



Rochester Hills Minutes

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City Council Budget Work Session

*Melinda Hill, Bryan K. Barnett, John L. Dalton, Jim Duistermars,
Barbara L. Holder, Linda Raschke, Gerald Robbins*

Tuesday, August 23, 2005

7:30 PM

Rochester Hills Museum at Van Hoosen Dairy
Barns, 1005 Van Hoosen Road, Rochester Hills,
MI

DRAFT

In accordance with the provisions of Act 267 of the Public Acts of 1976, as amended, the Open Meetings Act, notice was given that a Special Rochester Hills City Council Budget Work Session would commence at 7:30 p.m. on Tuesday, August 23, 2005 for City Council to discuss the proposed 2006 Budget.

CALL TO ORDER

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

ROLL CALL

Present: Melinda Hill, Bryan Barnett, Jim Duistermars, Barbara Holder and Linda Raschke

Absent: John Dalton and Gerald Robbins

Others Present:

*Pat Somerville, Mayor
Jane Leslie, City Clerk
Ed Anzek, Director of Planning/Development
Scott Cope, Director of Building/Ordinance Enforcement
Ron Crowell, Fire Chief
Kurt Dawson, Director of Assessing/Treasurer
Bob Grace, Director of MIS
Mike Hartner, Director of Parks & Forestry
Julie Jenuwine, Director of Finance
Pam Lee, Director of Human Resources
Roger Rousse, Director of DPS/Engineering
Bob Smith, Captain, Oakland County Sheriff's Department*

Council Member Dalton provided prior notice he would be unable to attend and asked to be excused.

PUBLIC COMMENTS

Ms. Debbie Geen, 3128 Walton Boulevard, Chairperson of the Residential Vision Committee, made the following comments:

- *Questioned why the budget meetings were not being held in City Hall nor televised.*
- *In reference to the local roads issue, questioned why Council would expect a small committee to make important decisions for the City.*
- *Noted that if the road millage were to pass in November, residents living in*

condominiums, apartments and manufactured homes will be paying twice for road maintenance.

- Claimed that the proposed budget is difficult to access by residents and suggested that City officials do not "want to share the budget information."

- With regard to the proposed open space millage, questioned where the property to be purchased is located and whether it has been properly appraised.

- Indicated that Oakland County Sheriff Michael Bouchard accepted a 20% budget cut, and questioned why Rochester Hills could not make a similar budget cut.

President Hill noted that copies of the proposed budget are made available to residents through multiple sources and formats for residents to review.

Mr. Duistermars explained that there are no specific properties currently under consideration for purchase for open space preservation, but rather, a committee will be formed to recommend properties for consideration to Council once the millage passes.

Captain Smith clarified that there was a 20% shortfall in the overall Oakland County government budget resulting in a reduction of \$270,000 in the Sheriff's Department budget.

ADMINISTRATION

Ms. Julie Jenuwine, Director of Finance, reviewed a memo she prepared that addressed issues raised during the previous evening's budget meeting:

1) The actual Pathways Millage ballot language was provided for Council's review with regard to the possible use of these monies to pay for at least a portion of the PS-03 Non-motorized System Evaluation project.

2) Historic detail of the breakdown of the revenue account for the Environmental Education Center (EEC) and the museum programs was provided.

Mr. Barnett requested a "more complete picture" that would illustrate the revenue versus the expenses of the EEC.

2005-0516

Discussion regarding Special Revenue Funds - 2006 Budget (200's)

Ms. Marye Miller, Director of the Older Persons Commission (OPC), appeared before Council to discuss the OPC Budget.

265 OLDER PERSONS COMMISSION - MILLAGE FUND

No discussion.

Discussed

2005-0523

Discussion regarding Older Persons Commission (OPC) Fund - 2006 Budget (800)

820 OPC OPERATING FUND

MUNICIPAL CONTRIBUTIONS

- It was noted that Oakland Township resident participation of OPC services is

increasing and perhaps the breakdown of contributions should be reevaluated in the near future.

- The litigation regarding the use of the OPC facilities by residents between the ages of 50 and 59 years of age continues. There would be some loss of programs if there were not enough participants to fill classes. However, no grant money will be lost, as was erroneously reported in the newspaper.

Discussed

2005-0516 Discussion regarding Special Revenue Funds - 2006 Budget (200's)

206 FIRE DEPARTMENT FUND - REVENUE

LICENSE & PERMITS - OTHER

451011 Lic. & Permits - Burning Permits

- Includes permits for leaf burning and bonfires.

INTERFUND CHARGES

606592 Interfund - Dispatch Services

- Transferred from Water & Sewer for their coverage during off hours.

