



# Rochester Hills Minutes City Council Work Session

1000 Rochester Hills Drive  
Rochester Hills, MI 48309  
(248) 656-4660  
Home Page:  
[www.rochesterhills.org](http://www.rochesterhills.org)

*Erik Ambrozaitis, Bryan K. Barnett, Jim Duistermars, Barbara Holder,  
Linda Raschke, James Rosen, Ravi Yalamanchi*

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Wednesday, January 11, 2006

7:30 PM

1000 Rochester Hills Drive

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## 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 Work Session Meeting would be held on Wednesday, January 11, 2006, at 7:30 p.m. for the purpose of discussing the Local Road Policy.

### CALL TO ORDER

*President Rosen called the Special Rochester Hills City Council Work Session Meeting to order at 7:35 p.m. Michigan Time.*

### ROLL CALL

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

Others Present:

*Ed Anzek, Director of Planning/Development  
Judy Bialk, Recording Secretary - Planning  
Ron Crowell, Fire Chief  
Paul Davis, City Engineer  
Kurt Dawson, Director of Assessing/Treasurer  
Julie Jenuwine, Director of Finance  
Jane Leslie, City Clerk  
Roger Rousse, Director of DPS/Engineering  
Paul Shumejko, Transportation Engineer*

### PLEDGE OF ALLEGIANCE

### PUBLIC COMMENTS

*Mr. Paul Franklin, 2136 Elkhorn, noted that his subdivision had negotiated a very advantageous contract for solid waste removal since the last time the City had considered a City-wide single waste hauler plan. Were the City to institute a single waste hauler program at a higher cost than his neighborhood's negotiated price, he asked that he and his neighbors receive a discount of the price difference for the length of their contract agreement.*

### CITY COUNCIL

2006-0024

Local Road Discussion

**Attachments:** Agenda Summary.pdf; Discussion Agenda.pdf; Historical Information re: Roads.pdf; History of Road Millage Attempts.pdf; Frequently Asked Questions.pdf; Residential Street Committee Report.pdf; Residents' Responses on Millage Request.pdf; Resident Street Com

**Mr. Roger Rousse**, Director of DPS/Engineering; **Mr. Paul Davis**, City Engineer; and **Mr. Paul Shumejko**, Transportation Engineer, provided a presentation regarding the local roads issue.

## **II. HISTORICAL OVERVIEW OF CURRENT ROAD CONDITIONS**

### **i. Road Life Cycle**

- \* *Many roads have a design life of twenty years.*
- \* *Roads tend to deteriorate rapidly right at the end of their life cycle.*
- \* *The cost to rehabilitate roads increases quickly over a short period of time.*
- \* *Roads deteriorate at different rates depending on such factors as weather, heavy vehicle traffic, drainage, etc.*
- \* *Roads constructed in the 1970s and 1980s are now deteriorating.*
- \* *The surface of roads may appear to be good but beneath the surface they are deteriorating.*
- \* *Many roads in the community were constructed without sub-base, which must be addressed when the roads are repaired, thus increasing the costs further.*
- \* *With some maintenance and rehabilitation, roads designed to last twenty years can be extended to thirty years.*

### **ii. Road Maintenance Activity**

- \* *The City has "shifted into reactive mode."*
- \* *The volume of concrete and asphalt repairs has decreased.*
- \* *The volume of cold patching and crack sealing has increased.*

### **iii. Local Road Performance Indicators**

#### **2003 (Audited Actual Expenditure)**

- 23 Employees
- 31,669 square feet - Concrete Roads Repaired
- 30,353 square feet - Asphalt Roads Repaired
- 103 tons - Cold Patching
- 1,575 pounds - Crack Sealing
- \$6,367,881 - Total Expenditures

#### **2004 (Audited Actual Expenditure)**

- 23 Employees
- 35,889 square feet - Concrete Roads Repaired
- 7,910 square feet - Asphalt Roads Repaired
- 239 tons - Cold Patching
- 14,900 pounds - Crack Sealing
- \$3,669,178 - Total Expenditures

2005 (Numbers per Amended 2005 Budget)

- 10.75 Employees
- 5,911 square feet - Concrete Roads Repaired
- 3,360 square feet - Asphalt Roads Repaired
- 226 tons - Cold Patching
- 7,378 pounds - Crack Sealing
- \$2,907,440 - Total Expenditures

2006 (Numbers per Adopted 2006 Budget)

- 10.45 employees
- \$2,314,960 - Total Expenditures

**iv. History of Road Millage Attempts**

- \* There have been many millage requests but the amounts have shifted.
- \* Recent millage attempts have asked for reconstruction and maintenance dollars.
- \* Due to millage failures maintenance dollars were lost.
- \* Bonds were issued and General Fund transfers were made to compensate for the loss of millage dollars.

