



Rochester Hills Minutes City Council Regular Meeting

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

Wednesday, September 14, 2005

7:30 PM

1000 Rochester Hills Drive

DRAFT

Rescheduled Regular Meeting of Wednesday, September 21, 2005

CALL TO ORDER

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

ROLL CALL

Present: Melinda Hill, Bryan Barnett, John Dalton, Jim Duistermars and Barbara Holder

Absent: Linda Raschke and Gerald Robbins

Others Present:

*Pat Somerville, Mayor
John Staran, City Attorney
Jane Leslie, City Clerk
Ed Anzek, Director of Planning/Development
Dan Casey, Manager of Economic Development
Scott Cope, Director of Building/Ordinance Enforcement
Ron Crowell, Fire Chief
Julie Jenuwine, Director of Finance
Raymond "Bud" Leafdale, General Superintendent
Roger Rousse, Director of DPS/Engineering
Bob Smith, Captain, Oakland County Sheriff's Department*

Council Member Raschke provided previous notice she would be unable to attend and asked to be excused.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

Resolved that the Rochester Hills City Council approves the Agenda for the Regular City Council Meeting of Wednesday, September 14, 2005 with the following addition to the Consent Agenda:

2005-0605 - Request from the Michigan Athletes with Disabilities Hall of Fame request for nonprofit designation.

A motion was made by Barnett, seconded by Duistermars, to Approve Agenda as Amended.

The motion carried by the following vote:

Aye: Hill, Barnett, Dalton, Duistermars and Holder

Absent: Raschke and Robbins

PUBLIC COMMENT

Ms. Linda Davis-Kirksey, 1337 North Acre Drive, praised City Clerk Jane Leslie and the poll workers for the "outstanding job" they did in the Primary Election.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

*The Council members praised **City Clerk Jane Leslie**, her department and the poll workers for their hard work and dedication during the previous day's Primary Election. In addition, several Council members praised those individuals who ran for office noting their commitment to the City. They also expressed their disappointment that the RARA millage had not passed, although they were pleased with the passage of the Open Space and OPC Transportation millages.*

***President Hill** announced the Museum's upcoming exhibit entitled "Those Who Served" regarding local veterans. She then noted that Transportation Riders United was sponsoring their second annual "Ride the Bus" campaign to encourage the use of mass transit. President Hill indicated that Council had received a letter from two residents requesting assistance with a property border issue. She requested that **Planning Director Ed Anzek** address this matter.*

***Ms. Holder** noted that, following the passage of the Open Space millage, Council would be formulating an advisory committee responsible for evaluating potential open space purchases and bringing forward recommendations to Council. She also announced an upcoming charitable event, "Raschke's Ride," that would raise money towards funding research into the treatment of a debilitating illness suffered by Council member Raschke's husband.*

***Mayor Somerville** thanked the firefighters who had raised funds for the Hurricane Katrina relief campaign. She also noted dates and times for an upcoming flu clinic to be held at City Hall in October.*

ATTORNEY MATTERS

City Attorney John Staran had nothing to report.

RECOGNITIONS

2005-0591 Mayoral Proclamation in Recognition of Ingersoll-Rand

Attachments: Agenda Summary.pdf; 0591 Recognition.pdf

***Mayor Somerville** read the following proclamation:*

**City of Rochester Hills
Office of the Mayor
Proclamation**

Whereas, Ingersoll-Rand was formed by merger in 1905, bringing together Ingersoll-Sergeant rock drilling technology with Rand Drill Company's air compressor business; and

Whereas, today Ingersoll-Rand has diversified its business lines to include industrial equipment; including ergonomic handling, precision fastening, and

dispense control technologies; construction equipment, transport temperature-control equipment, stationary refrigeration equipment and golf carts; and

Whereas, Ingersoll-Rand employees have been instrumental in delivering products, technologies and services that revolutionized industry and commerce while setting new benchmarks for innovation, quality, leadership and customer service; and

Whereas, Ingersoll-Rand has contributed greatly to the advancement of global industry and commerce and plays a vital role in worldwide economic development and social progress; and

Whereas, Ingersoll-Rand is a global company with 80 facilities and 36,000 employees worldwide; and

Whereas, Ingersoll-Rand has been located in Rochester Hills since 2000 and employs 100 highly-skilled individuals who manufacture and support precision fastening, ergonomic handling and dispensing systems; and

Whereas, the City is very proud to be the home of many great companies, including Ingersoll-Rand and others who are important contributors to the State and local economy; and

Whereas, Ingersoll-Rand, a great and historic global company, has been a good corporate citizen of Rochester Hills, and maintained its building and property to the highest standard.

