement, and leave you only the cherished memory of the loved and lost, and the solemn pride that must be yours to have laid so costly a sacrifice upon the altar of freedom."; and

**Whereas**, In planting, preparing, landscaping and planting the Civil War Memorial Garden, Tanner stated that he hoped this monument will help the people of Rochester Hills and Oakland County appreciate the great freedoms we have, and will stand as a reminder of those who made the ultimate sacrifice during the Civil War.

**Now, Therefore, Be It Resolved**, that the Mayor and City Council of the City of Rochester Hills hereby recognize and congratulate Tanner Ellsworth on attaining the rank of Eagle Scout, and offer our sincere best wishes for his future.

**2011-0570** Proclamation in recognition of Eagle Scout Jacob Lowder for his outstanding achievement in planning, implementing and completing his Eagle Scout Project at Veterans Memorial Pointe

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

**See Also Legislative File 2011-0567.**

**Presented.**

**Whereas**, Boy Scouts of America provides young men with opportunities to become proficient outdoorsmen, learn skills, and participate in community activities; and

**Whereas**, Young men, who master scouting skills, dedicate their efforts to upholding the Boy Scout Pledge and serve their community with honor, can attain the rank of Eagle Scout, the highest rank in Scouting; and

**Whereas**, Jacob Lowder, Boy Scout Troop 298, planned, organized, and executed a major service project at Veterans Memorial Pointe. Jacob power washed the gazebo, the small bridge, and all brick walkways. He replaced damaged cedar floorboards in the gazebo and re-stained both the gazebo and bridge. He edged around the brick walkways, filled gaps with sand, and re-sealed the bricks; and

**Whereas**, In addition to planning, organizing, and raising the necessary funds, Jacob inspired 38 volunteers to work approximately 188 hours on this project; and

**Whereas**, Jacob's hard work and dedication to this restoration project will allow Veterans Memorial Pointe to continue to be a place of beauty in our community, as well as a place of honor for reflection and recognition of veterans who have served our country.

**Now, Therefore, Be It Resolved**, that the Mayor and City Council of the City of Rochester Hills hereby recognize and congratulate Jacob Lowder on attaining the rank of Eagle Scout and offer our sincere best wishes for his future.

**2011-0571** Proclamation in recognition of Eagle Scout Chris Ogg for his outstanding achievement in planning, implementing and completing his Eagle Scout Project at Veterans Memorial Pointe

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

**See Also Legislative File 2011-0567.**

**Presented.**

**Whereas**, Boy Scouts of America provides young men with opportunities to become proficient outdoorsmen, learn skills, and participate in community activities; and

**Whereas**, Young men, who master scouting skills, dedicate their efforts to upholding the Boy Scout Pledge and serve their community with honor, can attain the rank of Eagle Scout, the highest rank in Scouting; and

**Whereas**, Chris Ogg, Boy Scout Troop 125, planned, organized and executed a major service project to build an Honor Guard Station at Veterans Memorial Pointe to benefit veterans. The Honor Guard Station is a place of honor for Veterans to be able to safely discharge their weapons during ceremonies; and

**Whereas**, In addition to designing, planning, and raising the necessary funds, Chris



inspired 22 volunteers to work approximately 236 hours on this project. The Honor Guard Station was used for the first time on Memorial Day 2010; and

**Whereas**, Chris has been an active scout, participating in High Adventures Scouting including hiking at the Philmont Scout ranch in New Mexico and hiking the Appalachian Trail. He also served on the Mackinaw Island Honor Guard in 2009.

**Now, Therefore, Be It Resolved**, that the Mayor and City Council of the City of Rochester Hills hereby recognize and congratulate Chris Ogg on attaining the rank of Eagle Scout and offer our best wishes for his future success in Law Enforcement.

**2011-0581** Presentation on the Department of Public Services Winter Operations; Allan Schneck, Director of DPS/Engineering, presenter

**Attachments:** [Agenda Summary.pdf](#)  
[Presentation.pdf](#)

**Allan Schneck**, Director of DPS/Engineering, gave the following presentation regarding the City's Winter Operations:

Winter Operations:

- 38 miles of Major Roads maintained
- 242 miles of Local Roads
- 620 Cul-De-Sacs and Eyebrows
- 86 miles of Pathways

He displayed a map which highlighted six major plow routes.

Winter Operations - Equipment:

- 17 Plow Trucks
- 2 Road Graders
- 14 4x4 Pickups

He noted that thirty drivers help maintain the streets. He displayed a graphic which suggested ways for residents to clear driveway approaches to ensure that their drives are not blocked by plowed snow. He stated that residents should not shovel snow from driveways back into the streets and commented that anyone with concerns can contact DPS staff at 248-656-4685.

Winter Operations - Snow Events:

- Category 1 - Snowfall of less than four inches
  - \* Major Roads and Emergency Routes - 38 miles of major roads that are traveled by the most vehicular traffic as well as emergency vehicles. These roads are plowed and salted on a 24-hour basis, seven days a week as needed.
- Category 2 - Snowfall of four or more inches throughout the City
  - \* Major Roads and Emergency Routes - 38 miles of major roads that are traveled by the most vehicular traffic as well as emergency vehicles. These roads are plowed and salted on a 24-hour basis, seven days a week as needed.
  - \* Local Roads - 242 miles of local roads are plowed and salted on an as-needed basis, 24 hours a day, seven days a week. When plowing local

roads, the City is divided into six plow routes. The routes begin on the East and West sides of the City and progress toward the middle.

- Category 3 - Snowfall of more than eight inches

\* Major Roads and Emergency Routes - 38 miles of major roads that are traveled by the most vehicular traffic as well as emergency vehicles. These roads are plowed and salted on a 24-hour basis, seven days a week as needed.

\* Local Roads - 242 miles of local roads are plowed and salted on an as-needed basis 24 hours a day, seven days a week. When plowing local roads, the City is divided into six plow routes. The routes begin on the East and West sides of the City and progress toward the middle.

Mr. Schneck noted that the City's Winter Operations Policy, along with information on snow plowing routes and what roads are maintained by the City, the State and the County are available on the City's website on the Department of Public Services web page.

### **Council Discussion:**

**Mr. Klomp** mentioned that the timing of the snowfall affects how long it takes to clean the roadways. He questioned whether the same drivers are assigned to each route.

**Mr. Schneck** responded that many of the City's drivers have 15 to 20 years of seniority. He noted that maintaining the same personnel for each route ensures that drivers are aware of the roadway configuration and know where approaches and turn lanes are. He mentioned that last year the City produced a ten-minute video of snowplowing activities from a plow driver's perspective. He stated that the video helps to inform residents about how the drivers go about doing their jobs, and emphasizes safety. He stated that the video was featured on the Michigan Municipal League's website and runs on Rochester Hills Television.

### **Presented.**

**2011-0573** Presentation of the City's Shared Services Summary Report; Tara Beatty, presenter

**Attachments:** [Agenda Summary.pdf](#)  
[Shared Services Summary Report.pdf](#)

**Mayor Barnett** explained that the Shared Services Summary Report will be submitted to the State of Michigan. The report which highlights the City's efforts toward shared services and consolidation, once submitted, will comply with State requirements and allow the disbursement of an additional \$19,500 in State Shared Revenue to the City.

**Tara Beatty**, Chief Assistant, explained that the State of Michigan has set aside \$200 million in statutory revenue to establish the Economic Vitality Incentive Program. Each city receiving greater than \$4,500 in Fiscal Year 2010 that fulfills the requirements for the program will be eligible to receive this funding. Categories included for reporting purposes include accountability and transparency, consolidation of services, and employee compensation practices. She noted that Rochester Hills has a long history of collaboration, highlighting the City's partnership with the Clinton River Watershed Council (CWRC) to lease the



former Environmental Education Center (EEC) building, providing accounting services to the Rochester-Avon Recreation Authority and the Older Persons Commission (OPC), and sharing Building Department employees between the City and Shelby Township.

She stated that while the report document does not list every one of the City's extensive partnerships, it captures the essence of these partnerships. She stated that several collaboration projects are in the works, and to date, the City has realized an estimated savings of over \$5 million and additional revenues of over \$100,000. She explained that the report is due in Lansing on January 1st and will fulfill the final requirement to capture the last portion of the economic incentive program funding.

**Public Comment:**

**Dee Hilbert**, 3234 Quail Ridge Circle, questioned whether Council approved the leasing of the former EEC to the CWRC.

**President Hooper** responded that Council did approve this.

**Mayor Barnett** stated that the City combined the Museum and the EEC under the same department, and noted that the partnership with the CWRC to utilize an empty City building and add a stream of revenue is a great end result. He pointed out that the CWRC's involvement also factored into the grant received for the work done on the Avon Creek Rehabilitation Project.