**v. Current Local Road Conditions**Residential Streets (222.30 Total Miles)

- 59% Asphalt (130.78 miles)
- 30% Concrete (66.46 miles)
- 11% Gravel (25.06 miles)

Residential Street PQI\* Ratings (197.24 Paved Miles)

- 65% Good PQI (128.99 miles)
- 13% Fair PQI (25.64 miles)
- 22% Poor PQI (42.60 miles)

\* PQI, or Pavement Quality Index, assigns a rating to roadways as follows: 7 to 10 = Good PQI; 5 to 7 = Fair PQI; below 5 = Poor PQI.

Residential Street PQI (130.78 Asphalt Miles)

- 80% Good PQI (105.67 miles)
- 8% Fair PQI (9.94 miles)
- 12% Poor PQI (15.17 miles)

Residential Street PQI (66.46 Concrete Miles)

- 35% Good PQI (23.39 miles)
- 25% Fair PQI (16.62 miles)
- 40% Poor PQI (26.45 miles)

**vi. History of New Road Construction**

**Residential Street Construction Timeline**

Typically roads have a twenty-year service life, however, that can be extended depending on such factors as maintenance and traffic conditions. A lot of road work was done during the period between 1996 and 2003. During the 1970s, quite a few roads were not overlaid or reconstructed; these roads continue to deteriorate.

- Pre-1950:
  - \* Construction - 1% or 2.18 miles
  - \* Reconstructed - 0.36 miles
  - \* Resurfaced - 0.56 miles
- 1950s:
  - \* Construction - 9% or 16.98 miles
  - \* Reconstructed - 6.74 miles
  - \* Resurfaced - 8.22 miles
- 1960s:
  - \* Construction - 8% or 16.21 miles
  - \* Reconstructed - 11.16 miles
  - \* Resurfaced - 1.55 miles
- 1970s:
  - \* Construction - 31% or 61.20 miles
  - \* Reconstructed - 7.63 miles
  - \* Resurfaced - 13.29 miles
- 1980s:
  - \* Construction - 24% or 47.74 miles
  - \* Reconstructed - 1.86 miles
  - \* Resurfaced - 21.93 miles
- 1990s:
  - \* Construction - 16% or 31.16 miles
  - \* Reconstructed - 0.00 miles
  - \* Resurfaced - 1.06 miles
- 2000s:
  - \* Construction - 11% or 21.59 miles
  - \* Reconstructed - 0.00 miles
  - \* Resurfaced - 0.00 miles

**vii. Stantec Software Performance Curves and Performance Indicators Report**

- This research provided a more detailed overview of the PQI.
- Manual field data collection representatives performed pavement testing using machines that measure the following indices:
  - \* Surface distress
  - \* Riding comfort
  - \* Structural adequacy
  - \* Pavement quality
- Several factors are taken into account such as road thickness, type of soil upon which road is built, curb and gutter or ditching.
- Performance curve is based on factors such as asphalt thickness, traffic, drainage, etc.
- The Surface Distress Index is given a higher priority when determining the PQI.

**III. REPORT FROM 2005 RESIDENTIAL STREET AD HOC COMMITTEE**

*Mr. Rousse* described the funding proposal brought forward by the Residential Street Ad Hoc Committee (RSAHC), the millage portion of which failed at the November 2005 election:

**i. Review of Five-Point Millage Proposal**

*Part 1 - Phased in millage request.*

*Part 2 - Debt Service Payments: Decrease transfers out of the Local Road Fund to the Debt Service Fund.*

*Part 3 - Capital Improvement Fund: Redirection of funds for two years.*

*Part 4 - Major Road Fund: Redirection of General Fund dollars to the Local Road Fund instead of the Major Road Fund for four years.*

*Part 5 - ACT 51: Continue the use of these allocated monies for local roads.*

*- Had the millage passed, the first year of the plan would have resulted in a total of \$10 million.*

**ii. Post Millage Report from Ad Hoc Committee**

*Mr. Rousse* discussed a memo submitted from the RSAHC evaluating the outcome of the millage failure, as well as a letter from three committee members indicating the importance of snow and ice removal, and the patching of potholes. *Mr. Rousse* noted that the information provided can be used to "gauge the sentiments of our residents."