Now, Therefore, Be It Resolved, that I, Pat Somerville, Mayor of Rochester Hills, present this proclamation to Ingersoll-Rand in recognition of its 100th anniversary as a company.

In Witness Whereof, I have hereunto set my hand and caused my Seal to be affixed this eighth day of September two thousand and five.

Presented

PRESENTATIONS

2005-0592 Presentation - Explanation of Water/Sewer Billing Rates

Attachments: Agenda Summary.pdf

Mr. Roger Rouse, Director of DPS/Engineering, briefly explained the three components of a typical water bill:

1) *Customer Charge* - a fixed rate established by the Council once a year and carried from month to month.

2) *Capacity Charge* - a fixed rate established by the Council once a year and carried from month to month.

3) *Commodity Charge* - a variable rate that fluctuates seasonally with water use for irrigation and other related outdoor uses.

He then provided three examples of bi-monthly water bills:

- Light User: \$37.97 or approximately \$0.63 per day
- Average User: \$64.28 or approximately \$1.07 per day
- High User: \$90.00 or approximately \$1.50 per day

He stressed that in each case it is the Commodity Charge that fluctuates, most likely due to outdoor usage.

Mr. Rousse then presented an example of the last notice sent to residents regarding the increase. He drew special attention to the increase in the Customer Charge that is equivalent to \$1.80 for water and \$1.80 for sewer each month. He explained that this increase is intended to fund the implementation Automatic Meter Reading (AMR) Program over the next four years. He explained that this program, once fully implemented, will provide the technology to read 5,000 meters per hour as opposed to the current system of 300 to 400 per day by a single meter reader. Mr. Rousse stressed that upon complete implementation of the AMR program, the \$1.80 water and \$1.80 sewer Customer Charge will be eliminated. It is further predicted that, due to greater efficiency, water rates will reduce as well.

Mr. Rousse then described the many other benefits of the AMR program, specifically noting its ability to identify leaks in the system more quickly.

Mr. Barnett noted that residents will likely be skeptical that the Customer Charge increase will actually be eliminated after four years.

Mr. Rousse noted that removing the charge after full implementation of the AMR program is planned, however, it will be up to Council to make that final decision.

Ms. Holder noted that the City, until very recently, had been subsidizing residents' water and sewer fees.

Ms. Jenuwine explained that for the operating expenses to break even, water rates would need to increase 23%. However, this increase has been spread over a couple of years "to make it easier on the residents."

Presented

CONSENT AGENDA

All matters under Consent Agenda are considered to be routine and will be enacted by one motion, without discussion. If any Council Member or Citizen requests discussion of an item, it will be removed from Consent Agenda for separate discussion.

2005-0584 Acceptance of a Watermain Easement granted by Thrifty Van Dyke, Inc., a Michigan Corporation, for Parcel No. 15-35-100-029

Attachments: Agenda Summary.pdf; Watermain Easement.pdf; Map.pdf; 0584 Resolution.pdf

This Matter was Adopted by Resolution on the Consent Agenda.

Resolved that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a watermain easement granted by Thrifty Van Dyke, Inc., 2929 Walker Avenue, N.W., Grand Rapids, Michigan 49544, for the construction, operation, maintenance, repair and/or replacement of a watermain easement over, on, under, through and across land more particularly described as Parcel No. 15-35-100-029.

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

Enactment No: RES0305-2005

2005-0569

Request for Approval to Add Delinquent Charges to 2005 Winter Tax Roll

Attachments: Agenda Summary.pdf; 0589 Resolution.pdf

This Matter was Adopted by Resolution on the Consent Agenda.

Resolved that the Rochester Hills City Council approves the following delinquent charges, as certified by the City of Rochester Hills Treasurer, to be made a part of the 2005 winter tax roll; and

Further Resolved the City Assessor be and is hereby authorized to spread said amount on the 2005 Winter Tax Roll.

<u>Roll/Fund</u>	<u>Total</u>	<u>Ordinance</u>
Delinquent W/S Charges Water/Sewer Fund	\$480,392.77	Ch 102-92.(b)
Delinquent Weed Control General Fund	\$14,056.73	Ch 106-125.(e)
Delinquent SAD Water Fund	\$62.71	Ch 90-114.(b)
Delinquent SAD Local Road Funds	\$17,768.66	Ch 90-114.(b)
Delinquent Sidewalks Rep. Local Road Funds	\$1,721.75	Ch 94-143.(b)(2)
Delinquent Blight Prevention General Fund	\$1,560.00	Ch 90-30.(d)

Enactment No: RES0306-2005

2005-0588

Adoption of Resolution in Opposition to Senate Bill 528

Attachments: Agenda Summary.pdf; Senate Bill 528.pdf; 0588 Resolution.pdf

This Matter was Adopted by Resolution on the Consent Agenda.