**Council Discussion:**

**Mr. Yalamanchi** questioned how the Administration determined the savings involved.

**Keith Sawdon**, Director of Finance, stated that the total savings was determined by both increased revenues and savings realized for elements of the shared services that the City does not have to take on as part of its responsibility. He explained that the OPC is a good example, noting that they serve Rochester, Rochester Hills and Oakland Township and provide programs and services to seniors that the City might otherwise have to take on. He noted that the Administration wanted to be conservative in its estimates of savings.

**Mr. Yalamanchi** mentioned the Rochester Hills Public Library's location in Rochester is an example of collaboration between communities.

**Mr. Sawdon** stated that in the case of the Library, if a cooperative arrangement did not exist between Rochester, Rochester Hills and Oakland Township, it would be difficult to determine whether the City would have developed a smaller library. He commented that revenues coming in from the other two participating entities help offset the costs of the library.

**Mr. Yalamanchi** suggested that the City's reporting could also review the entire budgets of these common programs and agencies and show what the total impact and benefits are for the region.

**Mr. Sawdon** responded that the report presents the savings for Rochester Hills residents only, highlighting what additional costs the City and its residents would bear if these entities were not in place.

**Mayor Barnett** noted that this document was prepared along with the City's Performance Dashboard and follows the reporting requirements spelled out as a part of that process.

**Mr. Yalamanchi** added that transferring Dispatch Services to Oakland County was a direct action that led to savings.

**Presented.**

**2011-0574** Update on installation of Smart Meters; Mike Palchesko, DTE Regional Manager of Corporate & Government Affairs

**Attachments:** [Agenda Summary.pdf](#)  
[Suppl DTE Presentation.pdf](#)  
[Resolution.pdf](#)

**President Hooper** stated that DTE Energy representatives were requested to provide information on the Smart Meter Program to address residents' concerns. He explained that tonight's format will include DTE's presentation and any Council comments, followed by public comments. He noted that a draft resolution was included in the meeting packet for Council consideration.

**Mike Palchesko**, Regional Manager of Corporate Government Affairs, and **Bob Sitkauskas**, Project Manager for the Advanced Metering Infrastructure (AMI) Project, were in attendance from DTE Energy.

**Mr. Palchesko** mentioned that a November 29th outage in the northwest portion of the City was tree-related. He explained that a number of outages occurred in that area in 2010 and again earlier this year, and commented that DTE will continue to review that circuit.

**Mr. Sitkauskas** stated that DTE's SmartCurrents Program is comprised of three attributes: Advanced Metering Infrastructure (AMI), SmartHome and SmartCurrents. He noted that these three components are all being worked on here in Oakland County. He gave the following presentation regarding the AMI program:

Advanced Metering Infrastructure

- DTE Energy received a Department of Energy Grant to implement SmartCurrents.

What is Advanced Metering Infrastructure?

- The AMI project is DTE Energy's plan to upgrade or replace natural gas and electrical meters throughout our service territory. The project includes:

- \* Replacing 2.6 million electric meters

- \* *Modifying 1.3 million natural gas meters with a remote-reading module.*
- \* *Full conversion will occur in phases over multiple years dependent on annual capital fund allocations.*

*A graphic was displayed which highlighted the OpenWay system, developed by Itron, Inc. The system utilizes United States manufacturers and installers. He noted that the network is totally secure and has been working well, with 500,000 to 600,000 units installed as of today. He explained that the Oakland County portion of the program began in 2010 and continues through 2011.*

*AMI Communications will be ongoing:*

*AMI is committed to communicating with all aspects of the communities, especially considering that some access issues are complex.*

*- Communication Plans*

- \* *Meet with City Officials*
- \* *Participate in Township meetings*
- \* *Local Media Releases*
- \* *Direct Mail customer letters and brochures*
- \* *Conduct employee residence meetings*
- \* *Distribute door hangers on installation*
- \* *Provide Frequently Asked Question document*
- \* *Smart Current youtube*

*([www.youtube.com/user/DTEEnergyCompany#p/u/11/vtzH1TPEmXE](http://www.youtube.com/user/DTEEnergyCompany#p/u/11/vtzH1TPEmXE))*

- \* *Installation DVD available on request*
- \* *Regularly update DTE Energy website ([www.dteenergy.com](http://www.dteenergy.com))*

*- Meter Access*

- \* *With over 20 percent of our meters inside of homes, access often becomes an issue to the installation.*
- \* *A meter accessible for meter reading must also be accessible for installation and repair regardless of AMI.*

*AMI increases actual reads and accessibility of meter reading*

*- Eliminates*

- \* *Manual meter reading*
- \* *Estimated reads*
- \* *Customer special reads*
- \* *The need for physical site access*

*- Improves billing accuracy*

- Provides the customer with online access to their energy usage*
- Better communication with accurate, timely data*
- Remote Turn On/Turn Off and Reconnect/Disconnect capabilities*
- New Products and rate options available*
  - \* *Peak pricing rates*
  - \* *Billing cycle options*
  - \* *Rate Analysis*

*AMI Performance and Benefits*

- Data Presentation allows customers to review their own daily and hourly usage data online.*

AMI improves the quality and reliability of energy delivery

- Map, detect and verify outages
- Identify if the problem is before or after the meter
- Verify restoration
- At times, make service corrections before customers realize they are out
- Collect load information to support reliability planning
- Use disconnect switch on Police Fire request

Storm control with AMI provides real-time geographic outage information

- As the storm develops, the AMI system provides a real-time geographic picture of the operational status.

The Optional SmartHome technology provides tools so customers gain awareness of energy use

- Devices/Systems
  - \* Current program
    - Optional Program
    - AMI Meter
    - In-home displays of pricing and customer usage
    - Programmable Thermostats
    - Smart Appliances
    - System Gateway
  - \* Future program
    - Other utility meter
    - Plug-in Hybrid Electric Vehicle
    - Local energy sources and storage
- Key Services
  - \* Display of energy use and pricing signals in IHDs
  - \* Energy consumption information and remote thermostat controls
  - \* Time of day pricing and pre-pay option
  - \* Programming of appliances to respond to time of day pricing
  - \* Customer awareness
  - \* Training for participating customers

Smart Circuit technology, monitor and analyze the distribution system

- Key Features
  - \* Self-healing
  - \* Intelligent switching and fault diagnosis
  - \* Voltage control
  - \* A complete and connected picture
  - \* System level diagnosis and modeling applications
  - \* Business intelligence

Some Frequently Asked Questions

- *What will the new meter look like?*
  - \* *The new advanced meters will be digital meters with a blue face plate.*
  - \* *In most cases, DTE Energy natural gas meters will be retrofitted with an advanced metering module which is installed behind the dial index of the existing meter.*
- *Is the advanced network secure?*
  - \* *Cyber security is a familiar concept to the utility industry. We have extensive experience maintaining security on the information systems needed to operate the electrical grid. Installing advanced meters adds a new component to our system, but the meters, communications and information management will be subject to the same Department of Energy security standards that keep the grid secure.*
- *How will my personal usage information be protected?*
  - \* *As currently and in the future, DTE Energy takes information protection very seriously. Protection begins at the meter itself. Specialized meter technology defends against hacking and information is encoded whenever your data is transmitted. Once transmitted, your private information is protected in the same way it has always been, through constant monitoring for evolving threats and system improvements.*
- *Will the meter increase my energy bill?*
  - \* *Like all electric meters, advanced meters measure the energy used in your home or business. The meter itself has no impact on your electricity rate or your energy use.*
- *Are the new meters accurate?*
  - \* *A report issued in July 2010 by an independent consultant for the Public Utilities Commission of Texas said that based on the results of accuracy tests, 99.6 percent of the meters tested were determined to be accurate according to American National Standards Institute (ANSI) standards.*
  - \* *The consultant's research also found that the advanced meters consistently performed better than electromechanical meters.*
- *How will an advanced meter help me save money on my bill?*
  - \* *In an effort to help the customer make their energy use decisions, they can view their previous day usage on line.*
  - \* *This program enables customers to view the data that has been measured by the advanced meter since it was installed.*
  - \* *This information can help you reduce your energy use. You'll also be able to use a wide variety of tools on the [dteenergy.com](http://dteenergy.com) website to manage your energy use and learn how to save money.*
- *I've read the advanced meter will give utilities too much control over my energy usage. Is that true?*
  - \* *Actually, you control your usage, not the utility.*
  - \* *Advanced metering gives you more control.*
  - \* *Advanced meters to provide more information than traditional meters.*

*Currently, you can obtain the information you need to save money and save energy from our website or by contacting a customer representative.*

  - \* *As with any service, it is necessary to measure consumption for billing purposes. DTE Energy records your electric consumption just like your cell phone provider tracks your cell phone use in order to bill you.*
- *Are advanced meters within Federal Communications Commission (FCC) recommended levels of exposure to radio frequency emissions?*

\* Yes. Based on years of study and research, the FCC, together with other organizations such as the World Health Organization, have adopted Maximum Permissible Exposure limits for radio transmitters of all types, including advanced meters.