**iii. Millage Request Responses from Residents**

*Mr. Rousse* suggested that the emails from residents included in Council's packet that address the millage request may be useful for future evaluations.

**IV. POLICIES**

*Ms. Julie Jenuwine*, Director of Finance, joined the discussion.

**Sources of Funds - Local Streets****i. Budget Highlights - Financial Policies**

*Ms. Jenuwine* asked Council members to keep in mind while evaluating the local road issue the City's fund policies as they apply to the Fund Balance, the Reserve Policy and the Transfer Policy. She then reviewed several financing options including the following:

*ii. Fully fund operations, maintenance and capital replacement with dedicated millage.*

*iii. Partially fund with smaller dedicated millage.*

*iv. Subsidize (maintenance and/or capital improvements) with General Fund by using:*

*a. Existing general millage levy monies (or a portion of) currently levied for existing General Fund program(s).*

*b. Monies from an increased General Millage Levy (maximum of 3.9; currently at 3.2169).*

- c. *Monies (or a portion of) currently transferred to Major Road Fund.*
- d. *Monies (or a portion of) currently transferred to Capital Improvement Fund.*
- e. *Monies (or a portion of) currently transferred to Special Police Fund.*
- f. *Monies (or a portion of) currently transferred to Facilities Fund for City Hall "common areas".*
- g. *A dedicated millage for program(s) currently funded by General Fund, to free-up General Fund monies for local streets.*
- h. *Charge an Administrative Fee (tax collection) to fund the Assessing and Treasury functions to free-up General Fund monies.*
- i. *General Fund balance (this is not a sustainable option).*
- j. *Capital Improvement Fund fund balance.*
- k. *A combination of any of the above.*
- v. *Special Assessments to fund capital improvements for roads.*
- vi. *Amend City Charter (City Tax).*
- vii. *Bond to fund reconstruction / capital.*
- viii. *Other*

**Ms. Jenuwine** provided data indicating which other communities have levied their full charter-permitted maximum, noting that Pontiac and Southfield are levying their charter maximums. Sterling Heights and Troy, communities with high bond ratings, were levying at 80% and 75%, respectively, of their levy maximums. She estimated that if the City were to increase the millage to its maximum, a City resident with a home assessed at \$150,000 taxable value would likely pay an additional \$120 to \$130 a year in increased taxes. This increase would generate approximately \$2.5 million in additional tax revenue.

#### **V. OPTIONS FOR FUTURE POLICY DEVELOPMENT**

**Mr. Rouse** offered the following suggestions:

- i. *Create an Ad Hoc committee / Focus Group*
- ii. *Create a City Council committee*
- iii. *Create an Ad Hoc / City Council committee*
- iv. *Direct an existing communications committee to study the issue.*
- v. *Create an administrative committee*
- vi. *Any combination of the above*
- vii. *Determine the level of service residents desire for local road program*

**PUBLIC COMMENT:**

**Mr. Lee Zendel**, 1575 Dutton Road, reviewed many of the funding options and recommended the use of mandatory SADs with the City paying no more than ten percent of the cost.

**Mr. John Strzalka**, 2777 Winter Park Road, suggested that a contributing factor to the repeated failure of road millage requests is the perception by many residents that the roads are not in need of repair. He suggested that a request for a smaller amount of money be earmarked to address the more immediate, pressing problems.

**Ms. Melinda Hill**, 1481 Mill Race, indicated that the Debt Service and ACT 51 portions of the Local Roads plan are already being implemented and suggested that the CIP transfer also be carried out over the next few years. She acknowledged that it would not solve the problem, however, it would "help with plowing and patching." She suggested that a citizens committee continue to examine this issue, but noted that it should work in greater conjunction with City Council.

**Mr. Mark Williams**, 1284 Hickory Hill, asked through Mr. Rosen about the status of updating major roads such as Walton between Livernois and Adams.

**Mr. Rouse** explained that Walton is a Road Commission road. He indicated there is a map on the City's website that identifies which entity is responsible for what roads.