Whereas, Senate Bill 528 would prevent local governments from providing any telecommunication services to citizens, including cable, high-speed Internet (broadband), and wireless communications; and

Whereas, in today's global market, Internet (broadband) access is an essential service and municipalities have the obligation to make sure that all citizens and businesses have equal access to this service; and

Whereas, Michigan local governments already have specific restrictions and a well thought out statutory law, the Metro Act, that regulates local government involvement in telecommunications services; and

Whereas, Michigan now has the worst unemployment rate in the country and Internet access is a vital economic development tool which is essential for Michigan to successfully attract new jobs and to transition from manufacturing to a technology-based economy; and

Whereas, Municipalities do not undertake municipal broadband projects for the

purpose of competing with the private sector, but rather they only intervene in response to public demand because the private sector is either failing to provide a service, charging unaffordable rates, or providing substandard services; and

Whereas, broadband access is not a luxury good that can be offered only to the most attractive customers and local governments must be able to step in to provide this vital service whenever and wherever the service is needed.

Now, Therefore, Be It Resolved, that the Rochester Hills City Council hereby opposes Senate Bill 528 because it would eliminate the ability of local governments to provide any telecommunications services which are essential to its citizens; and

Be It Further Resolved that copies of this Resolution of Opposition be conveyed to the appropriate elected and appointed officials of the State government.

Enactment No: RES0307-2005

2005-0605

Request from the Michigan Athletes with Disabilities Hall of Fame for nonprofit designation

Attachments: Agenda Summary.pdf; Request MI Athletes with Disabilities.pdf; State Resolution.pdf; Federal Non profit designation.pdf; 0605 Resolution.pdf

This Matter was Adopted by Resolution on the Consent Agenda.

Resolved that the request from Michigan Athletes with Disabilities Hall of Fame located at 2845 Crooks Road, Rochester Hills, Oakland County, Michigan asking that they be recognized as a nonprofit organization operating in the community for the purpose of obtaining a charitable gaming license, be considered for approval.

Enactment No: RES0308-2005

Passed The Consent Agenda

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

Aye: Hill, Barnett, Dalton, Duistermars and Holder

Absent: Raschke and Robbins

PUBLIC HEARINGS

2005-0573

Third Quarter 2005 Budget Amendment

Attachments: Agenda Summary.pdf; Public Hearing Notice.pdf; 2005 - 3rd Qtr Budget Amndmts.pdf; 090105 Jenuwine - Amndmnt Memo.pdf; 0573 Resolution.pdf

Ms. Julie Jenuwine, Director of Finance, described the Third Quarter Budget Amendments as primarily "housekeeping items." She explained that the majority of the adjustments are "look backs" on the interfund charges for MIS, Facilities and the General Administrative charge. She also noted a Worker's Compensation dividend in many of the departments.

President Hill Opened the Public Hearing at 8:14 p.m.

Ms. Holder questioned whether some monies should be left in the DPS Facilities fund for 2005 "for issues that may arise before the 2006 year."

Ms. Jenuwine noted that it is always possible to address such an issue with the Fourth Quarter Budget Amendment scheduled for December 14th. While indicating that it was unlikely that actual construction of the facility would begin prior to the new year, she stressed that this transfer of monies would not prohibit the signing of contracts for services or materials.

There being no further comment, **President Hill** Closed the Public Hearing at 8:17 p.m.

A motion was made by Dalton, seconded by Barnett, that this matter be Adopted by Resolution.

Whereas, a Public Hearing was held on September 14, 2005 to amend and adopt new fund totals for fiscal year 2005.

