



Rochester Hills Minutes Financial Services Committee

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Donald Atkinson, John Dalton, Kurt Dawson, Melinda Hill, Barbara Holder, Julie Jenuwine, Kyle Sucher, Alexandra Tatu, Wayne Williams

Thursday, October 13, 2005

5:00 PM

1000 Rochester Hills Drive

Draft

CALL TO ORDER

Chairperson Dalton called the Financial Services Committee meeting to order at 5:15 p.m.

ROLL CALL

Present: Melinda Hill, John Dalton and Wayne Williams

Absent: Barbara Holder and Donald Atkinson

Non-Voting Members Present: Kurt Dawson, Julie Jenuwine

Non-Voting Members Absent: Kyle Sucher and Alexandra Tatu

Others Present: Roger Rousse, DPS Director (entered 5:25)

Committee Members Don Atkinson and Barb Holder provided previous notice that they would be unable to attend and asked to be excused.

APPROVAL OF MINUTES

2005-0612 Regular Financial Services Committee Meeting - March 10, 2005

Attachments: draft minutes.pdf; Minutes Resolution.pdf

A motion was made by Hill, seconded by Williams, that this matter be Approved.

Resolved that the Financial Services Committee hereby approves the Minutes of the Regular Meeting of March 10, 2005 as presented.

The motion carried by the following vote:

Aye: Hill, Dalton and Williams

Absent: Holder and Atkinson

COMMUNICATIONS

None Presented

UNFINISHED BUSINESS

2004-0122

Update regarding Water Reservoir Project.

Attachments: Agenda Summary.pdf; Referral Report.pdf; Amendment to Water Distribution System Study January 2005.pdf; CDV Draft Min Excerpts 012204.pdf; Water Distribution 012204.pdf; Water Distribution Outline & Presentation 042204.pdf; 0122 Resolution.pdf

Committee members discussed the proposed Water Reservoirs noting the following:

Roger Rousse, Director of DPS, presented the following discussion:

- * *Proposed bids are due Friday, October 14, 2005.*
- * *Bids will be evaluated, finalists chosen, interviews and recommendation to follow.*
- * *Initial report indicated a ten percent (10%) factor for future growth within the City.*
 - * *20,422 customers in the year 2000.*
 - * *21,956 customers currently.*
- * *The ten percent (10%)contingency has been used.*

Mr. Rousse stated future large scale development planned at Hamlin Road and also at Tienken and Rochester Roads which will further reduce those reserved capacities.

** It was suggested that the City consider what these developments will do to the water system before approving them due to the possibility of a decreased fire suppression service.*

Report reflects the following:

- * *Two methods of evaluation of pressure: 1) domestic use at 35 psi and 2) fire fighting at 20 psi.*
- * *Indicates average day use and shows that there are no deficiencies of those two perimeters.*
- * *Indicates City Section 14 shows a significant drop in pressure to 22 psi and below 20 psi for fire fighting.*
- * *Establishes fire flow requirements.*

- * *In 1993 ISO Commercial Services (CRS) outlined criteria for determining the City's fire insurance classification and identified additional fire flow capacity needed in 36 different locations within the City.*

- * *City Section 5 (five) showed a deficiency of 6.4 psi .*

- * *The intent of the water reservoirs is to provide reserved capacity.*

- * *The RFP for design requires successful bidder to verify all this information with additional scenarios which include future development and to use the new information as a basis for their design of the facilities.*

Committee member asked if bonding the two projects (DPS Facility and Water Reservoirs) together was possible.

Ms. Jenuwine stated that the shared cost would save the City approximately \$40,000 - \$50,000.

Discussed

2005-0102 City of Rochester Hills Street Lighting Policy

Attachments: Street Lighting Policy.pdf; Street Lighting Policy.Revised.pdf; Street Lighting Policy FS 101305.pdf

Roger Rousse, Director of DPS, submitted to Committee members, a revised proposed Street Lighting Policy for their review. He noted the following change:

** Once Street Lighting Policy is adopted by City Council, the requests only need to go to the Advisory Traffic and Safety Board.*

** Removed reference to Detroit Edison because the future of the company is not known.*

Discussed

YOUTH COMMENTS

None Presented

ANY OTHER BUSINESS

FY 2006 1st Quarter Budget Amendments

Julie Jenuwine, Director of Finance, presented first quarter budget amendment.

** State recommendation is leave an estimated contingency in the budget for departments, such as police and fire, that have emergency situations because all budget amendments have to be made prior to year end.*

** It is illegal to go over budget.*

** Contingency would be placed into a contingency account.*

** A contingency account is the first quarter budget amendment to refine all the budget line items so that there is no padding which will give an estimate on projections that will come in at the end of the year.*

** Emergency or Appropriate departments, such as Police and Fire, will have contingency monies specifically used for unexpected circumstances.*

Discussed

2006-0078 National Twist Drill Corporation - Sewer Collapse

Roger Rousse, Director of DPS, discussed the National Twist Drill Corporation noting the following:

** Corporation is located at Tienken and Rochester Roads.*

** Corporation has a history of violations pertaining to their discharge permits.*

** Violations amount to approximately \$437,000 owed to the City for sewer replacement.*

* *Sewer line only services that building.*

* *A developer is interested in purchasing the building and National Twist Drill will then dissolve the corporation.*

Mr. Rousse stated that John Staran has been contacted asking him to move quickly to secure the City's interests. He further stated that Mayor Somerville also asked him to move quickly. He further stated that he reviewed the DWSD citation against National Twist Drill noting that the sewer pipe samples were analyzed and it was determined that volatile organic compounds from Elite Cleaning and Precision Cleaning softened the sewer line and the pressure in the ground caused its collapse. The Ordinance indicates that the owner of record is the user of the facility and is, therefore, consequently responsible for the damage which does not get transferred on to a lessee of the building.

Committee member questioned whether the City has placed liens on the tax roll.

Mr. Dawson, City Treasurer, responded that the concern was whether the City had the legal authority at that time to place a lien on it and chose not to do it. When asked if the lien could be placed on the property, Mr. Dawson confirmed that a lien could be placed on the property for next year.

Follow-Up

NEXT MEETING DATE

Thursday, November 10, 2005 at 5:00 p.m.

ADJOURNMENT

There being no further business to discuss, Chairperson Dalton adjourned the meeting at 5:55 p.m.

Minutes prepared by Sue Busam.

Minutes were approved as presented/amended at the May 8, 2006 Financial Services Committee Meeting.