**COUNCIL DISCUSSION:**

Council members made the following comments and observations:

- Need a short-term solution to address the problems for the next couple of years.
- Even though the City's tax structure is the third lowest in Oakland County, taxpayers have the impression that it is high.
- The tax structure should be amended in the City Charter to have a single fund rather than multiple millages.
- A single millage will allow the Council and City administration more flexibility in prioritizing spending.
- The City needs to offer a solution other than millages, as they are difficult to pass.
- A comprehensive, rather than short-term, solution is needed, otherwise the problem will continue indefinitely.
- Any revision of the Charter will require a vote of the people.
- The half a mill variance transfer from the CIP can be used to "buy some time" while the City explores the option of amending the Charter.
- The solution must be a citizen and government joint effort.
- If the tax structure can be changed, then the issues can be addressed on a macro level.

**(RECESS 9:21 P.M. - 9:33 P.M.)**

**COUNCIL DISCUSSION CONTINUED:**

\* Due to trust issues, it was considered prudent that Council "not get involved" in the recent local road millage issue.

\* Need to examine the possibility of a Parks millage to free some monies in the General Fund.

\* Council and administration expectations are not in line with those of the residents.

**PUBLIC COMMENT:**

**Mr. John Strzalka**, 2777 Winter Park Road, suggested that the half a mill variance transfer should be used for an engineering study on repairing subdivision roads. He noted that even if the City can only pave one subdivision per year, that still represents progress. He also stated that, when you consider Rochester Hills' assessed valuation, the claim that it has one of the lowest millage rates in the County is misleading.

**Ms. Beth Tilove**, 769 Snowmass, indicated that, although a comprehensive solution would be best, the voters do not see the need for it. Therefore, a piece meal approach is, in effect, doing the voters will. She further noted that a change of the Charter is unlikely to succeed as there already exists trust issues on the part of the voters towards the City and its officials.

**Ms. Lois Golden**, 645 Apple Hill, noted that the most important thing is to "keep the dialogue going." She indicated that some of those subdivisions will need to pay something and there will be some iniquity. She also reminded Council that the Charter does not need to be opened; it can be amended similarly to when it was amended to address term limits and nepotism.

**Mr. Lee Zendel**, 1575 Dutton Road, urged Council to first find a solution to providing funds for the necessary maintenance of local roads. He further suggested that there are likely legal restrictions to putting all of the City's tax dollars into "one big pot."

**Ms. Melinda Hill**, 1481 Mill Race, encouraged City Council to maintain the current momentum of this issue through such means as interactive surveys of the community. She, again, stressed that the half a mill variance transfer should be used for its intended purpose.

**Mr. Hank Ware**, 433 Maryknoll, spoke in favor of a Charter amendment that would provide the City more spending flexibility. He urged Council to set clear priorities regarding the use of local road dollars.

**COUNCIL COMMENTS:**

**Mr. Ambrozaitis** indicated his belief that "there is plenty of money in our City. Enough to make good, solid, tough decisions." He noted that he has faith in the citizens of Rochester Hills to make a good decision in terms of a proposed Charter amendment.

**Mr. Barnett** noted that he would be in support of using the half a mill variance transfer monies for roads "if, and only if, it is a [Council] policy decision." He noted that he would prefer to see the money spent on road maintenance rather than "tied up" for several years on reconstructing only one subdivision.

**Mr. Duistermars** stressed that it is very difficult to predict the future in this matter and estimate how much money will be needed over the next few years, as there are so many variables to consider when dealing with the construction, repair and maintenance of roads.

**Mr. Rosen** encouraged all concerned parties to contact City Council with their ideas regarding this issue, noting that the City needs to "continue the dialogue and crank it up a notch."

**Discussed**



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## COMMENTS AND ANNOUNCEMENTS

*Mr. Yalamanchi questioned whether it would be possible to appoint a non-Council member to serve on the Avondale Youth Assistance board and suggested that former Council member John Dalton be appointed.*

*City Clerk Jane Leslie indicated that she would investigate Mr. Yalamanchi's suggestion.*

## ANY OTHER BUSINESS

*None.*

## NEXT MEETING DATE

*Special Meeting - Wednesday, January 18, 2006 at 6:30 p.m.*

*Regular Meeting - Wednesday, January 18, 2006 at 7:30 p.m.*

## ADJOURNMENT

*There being no further business before Council, President Rosen adjourned the meeting at 10:20 p.m.*

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*JAMES ROSEN, President  
Rochester Hills City Council*

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*JANE LESLIE, Clerk  
City of Rochester Hills*

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*MARGARET A. MANZ  
Administrative Secretary  
City Clerk's Office*

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