\* This standard includes a conservative margin of safety, just in case some health effects are too subtle to have been found. Even so, advanced meters operate significantly below the limit.

- Do advanced meters cause health concerns?

\* The advanced meters use very low-power radio frequency (RF) waves to transmit your electricity usage data to DTE Energy. Several familiar devices produce stronger RF fields, including microwaves, cell phones, baby monitors and cordless phones.

\* In fact, a person speaking on a cell phone has 3.3 to 1,100 times more RF exposure than a person standing two feet from an active advanced meter.

Mr. Sitkauskas invited interested individuals to visit DTE Energy's website.

### **Council Discussion:**

**Mr. Klomp** noted that residents have expressed various concerns regarding the possible health effects these meters may cause and a fear of the "Big Brother" aspect of the utility's ability to gain information about residents' electric usage within their homes. He questioned how the meters translate to cheaper energy costs and make the process more efficient.

**Mr. Sitkauskas** responded that the meter provides the tools to see how a consumer uses power. He gave several examples of how these meters helped identify energy usage that customers were not aware of. In response to privacy concerns, he mentioned that DTE's Legal Department has indicated that there are no issues concerning surveillance of consumers. He stated that DTE is not selling the information; it is merely recording it for billing purposes.

**Mr. Klomp** commented from DTE's perspective, the meters are seen to provide better service and make the meter reading and power shut-off and turn-on process more efficient.

**Mr. Sitkauskas** concurred, noting that the meters make the process of detecting outages more efficient.

**Mr. Klomp** requested the following information:

- Whether DTE could ever sell the information it collects.
- Whether the frequency transmitted is similar to a microwave running 24 hours a day.
- How often the typical meter transmits data.
- What size the Smart Meter is relative to an analog meter.
- Whether the Smart Meter is compatible with the second meter some homes have.

**Mr. Sitkauskas** responded with the following:



- DTE has no intention of selling the information.
- The frequency transmitted is similar to when a microwave is in operation.
- The meter will be called for data a couple of times each day.
- The Smart Meter is lighter in weight than a conventional meter.
- DTE is not changing the interruptible air conditioner program; however, it could facilitate using one meter for all reporting.

**Mr. Sitkauskas** noted that there is an optional pre-pay program that eventually could be incorporated that has been successful in other areas of the country.

**Mr. Tisdell** questioned the following:

- How long the Cool Currents interruptible air conditioning program has been in effect, how many customers participate in that program, and whether any State or Federal dollars were used to introduce that program. He commented that this program uses a two-way communication method as well.
- How long it has been since a new power plant came online.
- How much Federal funding DTE has received for the Smart Meter program.
- Whether DTE has estimated demand on the system resulting from the National Highway Traffic Safety Administration's (NHTSA) new Corporate Average Fuel Economy (CAFE) standards doubling the mileage requirements to 54 miles per gallon and encouraging the use of plug-in vehicles.

**Mr. Sitkauskas** responded with the following:

- The Cool Currents program has been in operation for 20 years and currently 300,000 customers across the network participate. While he is not positive, he does not believe any State or Federal dollars were used to implement that program.
- The last coal plant came online in the early 1980s. The Belle River Power Plant came on around the time that the Fermi II Nuclear Facility opened.
- DTE has received grants of \$84 million for the program. The utility must expend the money first for reimbursement. The grant runs into 2012.
- DTE has a group looking into the impact of plug-in electric vehicles on the system.

**Mr. Tisdell** commented that it has been 25 years since new capacity has been brought online. He mentioned that the Federal Government is establishing mandates to increase demand, yet it is making it difficult to add to capacity. He questioned whether the program gives way to allow "Big Brother" to look into their homes and potentially allow rationing.

**Mr. Palchesko** responded that there has been no conversation regarding rationing.

**Mr. Sitkauskas** stated that the program provides an opportunity for a consumer to reduce usage through changes of habit.

**Mr. Tisdell** stated that he would like to see consideration in the program for privacy opt-outs.

**Mr. Kochenderfer** commented that his biggest concerns center around health and privacy. He questioned whether the benefit is worth the cost and if DTE has performed any studies to determine whether the meters installed to date under the program have yielded the cost savings that were expected.

**Mr. Sitkauskas** responded that 10,000 sites were converted on Grosse Ile in 2008 and on Harsen's Island the following year. He stated that customers in those areas are seeing savings.

**Mr. Kochenderfer** stated that he wants to see a guarantee that the information collected will not be shared with third parties.

**Mr. Webber** questioned the following:

- Whether DTE would be undertaking this program if it were not for the Federal grant.
- Who regulates the program and what government entity approved its commencement.
- Whether the Michigan Public Service Commission (MPSC) regulates rate increases and if they were approached prior to the commencement of the project.
- With so much conflicting data on the health effects, whether a third-party entity has reviewed the health effects and has given its blessing that the meters will not be harmful.
- Why an opt-out is not an option for residents who do not wish to have a Smart Meter.

**Mr. Sitkauskas** responded with the following:

- The program commenced in 2008 before the grants were open for application. A shortage of meter reading staff in the winter of 2007 led to an accelerated push to review and incorporate an AMI program.
- DTE answers to the MPSC for rate increases. Information on the AMI program was submitted to the MPSC.
- There is no opt-out program. The program is one facet of the utility's delivery system.

**Mr. Webber** stated that he wished to move the draft resolution that was included in the packet for review and suggested language be added to address privacy concerns.

**President Hooper** read the draft resolution provided out loud for Council and those in attendance. He read a list of questions he had received and requested DTE representatives respond:

- Does DTE use wireless radio to communicate with Smart Meters or does the information transmit through powerlines?
- What radiation is generated by the wireless radio frequency transmissions?
- If a Smart Meter transmits via wireless transmissions, how many times a day and how long are the transmissions?

- Do the meters generate any frequencies when they are not transmitting?
- What household appliances are being manufactured that can communicate with Smart Meters?
- What is Council's role is in communicating and regulating DTE Energy?

**Mr. Sitkauskas** responded to these questions with the following:

- The Smart Meters use wireless radio communications.
- Radiation exposure is dependent on where an individual is in relation to the meters. The radiation emitted is below any known standards. For instance, cell phone radiation is considered partial-body exposure. The Smart Meter covers a larger area and is considered full-body exposure.
- The meters transmit twice a day with a nominal burst of less than a second.
- The radio is operating at all times and is available for transmission.
- General Electric has a pilot program to develop washers, dryers and refrigerators with smart chips at this time. These appliances are not currently on the market, but are anticipated soon.

**John Staran**, City Attorney, stated that under Michigan Law, according to the Legislature and the Michigan Supreme Court, the MPSC has complete jurisdiction on light and utility companies.

**President Hooper** opened the floor for public comment:

**Public Comment:**

**Lee Zendel**, 1575 Dutton Road, stated that DTE Energy has been responsible for creating a major problem in real estate by allowing the shut off of power to foreclosed homes. He noted that foreclosed homes with sump pumps are often found with anywhere from two inches to many feet of water in basements.

**Siegrid Stern**, 1185 Concord, commented that Smart Meters emit electromagnetic pollution, transmitting every six seconds with 100 times more radiation than a cell phone. She stated that the World Health Organization has classified radio frequency radiation as a possible human carcinogen and stated that it is unconstitutional not to give consumers a choice and an opt-out option. She mentioned that her meter is outside of her greenhouse, three feet from where she spends her time.

**Anita Christian**, 954 Ridgeway Drive, stated that she is pleased that Council will consider a resolution in opposition to Smart Meters. She questioned whether the meters are Underwriters Laboratory certified, if DTE can provide documentation that privacy rights will not be violated, and if the meters present a fire safety risk. She commented that since her meter was installed, she can tell the difference in her sleep pattern and body rhythms.