Now, Therefore, Be It Resolved that the Rochester Hills City Council hereby approves the following 2005 fund totals as amended:

101 - General Fund	\$23,337,570
202 - Major Road Fund	\$6,121,780
203 - Local Road Fund	\$2,851,650
206 - Fire Fund	\$7,100,970
207 - Special Police Fund	\$7,539,190
214 - Pathway Fund	\$604,500
226 - Solid Waste Fund	\$210,160
232 - Tree Fund	\$207,050*
244 - Drain Maintenance Fund	\$5,425,590
331 - Drain Debt Fund	\$2,216,380
368 - OPC Building Debt Fund	\$748,260
395 - 1998 Refunding Bond Fund	\$491,450*
402 - Fire Apparatus Fund	\$884,570*
403 - Pathway Construction Fund	\$442,140*
420 - Capital Improvement Fund	\$1,436,270*
468 - OPC Construction Fund	\$3,240
592 - Water & Sewer Fund	\$40,746,580
631 - Facilities Fund	\$6,116,050
636 - MIS Fund	\$3,088,690
661 - Fleet Fund	\$2,762,000

The motion carried by the following vote:

Aye: Hill, Barnett, Dalton, Duistermars and Holder

Absent: Raschke and Robbins

Enactment No: RES0309-2005

ORDINANCE FOR ADOPTION

2004-0098

Acceptance for Second Reading and Adoption - An Amendment to Chapter 138 of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to rezone ten parcels of land, located near the northeast corner of Adams and South Boulevard, totaling approximately 24.2 acres, known as Historic Lorna Stone Village containing Parcel Nos. 15-31-301-011, 15-31-351-001, -002, -003, -017, -008, -009, -010, -011, -012 from R-4 (One Family Residential) to PUD (Planned

Unit Development) and to prescribe penalties for violation thereof - City File No. 03-010, Lorna Stone LLC., applicant

Attachments: Agenda Summary.pdf; 090705 Agenda Summary First Reading.pdf; Map aerial.pdf; Report Staff.pdf; Agenda Summary Discuss PUD.pdf; Lorna Stone PUD Agreement.pdf; ordinance.pdf; First Reading Resolution.pdf; 0098 Resolution.pdf

Mr. Ed Anzek, Director of Planning/Development, noted that this unique project had been through many reviews by both the City Council and the Planning Commission and had been "favorably received."

Mr. Joe Maniaci, Lorna Stone LLC, 1111 West Long Lake Road Troy, developer; and **Mr. Paul L. Nine**, Paul L. Nine & Associates, P.C., 100 West Long Lake Road, Bloomfield Hills, attorney, were present to answer any questions on behalf of the developer.

A motion was made by Dalton, seconded by Barnett, that this matter be Accepted for Second Reading and Adoption by Resolution.

Resolved that an Ordinance to Amend Chapter 138, Zoning, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to rezone ten parcels of land, located near the northeast corner of Adams and South Boulevard, totaling approximately 24.2 acres, known as Historic Lorna Stone Village, containing Parcel Nos. 15-31-301-011, 15-31-351-001, -002, -003, -017, -008, -009, -010, -011, -012 from R-4 (One Family Residential) to PUD (Planned Unit Development) is hereby accepted for second reading and adoption, and shall become effective on Friday, September 23, 2005 the day following its publication on Thursday, September 22, 2005 in the Rochester Eccentric newspaper.

The motion carried by the following vote:

Aye: Hill, Barnett, Dalton, Duistermars and Holder

Absent: Raschke and Robbins

Enactment No: RES0310-2005

2005-0589

Approval of the Planned Unit Development (PUD) Agreement for Historic Lorna Stone Village - City File No. 03-010 - A proposed mixed-use PUD to be located near the northeast corner of Adams and South Boulevard, on approximately 24 acres, zoned R-4, One Family Residential, known as Parcel Nos. 15-31-301-011, 15-31-351-001, -002, -003, -017, -008, -009, -010, -011, -012 - City File No. 03-010 - Lorna Stone, LLC, applicant

Attachments: Agenda Summary.pdf; 0589 Resolution.pdf

Mr. Barnett questioned whether there was a time frame for the construction of this development.

Mr. Joe Maniaci, Lorna Stone LLC, 1111 West Long Lake Road Troy, developer, indicated that the infrastructure would be constructed in its entirety and units would be sold according to "what the market will absorb."

A motion was made by Dalton, seconded by Barnett, that this matter be Adopted by Resolution.

Resolved that the Rochester Hills City Council hereby approves the Final Planned Unit Development (PUD) Agreement for Historic Lorna Stone Village, City File No. 03-010, with the following findings.

Findings:

1. The proposed project meets the standards for use of the Planned Unit Development (PUD) process.
2. The PUD will not create an unacceptable impact on public utility and circulation systems, surrounding properties, or the environment.
3. The proposed PUD has been designed to promote convenient vehicular and pedestrian circulation within the site.

The motion carried by the following vote:

Aye: Hill, Barnett, Dalton, Duistermars and Holder

Absent: Raschke and Robbins

Enactment No: RES0311-2005

2005-0497

Acceptance for Second Reading and Adoption - An Ordinance to Amend Section 138-7 of Chapter 138, Zoning, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to prescribe a procedure for considering Conditional Rezoning requests, to repeal conflicting ordinances and to prescribe a penalty for violations.