CHARGES FOR SERVICE - OTHER

608008 Chg. For Serv. - False Alarms

- Council members are in the process of addressing the false alarm issue, which could potentially result in revenue for the City.

MISCELLANEOUS REVENUE

687000 Refunds & Rebates

- This represents workers compensation reimbursements, which cannot be anticipated in advance and, therefore, are typically handled via a budget amendment later in the fiscal year.

206 FIRE DEPARTMENT - ADMINISTRATION

PERSONNEL SERVICES

724000 Tuition Refund

- Is typically lower as this fund serves only the administrative staff.

OPERATING SUPPLIES

748000 Operating Equipment

- Primarily involves the installation of light bars on vehicles to increase identifiability.

TRANSFER OUT

999402 Transfer Out - Fire Capital Fund

President Hill expressed her concern that the nearly \$800,000 transfer to the Capital Fund is excessive.

Ms. Jenuwine explained that the current apparatus replacement schedule projects an average of approximately \$987,000 annually over the next five years. She further noted that expenditures will fall to approximately \$484,000 annually after 2012, but will increase to \$2.5 million in 2018. She assured Council that "saving like this will allow for a more level millage throughout the year."

President Hill questioned whether the City will need to pursue a millage increase in five or six years if apparatus expenses continue to rise and the millage rate remains at 1.9.

Ms. Jenuwine indicated that a millage increase will not be necessary if there are no changes to the current assumptions. However, she stressed that there are unpredictable factors such as health care costs that make it difficult to predict beyond 2012.

206 FIRE DEPARTMENT FUND / 339 FULL-TIME FIREFIGHTERS

Chief Crowell noted the following reasons for requesting six new full-time firefighters:

- 1) The Oakland County Medical Control Board will require a minimum of six full-time firefighters per shift by August 2, 2007.
- 2) Call volume has risen to the point that back injuries are increasing among firefighters.
- 3) The union has agreed to forego a 2% pay increase for the first year of the new contract if all six firefighters are hired at once.

President Hill questioned the need for six new full-time firefighters and suggested that the City consider cost cutting alternatives such as contracting for some ambulance services and investigating the possibility of creating/joining a regional emergency medical cooperative with surrounding communities.

Discussed

213 ROCHESTER-AVON RECREATION AUTHORITY (RARA) FUND

- The budget presented maintains the status quo and will not be impacted by the success or failure of the proposed Primary Election millage, which would not take effect until the 2007 budget.

Discussed

2005-0522

Discussion regarding Rochester Avon Recreation Authority (RARA) Fund - 2006 Budget (800)

808 RARA OPERATING FUND

No discussion.

Discussed

(Recess 8:57 p.m - 9:13 p.m.)

2005-0516 Discussion regarding Special Revenue Funds - 2006 Budget (200's)

206 FIRE DEPARTMENT FUND / 340 PAID ON-CALL (POC) FIREFIGHTERS

Chief Crowell noted that, while it is ideal to have at least twenty-five Paid On-Call Firefighters per fire station, certain stations have fewer than fifteen.

Mr. Barnett stated that a resent report provided to the Public Safety Committee indicated that Fire Department response times have improved drastically over previous years.

Chief Crowell explained that POC candidates are required to reimburse the City for the cost of training if they resign prior to completing their probation period.

206 FIRE DEPARTMENT FUND / 341 FIRE PREVENTION BUREAU**PROFESSIONAL SERVICES****900000 Printing & Publishing**
Educational Materials & Forms

- Most of the literature is published in October in conjunction with Fire Prevention Week.
- Inspection rates have improved with the addition of two new inspectors over the past two years.

206 FIRE DEPARTMENT FUND / 342 TRAINING**PERSONNEL SERVICES****703000 Salaries & Wages**

- Is reduced by 6.1% due to a reduction in overtime.

206 FIRE DEPARTMENT FUND / 343 DISPATCH**OTHER EXPENSES****934000 Maintenance - Software**
AVL Usage Fee

- Software that tracks emergency vehicle location.
- It was suggested that dispatch services could be regionalized, perhaps with Rochester Hills' dispatch servicing other communities for a fee.

206 FIRE DEPARTMENT FUND / 344 EMERGENCY MEDICAL RESPONSE

No discussion.

206 FIRE DEPARTMENT FUND / 345 SPECIAL OPERATIONS

Discussed

2005-0518 Discussion regarding Capital Improvement Funds - 2006 Budget (400's)

402 FIRE CAPITAL FUND

President Hill again questioned expenditures of less than \$25,000 being paid from this account noting they do not meet the appropriate threshold.