**Alice Benbow**, 1582 Northumberland, stated that the Government should not tell anyone what car to drive or how much electricity to use. She commented that Smart Meters are nothing but an experiment and questioned whether DTE is exempt from paying taxes. She stated that corruption is a problem in the country and the utility has created a monopoly.

**Susan Stroud**, 283 Whitney, expressed her appreciation for Council's consideration of a resolution and questioned whether future studies on the meters' effects will be independent of the utilities. She commented that she does not want a Smart Meter at her home and stated that people will make a choice as to where they want to live based on where these meters are located.

**Dee Hilbert**, 3234 Quail Ridge Circle, requested that residents be given an opportunity to review the resolution language. She commented that the Attorney Generals of Connecticut and Illinois stated that there are no benefits of Smart Meters. She noted that they are a direct way to increase rates and emit high multiple-bursts of electromagnetic frequencies which can damage health and home. She mentioned that there are ways to shield one's home from the frequencies. She stated that the meters are not mandatory per the MPSC and six communities in Michigan have opted out of the program. She commented that a local political figure reportedly had his Smart Meter removed. She questioned whether DTE has made any campaign contributions to City officials.

**Kim Barno**, 891 River Bend, thanked John and Pauline Holeyton for bringing the Smart Meter issue to the attention of the public. She stated that she wished to see more communication with the citizens of the City, suggesting that information be disseminated through the four local online papers, the Rochester Post and the Community Lifestyles publication. She commented that while she understands that Council has no legal authority over the issue, it is their responsibility to work with the citizens.

**Tim Moore**, 1335 Wagon Wheel, commented that many health problems are caused by Smart Meters and questioned why the City cannot stop the project. He noted that it takes several decades of exposure before the full health effects are realized. He questioned whether any Council members work for, own stock, or have received contributions from DTE.

**Howard Elandt**, 6420 Cornerstone Lane, stated that he finds it curious that DTE can offer optional programs, while it states that Smart Meters are not optional. He reported that a public resolution is currently under development by the Attorney General's office giving individuals a choice. He mentioned that he is a Psychologist and a Psycho-Diagnostician and knows what disorders can do. He stated that he has asked a representative from Civil Defense Systems to take a radiation reading from the Smart Meter installed on his home.

**Susan Daschke**, 1985 Grace Avenue, commented that she has a developing infant and does not watch television or use a computer, cell phone or a microwave near her baby. She stated that her meter backs up to the infant's sleeping area and she wants to have an option to have her meter moved to her garage. She questioned how much landfill space will be taken up by the meters that are being scrapped.

**Pamela Bratton Wallace**, 168 Cloverport, stated that there is enough information available to cause concern and an urge to pause and see what happens in other communities before moving forward with the Smart Meter program. She noted that she has studied health sciences for 25 years, and the effects of EMFs have

been studied and well-documented. She stated that effects are cumulative and add to those from cell phones and pesticides. She commented that she leads a healthy lifestyle, does not own or use a cell phone or microwave, and walks to work.

**David Stroud**, 283 Whitney, stated that wireless Smart Meters are dangerous and are being forced on the public. He noted that the World Health Organization has ruled that EMFs are a Class 2B Carcinogen and are in the same league with lead, dioxin, chloroform and HIV. He mentioned that the program is being paid by tax dollars and will be used to increase utility rates. He reported that dozens of towns and cities have opposed Smart Meters and asked Council to call for an immediate halt to the program.

**David Lonier**, 1842 Commonwealth, Auburn Hills, stated that these meters originated on the west coast with Pacific Gas and Electric utilizing funding from the Department of Energy. He commented that there is a huge disconnect with Congress not listening to the people and stated that should it pass, the resolution tonight would be a first step. He mentioned that whenever the Federal Government is involved, privacy is an issue.

**Pauline Holeton**, 2392 Barclay Avenue, Shelby Township, stated that people need to send a message to DTE and the Federal Energy Regulation Commission that consumers do not want these meters on their houses. She noted that if a home has three or four meters transmitting frequencies it can lead to many health concerns. She commented that there is a woman in West Bloomfield who has had her heart damaged by this meter.

**John Holeton** - 2392 Barclay Avenue, Shelby Township, commented that the MPSC states that the meters are not mandatory in Michigan and questioned how DTE can then demand that they be installed.

#### **Council Discussion:**

**President Hooper** noted that he will again read the draft resolution along with any suggested amendments to its wording prior to a vote by Council. He requested DTE representatives respond to the following questions asked by the public:

- Whether the meters are United Laboratories Certified.
- Whether the meters pose a fire hazard.
- Whether any rate increases are directly attributable to Smart Meters.
- Whether the meters emit a continuous background emission of EMF energy 24 hours a day, seven days a week.
- Whether an opt-out program is possible and if certain individuals were allowed to have their meter removed. A local political figure reportedly was able to have his Smart Meter taken out.
- Whether the meters being replaced will be placed in landfills.
- Who controls the program, if the MPSC indicates that they do not.

**Mr. Sitkauskas** responded with the following:



- United Laboratories approves items within the home, such as lamps. The meters go through Federal Communications Commission (FCC) approval.
- DTE is not aware of any fires occurring at any of their installations.
- In Texas and California, customers were being charged either \$3.25 or \$3.65 per meters. DTE is not doing that. He is not aware of how rates are set in other states.
- DTE has technical reports available that can be provided to Council showing that the radio frequency field is well below the maximum permitted exposure. At one foot away, exposure will not exceed the 0.8 percent limit established by the FCC.
- There is no opt-out program. He would have to check whether a politician was able to have his Smart Meter removed.
- The old meters will be torn down for parts, and metals such as copper, will be recycled.
- DTE goes to the MPSC to gain approval for its capital expenditures. The MPSC has approved DTE to continue with installation.

**President Hooper** questioned whether MPSC can be requested to review the project.

**Mr. Palchesko** responded that the MPSC monitors the utility's costs, expenditures and rates. He stated that DTE makes the MPSC aware of the program's cost.

**Mr. Yalamanchi** questioned why the utility does not allow residents an opt-out, noting that his biggest concern is the families who report loved ones with health issues. He stated that it would be the humane thing to allow an opt-out.

**Mr. Sitkauskas** responded that DTE takes everything seriously and wishes to provide the best and efficient services. He commented that the utility does not want to install anything that will cause cancer. He stated that there are many benefits to the Smart Meters.

**Mr. Yalamanchi** commented that DTE is installing these meters to increase their efficiencies; however, rates are not going down. He stated that DTE should be a socially-responsible corporate citizen and allow an opt-out for the residents who do not wish to participate in the program. He suggested adding language to the proposed resolution requesting a moratorium to the Smart Meter installations be undertaken with the allowance for an opt-out by residents who do not want the meters.

**Mr. Tisdell** supported the addition of this language to the resolution.

**Mr. Kochenderfer** stated that privacy concerns should be addressed in the resolution, and suggested adding language to request that the MPSC impose measures to prevent DTE from sharing information obtained through this program to third parties.

**Mr. Tisdell** concurred, noting that he would also like language addressing privacy concerns included.



**Mayor Barnett** noted that should the proposed resolution pass this evening, the City will have a far more comprehensive stance than its neighbors. He stated that while the resolution will go a long way toward conveying concerns, the residents' voices should go where they will make the most impact on those with the authority to make decisions on the program. He noted that the only time Council had any conversation previously on Smart Meter technology was when DTE representatives came before Council to discuss service interruptions along the Carter circuit. During those discussions, almost all affected subdivisions commented that they were interested in anything that could positively impact their service. Subsequently, once individuals came to Council two meetings ago to comment on these meters, DTE was then requested to address Council at its earliest possible date, which is tonight. He mentioned that he reviewed his campaign finance report and DTE Energy contributed \$475 to his campaign, while \$74,675 came from residents who are DTE customers. He stated that he owes nothing to DTE and their contribution to his campaign is not an issue.

**Mr. Webber** concurred with the suggestions for additions to the proposed resolution. He stated that he sees the changes as friendly-amendments and will incorporate them into the original language. He noted that once passed, the full resolution will become a part of Council's minutes so residents can see how the changes were incorporated into the final document.