Attachments: Agenda Summary.pdf; 09705 Agenda Summary.pdf; Ordinance Amendment.pdf; First Reading Resolution.pdf; 0497 Resolution.pdf

Mr. Ed Anzek, Director of Planning/Development, indicated that the language added to the ordinance with regard to Conditional Rezoning provides the City with a possible tool that could provide some flexibility relative to rezoning issues.

PUBLIC COMMENT:

President Hill read a letter from **Ms. Deanna Hilbert**, 3234 Quail Ridge Circle, which expressed her continuing confusion as to the benefit of conditional rezoning. She asked that the following questions be addressed:

1) What is the benefit to this community to use this new tool when we have zoning and planning and a PUD process in place?

2) What are the risks to Rochester Hills in the utilization of this new law?

3) Why have a Master Plan and zoning in our community if it can be bypassed either through consent judgements, conditional (spot) rezoning and litigation?

Mr. Anzek stressed that a city is not a "stagnant entity" and there are times when planned zoning is no longer valid. He explained that the benefit of conditional rezoning is that the zoning is attached to the specific project rather than to the site itself. Unlike traditional rezoning wherein a developer can sell the land and a different use, within that same zoning, can then be developed, conditional rezoning narrows the development options to a specific project. Mr. Anzek further stressed that use of conditional rezoning is not mandatory.

City Attorney John Staran noted that the risks involved in conditional rezoning will be similar to any rezoning prospect. He proposed that conditional rezoning could possibly reduce the risk of liability by imposing conditions that would make a proposed use "more compatible and consistent with its neighbors."

Mr. Duistermars stressed that consent judgements are the result of legal action taken "when an applicant is unhappy with our decision" and a negotiated settlement is ordered.

A motion was made by Dalton, seconded by Duistermars, that this matter be Accepted for Second Reading and Adoption by Resolution.

Resolved that an Ordinance to Amend Section 138-7 of Chapter 138, Zoning, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to prescribe a procedure for considering Conditional Rezoning requests, to repeal conflicting ordinances and to prescribe a penalty for violations is hereby accepted for Second Reading and Adoption and shall become effective on Friday, September 23, 2005 following its publication on Thursday, September 22, 2005 in the Rochester Eccentric.

The motion carried by the following vote:

Aye: Hill, Barnett, Dalton, Duistermars and Holder

Absent: Raschke and Robbins

Enactment No: RES0312-2005

UNFINISHED BUSINESS

2005-0494 Update on DPS Facility Project

Attachments: Agenda Summary.pdf; Brief History/ProposedSchedule.pdf; DeMattia Cost Estimate.pdf; Supplemental info.pdf; Supplemental Information Memo re DPS Facility.pdf

Mr. Scott Cope, Director of Building/Ordinance Enforcement, provided a brief history of the project.

Mr. Ron Zuhorski, Architect with Yamasaki Associates, discussed the current Site Plan for the proposed DPS Facility. He noted that the site plan needed to incorporate many operational demands while accommodating the residents to the north. He noted the following features.

- The western most driveway will separate the heavy vehicle traffic from the employee, visitor and delivery areas.
- The site has been buffered from the residents to the north via a large berm and extensive vegetation.
- The site is more secure.
- The fueling station will be used by all City vehicles and occasionally other County vehicles during emergency situations.
- The salt building is situated away from the residential area with architecture more fitting to the neighborhood.

Mr. Zuhorski then discussed the **Main Building**:

- It is proposed to be a 100,000 square foot building.
- There will be a separation of the operational functions at the back of the building and administrative functions at the front.

- *Employee parking will be separate from the visitor parking.*
- *A primary goal of the design was to improve the curb appeal of the building.*
- *The main entry for employees will be from the employee parking lot.*
- *There is a separate main entry for visitors.*
- *Visitors access will be limited to a lobby area in the main entrance, thus providing greater security.*
- *Maintenance bays will accommodate stacking of two vehicles at a time for increased efficiency.*
- *The new building will have larger conference and break rooms, as well as a women's locker room, which is completely absent from the existing building.*
- *The road, sign and water shops will be sized to meet the needs of each department.*
- *There will be a mezzanine area for the storage of materials used in the repair and maintenance of the vehicles.*

*Although there is an elevator indicated in the plan and is required by the Michigan Barrier Free Code, **Mr. Cope** noted that the City intends to seek a variance from the State to eliminate it.*