Ms. Jenuwine reiterated her response from the previous evening's budget meeting discussion noting that this is a generally held accounting practice that serves to prevent misleadingly drastic fluctuations in these funds resulting from one-time-only expenditures.

Discussed

2005-0514 Discussion regarding General Fund - 2006 Budget (100's)

Attachments: Agenda Summary Budget Adoption.pdf; 092805 Final Recap all changes.pdf; 091405 Agenda Summary.pdf; Memo Jenuwine 090205.pdf; Memo Jenuwine 082205 - 2006 Q&A.pdf; Memo Jenuwine Monday responses.pdf; Memo Jenuwine Tuesdays II responses1.pdf; Memo Jenuwine

101 GENERAL FUND / 326 WIRELESS COMMUNICATIONS

No discussion.

Discussed

2005-0516 Discussion regarding Special Revenue Funds - 2006 Budget (200's)

207 SPECIAL POLICE FUND

Captain Smith noted the following:

- Increase in overall revenues of 3.3%.
- Revenues were maximized.
- \$40,000 for 655004 Fines - O.U.I.L.
- Administering mini-contracts is a delicate balance, as there are only so many vehicles and, for safety reasons, deputies are limited to the amount of overtime they can work.

Mr. Barnett indicated that the two dedicated police millages, which will soon be expiring, provide approximately \$4.13 million dollars, while the overall Police budget is approximately \$7.78 million. He stressed that while there are revenue sources that are used to reduce that shortfall, the majority of the money is subsidized by the General Fund.

Council members agreed that the issue of subsidizing the Police budget must be addressed and residents made aware of the situation. Funding the Police budget in this manner cannot continue indefinitely.

Discussed

2005-0514

Discussion regarding General Fund - 2006 Budget (100's)

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101 GENERAL FUND / 315 CROSSING GUARDS

No discussion.

Discussed

2005-0520

Discussion regarding Internal Services Funds - 2006 Budget (600's)

636 MANAGEMENT INFORMATION SYSTEMS (MIS) FUND

Mr. Grace noted the major projects planned for 2006:

- Server network upgrade.
- AS400 upgrade.
- Asset management (with Department of Public Service)
- Records retention (with Clerk's Department)

TRANSFER IN**699420 Transfer In - Capital Improvement Fund**

IS-06B Asset Management / Software & Hardware Implementation

Responding to questions from President Hill regarding the cost of this project, Mr. Grace noted that some of the incremental costs estimated through 2011 are likely associated with ongoing server and software maintenance.

President Hill expressed her hope that other City departments will benefit from this project.

President Hill also expressed her concern that employees now tasked with maintaining the new website for each department may be overburdened and suggested that perhaps one employee should be dedicated to this job.

677 INSURANCE FUND

Ms. Jenuwine noted that the general liability increased by 3%, however, the budget was prepared prior to receiving that notification; thus, the budgeted amount is slightly higher.

Discussed

ANY OTHER BUSINESS

Mr. Cope provided the following information regarding the No-Haz program in response to questions raised during the previous evening's budget meeting:

- The August 11th collection event held at Oakland University generated 577 cars from Rochester Hills.

- The previous year, this same event generated only 286 vehicles.
- Reduced participation is anticipated for the upcoming September 24th event, as this collection site is further away.

Mr. Cope noted that, as a result of this increased usage, a budget adjustment is likely necessary.

Mr. Barnett requested that Fire Chief Crowell provide Council with the percentage of Oakland Township dispatch calls the City's dispatch service handled during the previous year. He suggested that this percentage be used as a better means to determine how this service should be reimbursed to the City.

PUBLIC COMMENT:

Ms. Debbie Geen, 3128 Walton Boulevard, Chairperson of the Residential Vision Committee, noted that other communities were reducing fire and police wages by 10% and questioned whether Rochester Hills would follow suit.

Ms. Holder explained that wages are set by negotiated union contracts.

Mr. Duistermars further noted that, according to FBI standards, Rochester Hills' police service is "extremely understaffed."

NEXT MEETING DATE

- Regular Meeting/Budget Work Session: Wednesday, August 24, 2005 at 7:30 p.m. at City Hall
- Special Budget Work Session: Thursday, August 25, 2005 at 7:30 p.m. at the Rochester Hills Museum Dairy Barns
- Regular Meeting: Wednesday, September 7, 2005 at 7:30 p.m. at City Hall

ADJOURNMENT

There being no further business before Council, President Hill adjourned the meeting at 10:26 p.m.

MELINDA HILL, President
Rochester Hills City Council

JANE LESLIE, Clerk
City of Rochester Hills

MARGARET A. MANZ
Administrative Secretary
City Clerk's Office

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