**Mr. Yalamanchi** supported the changes to the resolution language.

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

**Aye** 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0274-2011

**Whereas**, DTE Energy has begun the installation of new meters to customers in the Metro Detroit area, specifically the City of Rochester Hills; and

**Whereas**, DTE Energy is replacing the existing meters with so-called "Smart Meters", that is, electric meters which will broadcast information to the utility company using radio frequencies; and

**Whereas**, Smart Meters provide a benefit to utilities by allowing remote meter reading by, among other things, eliminating the need for someone to go onto each utility customer's property to read a meter and possibly offering residents lower electric rates at non-peak times; and

**Whereas**, a number of Rochester Hills residents have expressed their concerns about potential health effects of the Smart Meters, privacy issues, and the lack of consumer/homeowner options to either opt-out of the installation in the first place or have the Smart Meter removed after installation as a direct result of consumer/homeowner concerns that may have arisen after said installation; and

**Whereas**, although the City Council is informed that it is without jurisdiction to directly regulate Smart Meters, the City Council is requesting careful consideration of their resident's issues through direct communication with DTE Energy and the Michigan Public Service Commission (MPSC).

**Therefore, Be It Resolved**, that:

The "MPSC" is hereby requested to perform a careful review and analysis of the Smart Meter program, specifically the potential health and safety effects and privacy issues, and

That the "MPSC" authorize the delayed deployment of the Smart Meters pending resolution of this careful review and analysis of the potential health and safety effects and privacy issues, and

That the "MPSC" allow individual City of Rochester Hills customers to opt-out of the Smart Meter installation at their homes, and

That the City of Rochester Hills asks DTE Energy to impose a moratorium on the Smart Meter Program and give residents opportunity to opt-in or opt-out, and

That the "MPSC" to the full extent of its authority impose measures to prevent DTE Energy from sharing information obtained exclusively through the Smart Meter Program with any third party, absent the express written consent of its customers.

## 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.

**2011-0504** Approval of Minutes - City Council Regular Meeting - November 14, 2011

**Attachments:** [CC Min 111411.pdf](#)  
[Resolution.pdf](#)

**This Matter was Adopted by Resolution on the Consent Agenda.**

Enactment No: RES0275-2011

**Resolved**, that the Minutes of a Rochester Hills City Council Regular Meeting held on November 14, 2011 be approved as presented.

**2011-0522** Approval of Minutes - City Council Regular Meeting - November 21, 2011

**Attachments:** [CC Min 112111.pdf](#)  
[Resolution.pdf](#)

**This Matter was Adopted by Resolution on the Consent Agenda.**

Enactment No: RES0276-2011

**Resolved**, that the Minutes of a Rochester Hills City Council Regular Meeting held on November 21, 2011 be approved as presented.

**2011-0561** Request for Purchase Authorization - DPS/ENG: Blanket Purchase Order for maintenance services of the Supervisory Control Data Acquisition (SCADA) System in the amount not-to-exceed \$60,000.00 through December 31, 2012; Perceptive Controls, Inc., Plainwell, MI

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

**This Matter was Adopted by Resolution on the Consent Agenda.**

Enactment No: RES0277-2011

**Resolved**, that the Rochester Hills City Council authorizes a Blanket Purchase Order for maintenance services for the Supervisory Control Data Acquisition (SCADA) System to Perceptive Controls, Inc., Plainwell, Michigan in the amount not-to-exceed \$60,000.00 through December 31, 2012 and further authorizes the Mayor to execute a contract 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.

**2011-0563** Request for Acceptance of a Watermain Easement granted by Rochester Medical Building, LLC, a Michigan limited liability company, for Nakkash Medical Office Building

**Attachments:** [Agenda Summary.pdf](#)  
[Watermain Easement.pdf](#)  
[Resolution.pdf](#)

**This Matter was Adopted by Resolution on the Consent Agenda.**

Enactment No: RES0278-2011

**Resolved**, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a watermain easement granted by Rochester Medical Building, LLC, a Michigan limited liability company, 22039 John R, Hazel Park, Michigan 48030, for the construction, operation, maintenance, repair and/or replacement of a watermain, over, on, under, through and across land more particularly described as Parcel No. #15-35-226-023.

**Further Resolved**, that the City Clerk is directed to record the easement with the Oakland County Register of Deeds.

**2011-0564** Request for Acceptance of the Warranty Deed for John R right-of-way granted by Rochester Medical Building, LLC, for the Nakkash Medical Office Building

**Attachments:** [Agenda Summary.pdf](#)  
[Warranty Deed.pdf](#)  
[Resolution.pdf](#)

**This Matter was Adopted by Resolution on the Consent Agenda.**

Enactment No: RES0279-2011

**Resolved**, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a Warranty Deed easement granted by Rochester Medical Building, LLC, 22039 John R, Hazel Park, Michigan 48030, for part of Parcel No. #15-36-226-023.

**Further Resolved**, that the City Clerk is directed to record the Warranty Deed with the Oakland County Register of Deeds.

### Passed the Consent Agenda

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

**Aye** 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

### The Following Consent Agenda Item was Discussed and Adopted by Separate Motion.

2011-0568 Designation of City Depositories for 2012

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

*Mr. Yalamanchi recused himself from voting on this item.*

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

**Aye** 6 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell and Webber

**Abstain** 1 - Yalamanchi

Enactment No: RES0280-2011

**Whereas**, there now may be and hereafter from time to time come unto the hands of the Treasurer of the City of Rochester Hills, Michigan, certain public monies belonging to or held for the State, County or other political units of the State or otherwise according to the law; and

**Whereas**, under the laws of Michigan and the City's Investment Policy, the Rochester Hills City Council is required to provide by resolution for the deposit of all public monies coming into the hands of said Treasurer, in one or more bank(s).

**Now, Therefore, Be It Resolved**, that the following financial institution(s) be added as a depository for City funds and other public monies coming into the hands of said Treasurer during the Fiscal Year beginning January 1, 2012 and ending December 31, 2012.

Broker/Dealers/Safekeeping

Bank of America Merrill Lynch  
J.P. Morgan Securities Inc./J.P. Morgan Clearing Corp.  
Morgan Keegan & Company, Inc.  
Multi-Bank Securities Inc.  
Morgan Stanley Smith Barney  
UBS Financial Services, Inc.

Pooled Accounts

Ambassador Capital Management/Ambassador Money Market Fund  
Columbia Government Fund/Bank of America  
Federated Securities Corp./Federated Government Obligations Fund 05  
Cutwater Investor Services Corporation/Michigan CLASS

Banks

Bank of America  
Bank of Rochester/The Private Bank and Trust Company  
JP Morgan Chase Bank  
Citizens Banking Corporation  
Charter One Bank  
Comerica Bank  
Talmer Bank and Trust  
Fifth Third Bank  
Flagstar Bank  
First Place Bank  
Huntington Bank  
PNC Bank, N.A.  
TCF Bank

***Be It Further Resolved***, that each of the above depository(ies) so designated is/are hereby requested, directed and authorized to honor all checks for payment of monies drawn on the various accounts when bearing the actual or facsimile signature of persons authorized by the City of Rochester Hills to sign said checks and orders.

## ORDINANCE FOR INTRODUCTION

**2011-0572** Acceptance for First Reading - An Ordinance to amend Sections 54-46, 94-142 and 110-173; to repeal Sections 18-433, 54-158, 54-164, 54-235, 54-271 and 110-405; and to add new Section 54-165 to the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan; to abolish the requirement for cash bonds in connection with permits for moving buildings, roadside stands, demolition, construction of new multi-dwelling and non-residential buildings, sidewalks, and for signs; to abolish the double-fee penalty for work started prior to issuance of a building, plumbing or electrical permit; to make builders responsible for repairing defects in sidewalks; to add a zoning review fee; to repeal conflicting Ordinances; and to prescribe a penalty for violations

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

***Scott Cope***, Director of Building/Ordinance Compliance, stated that changes proposed include three main areas:

- *The elimination of performance bonds for building permits, sidewalk construction, sign permits and roadside stand permits.*
- *The establishment of a \$35 fee for zoning review.*
- *The elimination of a double fee for electrical, plumbing and building permits.*

*Mr. Cope reviewed the changes. He noted that the purpose of the elimination of a performance bond is to simplify the process, save staff time and reduce the cost of obtaining a building permit. He explained that there were approximately 820 bonds issued through November of this year. He stated that it is estimated that a half-hour of staff time is required to process each bond, or approximately 410 staff hours. He mentioned that with the consideration that 820 checks must*

*also be written to refund the bonds, eliminating the requirement for performance bonds will save the City more than \$60,000.*

*He pointed out that should this Ordinance be accepted for First Reading tonight, the proposed Ordinance will be modified for Second Reading to retain the requirement for a bond relative to moving a house within the community. He mentioned that as moving a structure through the community entails traversing through the community on roadways, staff felt that it is important to keep that requirement.*

*Mr. Cope stated that the City has never had a fee for zoning reviews in the past, and the addition of a \$35 fee is intended to cover some of the costs of performing these reviews.*

*He mentioned that the proposed Ordinance cleans up language for building, plumbing and electrical permits removing the potential for a double fee if work was started without a permit. He noted that a double fee is not allowable by State Law and stated that the City has not been applying this fee for at least 20 years.*

**Council Discussion:**

**Mr. Webber** stated that not only are the proposed modifications pro-resident and pro-business, they will cause the City to operate more efficiently and effectively.