*While **Mr. Rouse** acknowledged that there is no plan for the County to contribute financially to the creation of the fueling station, he suggested that a fee structure could be established to add an administrative or overhead fee to be charged to any outside agencies that utilize the fueling station during a regional emergency. He further indicated that the Road Commission for Oakland County has proposed relocating their SCATS equipment to this new facility and will fund the cost of the transfer.*

***Mr. Matt Hubbard**, Chief Estimator of DeMattia Group, and **Mr. Jack Michael**, Project Manager of DeMattia Group, reviewed the Construction Cost Estimate line by line, noting the following:*

Site Improvement - Includes all earth work, asphalt paving, and any site concrete.

Concrete - There were some increases with offsetting decreases in other line items. The plan has changed to asphalt paving in the yard as opposed to concrete.

Masonry - All masonry is according to the elevations in the current plans.

Metals - Includes all of the structural steel.

Carpentry - Includes all of the wood-type carpentry.

Roofing - This is a conventional roof, not a green roof.

Metal Sidings/Sealants/Insulation - There are some increases in these items.

Doors & Glass - Includes all doors, glass and glazing. There is quite a bit of class in this building.

Finishes - Includes all of the painting and flooring.

Specialties - A portion of this represents the elevator and all elevator-related items, as well as toilet accessories, toilet partitions and fire extinguishers.

Equipment - There is an extensive list of equipment including cranes, hoists, and all items associated with the fueling station.

Fire Protection - The building is fully sprinkled and has an automatic fire protection system.

Plumbing - Includes toilets and trench drains in the garage for water run-off.

HVAC - Along with all heating and cooling, this item includes exhaust units to eliminate vehicle exhaust fumes.

Electrical - Includes all lighting, as well as switches and other devices.

Design/Estimate Contingency - This contingency covers any costs that arise following the early estimates. It is often absorbed into the project.

Construction Contingency - A way to "protect the budget" should other necessary or desired items arise during construction.

General Conditions/Supervision - Items such as trailers needed during construction.

CM Fees - Items needed during construction.

Owner's Contingency - To cover other needed or desired changes of scope to the project after it has been bid out and awarded.

Architect/Engineering Fees

Builder's Risk Insurance - This item would be purchased by the City directly.

Soft Costs - Possible legal fees, etc.

Utility Company Fees - To bring additional power to the site if required.

Technology & Cabling Equipment

Security System

Phone System

Furnishings - Includes fixtures and other office-type equipment.

Relocating/Moving Staff - Allowance to relocate and move staff.

Total Estimate - \$14,816,397 based on the current drawings. This compares to the previous estimated total of \$11,761,128 as of last July, resulting in an approximately \$3 million difference.

Mr. Hubbard provided an explanation for the \$3,055,269 increase in the overall budget:

- The original equipment estimate of \$500,000 was made prior to having determined the complete equipment needs of the facility. With the exception of some work benches and other types of portable equipment, all new equipment is assumed in this estimate, thus increasing the equipment budget by nearly one million dollars.

- The construction costs of the various outbuildings increased by approximately \$225,000 as the plans became more final.
- There is a typical escalation in materials costs (steel, concrete, labor) each year of approximately 6% to 8%. It is anticipated that this escalation will be greater following recent natural disasters. This increase of \$635,000 assumes a fall of 2005 start to construction. Further delays will likely result in additional escalations.
- Site utilities costs increased by approximately \$250,000 as the underground water and sewer system demands increased.
- The \$125,000 cost of the elevator resulted in increases in various line items among which its costs were distributed.
- New building load estimates resulted in the need for excavation and recompacting of the soils at an increased cost of \$300,000.
- There was a \$250,000 error in estimating for the equipment, as well as \$100,000 to accommodate a different type of energy management system for that equipment. The Design/Estimate Contingency is intended to cover this sort of error.
- There was approximately \$44,000 in miscellaneous items that did not fall within a typical trade category.

Mr. Hubbard further stressed the increase to natural gas costs, as high as 71%, and its impact on many trades. He noted that natural gas is used to make cement, as well as bricks, resulting in a significant increase in the cost of those materials. He also noted that liquid hydrogen is essential in the galvanizing of steel and the primary plant that produces liquid nitrogen is located in the gulf coast and was flooded following Hurricane Katrina. He noted that his industry is not yet able to estimate the likely increases over the next several months resulting from the hurricane.

President Hill expressed her concern about such a large increase from the previous year's estimate. She noted specifically the significant increase in the cost of equipment and questioned whether all new equipment is necessary or whether more of the existing equipment could be utilized and replaced over time. She indicated that Council had been assured that the soils on the site had been tested and were adequate for these purposes. She questioned whether the facility is being "over-designed" and specifically noted that "a quarter of a million dollar error is a tough one to swallow."

Mr. Cope and **Mr. Hubbard** clarified the issue regarding the soils, noting that when the initial soil borings had been taken, the loads of the facility were not known. It has subsequently been determined that the soil will not accommodate the proposed loads and there is a serious risk of settling and cracking of the concrete. It was stressed that the previous soil testing was to determine soil contamination.

Ms. Holder listed the various inadequacies of the current building and the need for the new facility. She noted that the project has been delayed for several years resulting in cost increases.

Mr. Barnett questioned if any of the variously proposed funding options will address these increases.

Mr. Rouse noted that the biggest delay in the project has been a result of the uncertainty of the funding. He listed the various funding options as follows:

- 1) Bond for the entire project, to be paid from Water and Sewer rates.
- 2) Use the proceeds from the sale of the Letica building and bond for the balance.

- 3) Federal appropriation dollars, which are currently being sought.
- 4) A combination of the three previous potential funding sources.

Mr. Rousse stressed that the worse case scenario would be bonding the entire project, noting the previously discussed increase in water and sewer rates as a result of the AMR program.

Mr. Barnett indicated that he hopes "there's a list that's starting to be formulated of items" that can be removed from the project to reduce the overall cost if City Council ultimately sets a ceiling on the budget lower than what these designs require.

Mr. Rousse noted that his concern is that "when we get into this cost cutting method, the things that typically get cut are the things that have a high up-front cost and a low operating cost." He noted that this would put the cost "off into the future." He estimated that any cost reduction would likely affect the cost of the building by no more than ten percent.

Mr. Dalton expressed his disappointment that the plan to construct water reservoirs in the City was not noted as a potential funding source for this facility. He indicated that the savings from the use of water reservoirs would pay for both projects within twenty years.

Mr. Rousse acknowledged that that is another funding option.

Ms. Linda Davis-Kirksey, former City Grant Writer, indicated that she would be traveling to Washington DC the week of October 10th and should return with more information regarding the Federal appropriations.

Mr. Rousse noted that he would return to Council on October 5th with an update regarding the building permit, site plan approval and land improvement permit. He indicated that Council "may be in a position to make some decisions on the funding" at that time.

Presented

(Recess 10:00 p.m. - 10:22 p.m.)

2005-0571

Adoption of 2005 Millage Rates for the 2006 Fiscal Year Budget

Attachments: Agenda Summary.pdf; 090705 Agenda Summary.pdf; Public Hearing Notice.pdf; 0571 Resolution.pdf; Supplemental Info Jenuwine memo re Millage rates.pdf; Supplemental Info 2006 Millage Rates as of Sept 14.pdf

Ms. Holder noted that the Fire Department millage had been reduced by one tenth in 2004. She questioned whether that had been "brought back up."

Ms. Julie Jenuwine, Director of Finance, indicated that the Fire Department millage rate remained at 1.9. She further explained that the Headlee "ceiling" would prevent the City from raising that levy higher than 1.9744.

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

Whereas, in accordance with the provisions of Public Act 2 of 1968, Public Act 621 of 1978, the Uniform Budgeting and Accounting Act for Local Government, and the Charter for the City of Rochester Hills, Chapter III, Section 3.2, the Mayor as the Chief Executive Officer shall prepare the budget proposal for the ensuing year and shall submit it to the Council at its first meeting in August; and

Whereas, at its August 3, 2005 meeting City Council acknowledged receipt from the Mayor of the Proposed 2006 Budget Plan and set a Public Hearing to be held September 7, 2005 at 7:30 p.m. to hear comments on the proposed Budget Plan; and

Whereas, at its September 7, 2005 meeting City Council held said Public Hearing on the proposed Budget Plan.