**Mr. Yalamanchi** requested clarification on how the Sidewalk Bonds were applied to builders and developers and how compliance for completion of installation would be ensured.

**Mr. Cope** responded that a \$1,000 sidewalk bond is currently required as a part of a new home permit that includes a sidewalk installation in the event that the developer or builder does not install the sidewalk and the City must complete the work. The bond is held for 18 months after which the sidewalk is inspected. He noted that over the last ten years, this bond money has never been used. The City's recourse after the bond's elimination will be the issuance of a Code Compliance letter, a Civil Infraction, and ultimately, taking the developer or builder to court. He noted that there is a manner to handle the minimal number of infractions the City may encounter.

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

**Aye** 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

**Resolved**, that an Ordinance to amend Sections 54-46, 94-142 and 110-173; to repeal Sections 18-433, 54-158, 54-164, 54-235, 54-271 and 110-405; and to add new Section 54-165 to the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan; to abolish the requirement for cash bonds in connection with permits for moving buildings, roadside stands, demolition, construction of new multi-dwelling and non-residential buildings, sidewalks, and for signs; to abolish the double-fee penalty for work started prior to issuance of a building, plumbing or electrical permit; to make builders responsible for repairing defects in sidewalks; to add a zoning review fee; to repeal conflicting Ordinances; and to prescribe a penalty for violations is hereby accepted for First Reading.



## NOMINATIONS/APPOINTMENTS

**2011-0505** Nomination/Appointment of one (1) Citizen Representative to the Building Authority for a six-year term to expire December 31, 2017

**Attachments:** [Agenda Summary.pdf](#)  
[Appointment Form.pdf](#)  
[McGuire CQ.pdf](#)  
[Zelinski CQ.pdf](#)  
[120511 Agenda Summary.pdf](#)  
[Nomination Form.pdf](#)  
[Booth CQ.pdf](#)  
[Kingery CQ.pdf](#)  
[Paurazas CQ.pdf](#)  
[Schroeder CQ.pdf](#)  
[Wylie CQ.pdf](#)  
[Notice of Vacancy.pdf](#)  
[Resolution.pdf](#)

**President Hooper** noted that Tom Zelinski requested his name be removed from consideration. He then announced that **Michael McGuire** would be appointed to the Building Authority.

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

**Aye** 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0281-2011

**Resolved**, that the Rochester Hills City Council appoints Michael McGuire to the Building Authority to serve a six-year term expiring December 31, 2017.

**2011-0508** Nomination/Appointment of two (2) Citizen Representatives to the Elections Commission each for three-year terms to expire December 31, 2014

**Attachments:** [Agenda Summary.pdf](#)  
[Appointment Form.pdf](#)  
[Davidson CQ.pdf](#)  
[Hauser CQ.pdf](#)  
[Tischer CQ.pdf](#)  
[120511 Agenda Summary.pdf](#)  
[Nomination Form.pdf](#)  
[Buiteweg CQ.pdf](#)  
[Foster CQ.pdf](#)  
[Schroeder CQ.pdf](#)  
[Wylie CQ.pdf](#)  
[Suppl Raschke CQ.pdf](#)  
[Notice of Vacancy.pdf](#)  
[Resolution.pdf](#)

**President Hooper** stated that William Davidson, Daniel Hauser and Charles Tischer were nominated at the December 5, 2011 Regular City Council Meeting. He instructed Council to vote for two of the nominees.

City Council Members voted for the nominees as follows:

**William Davidson:** Hooper, Rosen and Yalamanchi

**Daniel Hauser:** Hooper, Klomp, Kochenderfer, Tisdell and Webber

**Charles Tischer:** Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

**President Hooper** announced the appointment of **Daniel Hauser** and **Charles Tischer** to the **Elections Commission**, each for three-year terms ending December 31, 2014.

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

**Aye** 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0282-2011

**Resolved**, that the Rochester Hills City Council appoints Daniel Hauser and Charles Tischer to the Elections Commission, each for three-year terms to expire December 31, 2014.

2011-0509

Nomination/Appointment of three (3) Citizen Representatives to the Green Space Advisory Board each for three-year terms expiring December 31, 2014

**Attachments:** [Agenda Summary.pdf](#)  
[Appointment Form.pdf](#)  
[Aubuchon CQ.pdf](#)  
[Carvey CQ.pdf](#)  
[Cobb CQ.pdf](#)  
[Dohr CQ.pdf](#)  
[Gauthier CQ.pdf](#)  
[120511 Agenda Summary.pdf](#)  
[120511 Suppl Agenda Summary \(Revised\).pdf](#)  
[Nomination Form.pdf](#)  
[Desy CQ.pdf](#)  
[Kubicina CQ.pdf](#)  
[Notice of Vacancy.pdf](#)  
[Resolution.pdf](#)

**President Hooper** stated that Larry Aubuchon, Gerald Carvey, Christopher Cobb, Thomas Dohr and Timothy Gauthier were nominated at the December 5, 2011 Regular City Council Meeting.

**Public Comment:**

**Larry Aubuchon**, 3480 Primrose, expressed his desire to be appointed to the Green Space Advisory Board, noting that he has strong qualifications in support of green space and is a member of the Clinton River Watershed Council.

**Council Discussion:**

**President Hooper** instructed Council to vote for three of the nominees.

City Council Members voted for the nominees as follows:

**Larry Aubuchon:** Hooper, Tisdel, Webber and Yalamanchi

**Gerald Carvey:** Hooper, Klomp, Kochenderfer, Rosen, Webber and Yalamanchi

**Christopher Cobb:** Tisdel

**Thomas Dohr:** Hooper, Klomp, Kochenderfer, Rosen and Webber

**Timothy Gauthier:** Klomp, Kochenderfer, Rosen, Tisdel and Yalamanchi

**President Hooper** announced the appointment of **Gerald Carvey, Thomas Dohr** and **Timothy Gauthier** to the **Green Space Advisory Board**, each for three-year terms ending December 31, 2014.

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

**Aye** 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdel, Webber and Yalamanchi

Enactment No: RES0283-2011

**Resolved**, that the Rochester Hills City Council appoints Gerald Carvey, Thomas Dohr and Timothy Gauthier to the Green Space Advisory Board, each for three-year terms expiring December 31, 2014.

**2011-0510** Nomination/Appointment of two (2) Citizen Representatives to the Historic Districts Commission each to serve three-year terms to expire December 31, 2014

**Attachments:** [Agenda Summary.pdf](#)  
[Appointment Form.pdf](#)  
[Branstner CQ.pdf](#)  
[Deel CQ.pdf](#)  
[Hill CQ.pdf](#)  
[Miller CQ.pdf](#)  
[Thomasson CQ.pdf](#)  
[120511 Agenda Summary.pdf](#)  
[Nomination Form.pdf](#)  
[HDC Appt Memo.pdf](#)  
[Booth CQ.pdf](#)  
[Cobb CQ.pdf](#)  
[Davidson CQ.pdf](#)  
[Golden CQ.pdf](#)  
[Grantham CQ.pdf](#)  
[Puscas CQ.pdf](#)  
[Notice of Vacancy.pdf](#)  
[Resolution.pdf](#)

**President Hooper** stated that Steven Branstner, Ryan Deel, Melinda Hill, Paul Miller and Sue Thomasson were nominated at the December 5, 2011 Regular City Council Meeting. He noted that Council is aware of the requirements for HDC membership.

**Mr. Rosen** voiced his concerns of having a City employee serve on the Historic Districts Commission (HDC). He stated that it could put the employee or their boss in an awkward position if the HDC is ever at odds with the City. He

*commented that these concerns apply to nominee Sue Thomasson.*

**President Hooper** instructed Council to vote for two of the nominees.

City Council Members voted for the nominees as follows:

**Steven Branstner:** Hooper, Rosen, Tisdell, Webber and Yalamanchi

**Ryan Deel:** Klomp and Tisdell

**Melinda Hill:** Kochenderfer, Rosen and Yalamanchi

**Sue Thomasson:** Hooper, Klomp, Kochenderfer and Webber

**President Hooper** announced the appointment of **Steven Branstner** and **Sue Thomasson** to the **Historic Districts Commission**, each for three-year terms ending December 31, 2014.

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

**Aye** 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0284-2011

**Resolved**, that the Rochester Hills City Council appoints Steven Branstner and Sue Thomasson to the Historic Districts Commission, each to serve three-year terms to expire December 31, 2014.

**2011-0513** Nomination/Appointment of seven (7) Citizen Representatives to the Police and Road Funding Technical Review Committee each for one-year terms expiring December 31, 2012

**Attachments:** [Agenda Summary.pdf](#)  
[Appointment Form.pdf](#)  
[Cline CQ.pdf](#)  
[Dalton CQ.pdf](#)  
[Hetrick CQ.pdf](#)  
[Johnson CQ.pdf](#)  
[McGuire CQ.pdf](#)  
[Raschke CQ.pdf](#)  
[Rogers CQ.pdf](#)  
[Soisson CQ.pdf](#)  
[Stephens CQ.pdf](#)  
[120511 Agenda Summary.pdf](#)  
[Nomination Form.pdf](#)  
[Atkinson CQ.pdf](#)  
[Desy CQ.pdf](#)  
[Duda CQ.pdf](#)  
[Graves CQ.pdf](#)  
[Moher CQ.pdf](#)  
[Moore CQ.pdf](#)  
[Wylie CQ.pdf](#)  
[Notice of Vacancy.pdf](#)  
[Resolution.pdf](#)

**President Hooper** stated that Donald Cline Jr., John Dalton, Dale Hetrick, Walter Johnson, Michael McGuire, Linda Raschke, LeAnne Rogers, Nancy Soisson and Tom Stephens were nominated at the December 5, 2011 Regular City Council

Meeting. He announced that Mr. Dalton requested his name be removed from consideration.

**Public Comment:**

**Michael McGuire**, 935 John R, expressed his interest in appointment to the Police and Road Funding Technical Review Committee.

**Council Discussion:**

**President Hooper** instructed Council to vote for seven of the remaining nominees.

City Council Members voted for the nominees as follows:

**Donald Cline Jr.:** Hooper, Klomp, Kochenderfer, Rosen, Tisdel, Webber and Yalamanchi

**Dale Hetrick:** Hooper, Klomp, Kochenderfer, Rosen, Tisdel, Webber and Yalamanchi

**Walter Johnson:** Hooper, Klomp, Kochenderfer, Rosen, Tisdel, Webber and Yalamanchi

**Michael McGuire:** Rosen and Yalamanchi

**Linda Raschke:** Hooper, Klomp, Kochenderfer, Tisdel and Webber

**LeAnne Rogers:** Hooper, Klomp, Kochenderfer, Rosen, Tisdel, Webber and Yalamanchi

**Nancy Soisson:** Hooper, Klomp, Kochenderfer, Rosen, Tisdel, Webber and Yalamanchi

**Tom Stephens:** Hooper, Klomp, Kochenderfer, Rosen, Tisdel, Webber and Yalamanchi

**President Hooper** announced the appointment of **Donald Cline Jr., Dale Hetrick, Walter Johnson, Linda Raschke, LeAnne Rogers, Nancy Soisson and Tom Stephens** to the **Police and Road Funding Technical Review Committee**, each for a one-year term ending December 31, 2012.

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

**Aye** 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdel, Webber and Yalamanchi

Enactment No: RES0285-2011

**Resolved**, that the Rochester Hills City Council appoints Donald Cline Jr., Dale Hetrick, Walter Johnson, Linda Raschke, LeAnne Rogers, Nancy Soisson and Tom Stephens to the Police and Road Funding Technical Review Committee, each to serve a one-year term to expire December 31, 2012.

**2011-0558**

Request to Confirm the Mayor's reappointment of Robin Laske and Ralph Pisani to the Board of Review, each for three-year terms to expire on December 31, 2014; and appointment of Peter Arbour to the Board of Review to complete the unexpired term of Tushar Oza which will expire December 31, 2012

**Attachments:** [Agenda Summary.pdf](#)  
[Arbour CQ.pdf](#)  
[Laske CQ.pdf](#)  
[Pisani CQ.pdf](#)  
[Resolution.pdf](#)

**Mayor Barnett** mentioned that Peter Arbour is the father of Lily Arbour, the young student who attained her goal of meeting all 121 of her elected representatives. He commented that Lily's efforts sparked a civic interest by her father.

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

**Aye** 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0286-2011

**Resolved**, that the Rochester Hills City Council hereby confirms the Mayor's reappointments of Robin Laske and Ralph Pisani to the Board of Review, each for three-year terms to expire on December 31, 2014; and appointment of Peter Arbour to the Board of Review to complete the unexpired term of Tushar Oza which will expire December 31, 2012.

## NEW BUSINESS

**2011-0562** Request for Approval of the proposed Flood Plain Use Permit related to the construction of a single family home at 3445 Hazelton

**Attachments:** [Agenda Summary.pdf](#)  
[MDEQ permit.pdf](#)  
[MDEQ culvert size approval.pdf](#)  
[Resolution.pdf](#)

**Allan Schneck**, Director of DPS/Engineering, explained that the Flood Plain Use Permit is required for a single-family home at 3445 Hazelton.

**President Hooper** noted that only 0.005 acre of wetland will be impacted.

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

**Aye** 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0287-2011

**Whereas**, the Department of Public Service/Engineering Services has recommended approval of the Flood Plain Use Permit.

**Resolved**, that the Rochester Hills City Council, after reviewing supporting documentation, the recommendation of the Department of Public Services, and all the factors outlined for consideration in Chapter 114, Article III, Division 2, Section 114 - 159, approves the request for the proposed Flood Plain Use Permit related to a proposed single family home construction at 3445 Hazelton.

**2011-0575** Council consideration of the City of Rochester's modified 2012 Older Persons' Commission (OPC) Budget



**Attachments:** [Agenda Summary.pdf](#)  
[Rochester Revised OPC Budget 2012.pdf](#)

**Mayor Barnett** stated that the City received a proposed amended budget from the City of Rochester for the Older Persons Commission for consideration by Council.

**Public Comment:**

**John Dalton**, 2602 New England Drive, stated that the governing bodies of the City of Rochester and Avon Township entered into an Inter-Local Agreement in 1983 for the Older Persons Commission (OPC), with the intent that the newly-created entity would independently function on its own and not be under direct control of the municipalities. The Inter-Local Agreement created a governing board, consisting of citizens from both communities, to manage, control and direct the OPC's operation. In 1985, Oakland Township became a partner to the agreement and was granted representation on the OPC Board. Millages passed and renewed over the years provide funding. The OPC has received a clean bill of health following each year's audit. He stated that the OPC facility has become a premier nationally-recognized senior center. He noted that the OPC Board recognized the diminishing economic times in 2008 and cut expenses, cut staff, froze wages, and eliminated major purchases while increasing fund raising activities. In preparing its budgets, the Board continued stepping up its actions to mitigate economic impacts while ensuring that no programs were cut nor user fees increased. He reported that at the end of 2010, due in large part to the dedication of the OPC staff and successful fund raisers, the OPC Board was able to raise over \$60,000 and increase Fund Balance by over \$200,000. This past spring while preparing the 2012 Budget, the Board looked at anticipated millage revenues along with other funding and reviewed staff expenses. Rather than go for a fourth year without an increase, the Board opted to provide a one percent salary increase and reinstitute step increases for those employees not at the top of their classification, along with a payment in lieu of medical insurance. The final result was a balanced budget with no contribution from Fund Balance. He noted that the OPC Board approved the budget for submission to the municipalities by a five-to-two vote.

He reported that Rochester Hills and Oakland Township approved the OPC budget as submitted; however, the City of Rochester tabled the item at a meeting in October. Subsequently Rochester noted that as it was not granting any pay raises, likewise, the OPC should not as well. He mentioned that just prior to consideration of the OPC's budget, Rochester unanimously approved a budget for the Rochester-Avon Recreation Authority which required the use of over \$70,000 in Fund Balance. After their November meeting, Rochester requested clarification on several items, which OPC responded to. He stated that the City of Rochester considered this response a second budget and has refused its approval, instead compiling a revised budget.

Mr. Dalton requested Council consider the intent of the elected officials at the creation of the entity, and commented that approving the revised budget is a slippery slope that will destroy OPC's 27 years of independence. He stated that it will be difficult for the OPC to first review each municipality's budget prior to preparing its own and is tantamount to serving three masters at one time. He requested Council not consider Rochester's revised OPC budget.