Now, Therefore, Be It Resolved, the City Council hereby adopts the following tax rates in accordance with Chapter IV, Taxation, specifically Section 4.1, Power to Tax and Secure Revenue, and Section 4.2, Charter Tax Rate & Special Voted Millages Limitation, to be levied in December 2005 to provide the tax revenues included in the 2006 Budget:

City General	3.2169 Mills
Fire Fund	1.9000 Mills
Special Police I	0.7895 Mills
Special Police II	0.4300 Mills
Public Improvement Fund (Drains)	0.3526 Mills
Pathway	0.1281 Mills
R.A.R.A.	0.1586 Mills
Older Persons Operating Millage	0.2426 Mills
Older Persons Transportation	0.0900 Mills
Library Operating	0.7895 Mills
Open Space	0.3000 Mills
Drain Debt Fund	
General Obligation Refunding Bond – (GORB) series 1998	0.0544 Mills
General Obligation 2002 Refunding Bond – (GORB) series 2002	0.3527 Mills
Older Persons Building Bond	0.2158 Mills
Total City Millages	9.6681 Mills

per Thousand Dollars (\$1,000) of taxable valuation, as equalized; and further, Special Lighting (Christian Hills) be levied at the rate of \$12.04 per lot or description; and

Be It Further Resolved that the Assessor of the City of Rochester Hills be and hereby is authorized to have said amounts spread on the 2005 Tax Rolls.

The motion carried by the following vote:

Aye: Hill, Barnett, Dalton, Duistermars and Holder

Absent: Raschke and Robbins

Enactment No: RES0313-2005

COUNCIL COMMITTEE REPORTS

Ms. Holder discussed the following committees:

- Rochester Regional Chamber of Commerce Economic Development Committee: There are many participants from surrounding communities currently working to set the goals and mission statement of the committee.

- Rochester Hills Government Youth Council: First meeting to take place September 19th at 6:00 p.m.

- Administration & Information Services Committee: September 6th meeting was cancelled and rescheduled for September 27th.

BUDGET DISCUSSIONS

President Hill indicated that there were still some outstanding issues that required Council's final consensus with regard to the proposed 2006 budget.

Ms. Julie Jenuwine, Director of Finance, explained that certain issues could be addressed either by including them in the 2006 budget or through a future budget amendment.

2005-0519 Discussion regarding Water and Sewer Funds - 2006 Budget (500's)

WATER & SEWER FUNDS

Ms. Jenuwine indicated that new cost projections had been submitted for Water and Sewer projects SS-10 and WS-11 - Sheldon, Mead, Hillwood, Rochester Road (Section 2) water and sewer improvements. She noted that she would split the increase evenly between the two funds and correct the allocations via a future budget amendment once the final information was made available.

Discussed

2005-0514 Discussion Regarding 2006 Budget

101 GENERAL FUND / 401 DEPARTMENT OF PLANNING & DEVELOPMENT

PROFESSIONAL SERVICES

801000 Professional Services

PS-03 - Non-Motorized System Evaluation

City Attorney John Staran indicated that it was his opinion that Pathways millage funds could be expended for this project assuming it is used for pathways only and does not include bike paths.

101 GENERAL FUND / 000 REVENUES

LICENSES & PERMITS - OTHER

451001 Lic. & Pmts. - Comcast / Franchise Fee

1% - Comcast PEG

451002 Lic. & Pmts. - Wide Open West / Franchise Fee

1% - WOW PEG

Ms. Jenuwine noted that Council had recently voted to reinstate PEG funding to CMN at half a percent.

Council consensus was to change the one percent currently noted in the budget as revenue to half a percent.

DIRECTORS' SALARIES

Council consensus was that Council's recent decision to increase directors' salaries by two percent for the coming year be reflected in the 2006 budget, not in a budget amendment.

Discussed

2005-0516

Adoption of Special Revenue Funds - 2006 Budget (200's)

206 FIRE DEPARTMENT FUND / 339 FULL TIME FIREFIGHTERS**PERSONNEL SERVICES**

Council consensus was that it would be more cost effective to hire all six new full time firefighters in 2006, than to hire three in 2006 and three more in 2007.

207 SPECIAL POLICE FUND

Council members discussed whether to simply upgrade a current deputy to the position of sergeant to address the lack of supervision issue or whether a new officer should be hired to resolve the supervision issue as well as begin implementation of a false alarm program designed to eventually free officers from answering excessive false alarm calls.

The consensus of Council was to add a new officer to address both issues.

Discussed

ANY OTHER BUSINESS

President Hill asked for an update regarding the road millage.

Mr. Ed Anzek, Director of Planning/Development, indicated that an information insert describing the millage request would be included in the latest edition of the Hills Herald. In addition, he noted that four or five other mailings would be sent to residents, and a town hall meeting was being organized.

Mr. Barnett asked that Mr. Anzek provide regular updates of this information at Council meetings until the election in November.

NEXT MEETING DATE

Work Session - Wednesday, September 28, 2005 at 7:30 p.m.

ADJOURNMENT

There being no further business before Council, President Hill adjourned the meeting at 11:32 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.