**Gretchen O'Donnell**, 555 Harrow Court, stated that a great senior center, like a great school system, can have advantageous effects on real estate values. She commented that over the past few years seniors have seen the faces of several staff members who were important to them disappear; and those who are left have had their hours cut in spite of taking on additional responsibilities. She stated that the staff is the spirit of the OPC; and noted that the buildings and programs would be worthless without them. She commented that seniors value and appreciate the OPC staff. She stated that instead of removing the pay raise previously approved, Council should actually consider doubling it.

**Michael O'Donnell**, 555 Harrow Court, stated that since the OPC Board is deemed a competent body, the original budget approval should be adhered to. He commented that there is no evidence that the OPC Board members have gone beyond their authority or have done anything wrong. He pointed out that Rochester's case that their own employees have not received a raise is not relevant; the OPC has actually put money in reserve. He mentioned that it looks much worse not to give what has been promised to the employees who do their jobs with competence and joy.

**Howard Rosso**, 2735 Hillendale, commented that he has visited senior centers in other parts of the country and stated that the OPC facility is the best. He mentioned that the staff are extremely well-trained and are concerned about the seniors and their capabilities. He stated that he does not believe that a one percent raise is out of place even in this economy, as employees must be treated fairly or they will leave for other positions. He commented that Council should follow the directive of the original agreement; the OPC has a capable governing board to ensure the safety and well-being of thousands of seniors in the community.

**Council Discussion:**

**Mr. Yalamanchi** noted that the OPC is an independent body and any discussion, concerns or opposition should be raised at the OPC Board level. He stated that based on the request from the City of Rochester, he recommends that Council affirm the budget previously approved and not give consideration to Rochester's request. He noted that the City Attorney assisted in drafting a resolution to reaffirm the annual operating budget approved by Council. He suggested a change to Mr. Staran's proposed resolution, requesting that the fifth paragraph end with the words "annual operating budget", deleting the remainder of the sentence.

**Mr. Webber** requested Mr. Staran comment as to whether the Inter-Local agreement requires Council take action on the proposed budget revisions from the City of Rochester.

**John Staran**, City Attorney, responded that the Inter-Local Agreement for the OPC does not go into a lot of detail regarding the budget procedure; and he noted that this type of issue has not come up before. He stated, however, that the

Agreement does call for each of the member communities to approve a budget or present a modified budget. He commented that while the Inter-Local Agreement does not specifically spell out that action is required, Council should either reaffirm its prior position or approve the modified budget.

**Mr. Webber** concurred that the decision lies with the OPC Governing Board, to which he is one of Council's representatives. He pointed out that the OPC Board is comprised of representatives from each community and commented that these individuals look out for the welfare of the communities they represent. He stated that the Board continues to discuss compensation and services on a yearly basis and did approve a rate increase for health care contributions. He commented that he looks forward to working with the City of Rochester; however, the mechanism is at the governing board table.

**President Hooper** read the draft resolution, incorporating Mr. Yalamanchi's requested change.

**Mr. Klomp** expressed his support for the resolution, stating that the process guarantees a positive and thorough review. He stated that the purpose of having board members appointed from the various communities is to have representation and it is a duplication of the process to have their actions scrutinized. He commented that it sets a bad precedent to micromanage boards and committees and stated that it is more important to give them sovereignty and stand-alone activity to make decisions and operate in the way they see fit.

**Marye Miller**, Executive Director, Older Persons Commission, stated that she has been involved in the program for 38 years. She commented that the OPC has always used a bottom-line budget, allowing changes during the year as long as the bottom line does not change. She commented that Rochester is presenting a line-item budget and making changes to specific line items.

**Mr. Kochenderfer** stated that when he sees a budget with this many line items, he is reminded why there is an OPC Governing Board. He commented that while he might see items within the budget that he may have questions on, he would question what Council sees its role as being. He commented that as long as there is no gross abuse of funds, it is not for Council to adjust specific line items.

**Mr. Rosen** questioned what will occur if Council does not approve the revised budget.

**Mr. Staran** responded that like any other governmental entity, the OPC is subject to certain legal requirements by the Uniform Budgeting Act. The OPC is a governmental entity and must have a budget or it ceases to operate. He stated that this conflict will have to be worked out and a political solution found among the communities. He noted that at a minimum, with the exception of a couple of issues that Rochester flagged regarding pay increases and pension contributions, virtually everything else remains unchanged; and the OPC can move ahead with its operations based on that fact. He commented that certainly there needs to be further discussion concerning how ultimately the municipalities are going to deal with the budget process now and in the future. He pointed out that the Inter-Local Agreement does not clearly define and set forth any dispute resolution process.

**Mr. Rosen** commented that he does not want to leave the OPC in operating limbo. He stated that the Inter-Local Agreement was crafted carefully to divide up the power, so that no two communities could band together against the third. He noted that the politics of the governing entity was fairly well-crafted by having representatives of the three councils along with citizens from each community to bring a decent balance between politicians and non-politicians to the board.

**Ms. Miller** noted that per the Inter-Local Agreement, Rochester was to consider the budget at their October 10th meeting; however, they did not. She stated that when Rochester chose not to approve the budget or come back with proposed revision in November, OPC's attorney drafted a letter informing them that they had to approve the budget. Subsequently, Rochester opted to send an adjusted budget to Rochester Hills and Oakland Township. She emphasized that the bottom-line for the budget has not changed.

**Mr. Rosen** noted that Oakland Township must also consider the revision.

**Joan Fogler**, Oakland Township Supervisor, commented that this item is on the Township's agenda meeting for tomorrow.

**Ms. Miller** responded that while it may not approve the OPC Budget, Rochester cannot take its portion of OPC's millage funding.

**Mr. Rosen** questioned whether Council would be locked into a battle that will hurt the OPC should it reaffirm the original budget. He noted that he previously voted against the budget for a number of reasons, and stated that he is a little angry that the conflict got to this level.

**President Hooper** commented that Council needs to either stand behind the OPC Governing Board or not. He pointed out that the purpose of a governing board is to eliminate the politics. He stated that he fully supports the OPC Board and mentioned that Council does not have the knowledge base to line-item veto the OPC Budget.

**Mr. Rosen** commented that the Inter-Local Agreement includes an element of the politics by nature of the governing board structure. One community has stepped away from standing behind the governing board. He stated that the OPC Board cannot be dominated by any one community; however, it can be stalemated by it.

**Mayor Barnett** stated that consideration of the budget amendment has nothing to do with the justification of compensation; and he commented that the OPC Board could have rightfully opted for a one percent pay decrease. He stated that the issue at hand is the sanctity and role of the OPC Governing Board. He pointed out that the City's voice is on that board and Council should stand behind the OPC Board. He stated that he hoped that the communities could work these differences out without resorting to legal action.

*Mr. Tisdell commented that it appears that Council has done everything required of it. He pointed out that the OPC Board previously submitted its budget, which Council approved. He stated that Council has no obligation to do anything.*

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

**Aye** 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0288-2011

**Whereas**, in accordance with the Inter-Local Agreement, as amended, establishing the Older Persons Commission ("OPC"), the OPC is required to develop an annual budget and submit it for review and approval by the member communities Rochester, Rochester Hills and Oakland Township; and

**Whereas**, the OPC's 2012 Annual Budget has been submitted to the member communities and approved by Rochester Hills and Oakland Township, but the City of Rochester has decided to approve a modified budget, which includes cuts and reallocation of funds that is not supported by the OPC's Governing Board; and

**Whereas**, the OPC is governed by a board comprised of appointed representatives from each of the (3) member communities; and

**Whereas**, the member communities have historically deferred to the knowledge and judgment of the OPC Board and have accepted the OPC budgets without modification; and

**Whereas**, the Rochester Hills City Council believes the OPC Board is in the best position to understand and determine its annual operating budget.

**Therefore**, the Rochester Hills City Council resolves to hereby reaffirm its prior approval of the 2012 OPC Annual Budget as submitted by the OPC, and previously approved by the OPC Governing Board, without modification.

## **COUNCIL COMMITTEE REPORTS**

*None.*

## **ANY OTHER BUSINESS**

*None.*

## **NEXT MEETING DATE**

*Regular Meeting - Monday, January 9, 2012 - 7:00 PM*

## ADJOURNMENT

*There being no further business before Council, President Hooper adjourned the meeting at 10:49 p.m.*

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*GREG HOOPER, President  
Rochester Hills City Council*

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*SUSAN GALECZKA, Deputy City Clerk  
City of Rochester Hills*

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*MARY JO WHITBEY  
Administrative Secretary  
City Clerk's Office*

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