



Rochester Hills

Minutes - Draft

City Council Regular Meeting

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

*J. Martin Brennan, Greg Hooper, Nathan Klomp, Vern Pixley, James Rosen,
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."*

Monday, May 3, 2010

7:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

*President Hooper called the Regular Rochester Hills City Council Meeting to order
at 7:02 p.m. Michigan Time.*

ROLL CALL

Present 7 - J. Martin Brennan, Greg Hooper, Nathan Klomp, Vern Pixley, James Rosen,
Michael Webber and Ravi Yalamanchi

Others Present:

*Tracy Balint, Project Engineer
Bryan Barnett, Mayor
Tara Beatty, Chief Assistant to the Mayor
Scott Cope, Director of Building/Ordinance Compliance
Jason Dale, Media Production Technician
Paul Davis, City Engineer
Derek Delacourt, Deputy Director of Planning
Captain Michael Johnson, Oakland County Sheriff's Office
Jane Leslie, City Clerk
Roger Rousse, Director of DPS/Engineering
Keith Sawdon, Director of Finance
Jamie Smith, Media Specialist
John Staran, City Attorney*

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

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

Aye 7 - Brennan, Hooper, Klomp, Pixley, Rosen, Webber and Yalamanchi

PUBLIC COMMENT

Tim Greimel, 2640 Greenstone Blvd, Auburn Hills, Oakland County Commissioner, offered his assistance in the development of the City's contract with the Oakland County Sheriff's Office for Dispatch Services to ensure that the Contract will meet needs of the City and its residents.

Robert Gosselin, 5773 Sussex, Troy, Oakland County Commissioner, announced Operation Medicine Cabinet, a comprehensive program to allow residents to safely dispose of old medication at participating Police Departments. He explained that medication can be deposited into a drop box located in the lobby of the Oakland County Sheriff's Office on Barclay Circle.

Leonard Raffler, 921 W. Auburn Road, stated that he was not satisfied with the City's resolution to his concerns regarding the assessment of his property.

Patricia Blakely, 212 Tanglewood, commented that as a Michigan Conservation Steward and Girl Scout Leader, she visits the Environmental Education Center (EEC) several times each year and expressed concern that the City is considering closing the EEC or consolidating its operations into the Rochester Hills Museum at Van Hoosen Farm. She stated that the Museum property does not have the same natural environment; and while the City has a difficult job ahead of it to cut costs, the benefits of having the EEC should not be overlooked.

Denise Lindeman, 443 Arlington Drive, expressed her support for the EEC, noting that Park Ranger Lance DeVoe is an exceptional representative for the center.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

President Hooper noted that Council will take up discussions regarding the operation of the Environmental Education Center (EEC) during the Special Budget Meetings in August. He announced that the Rochester Area Prayer Breakfast will be held on Thursday, May 6, 2010, at the Shotwell-Gustafson Pavilion at Oakland University.

Mr. Pixley mentioned that the 29th Annual Prayer Breakfast will begin at 7:00 a.m. and noted that this year's speaker, retired Lt. Colonel Steve Russell, was involved in the capture of Saddam Hussein.

Mr. Brennan recapped two articles that appeared in the Oakland Press and the Detroit News regarding water reservoirs, which discussed how water and sewer rates will continue to rise due to increasing maintenance costs for the Detroit system.

Mayor Barnett made the following announcements:

- May is Building Safety Month. The Building and Ordinance Compliance Department has an informational display on the upper level of City Hall; and

Building, Ordinance Compliance and Fire Department personnel will visit the Older Person's Center on May 20, 2010 to provide seniors with information related to safety in the home.

- The new Meijer's store on Adams Road south of Hamlin will have a grand opening ribbon-cutting on Thursday, May 20, 2010 at 6:00 a.m.

- The 2010 Census closed for mail-in participation on April 27, 2010. Rochester Hills tied for second in Michigan, first in Oakland County, and fourth in the entire United States for cities with populations over 50,000. Michigan finished in the top five states in the nation, with 85 percent of households reporting. The number one city was Livonia, with 87 percent reporting. Census workers are now out in the community and should provide identification; residents wishing to verify a census worker can do so at the census2010.gov website.

- The Southeastern Oakland County Resource Recovery Authority (SOCCRA) site is open Monday through Friday from 8:00 a.m. to 4:00 p.m., and on Saturdays in May and June from 8:00 a.m. to noon. Residents can bring in potting soil, branches, brush, clippings and leaves for disposal and can pick up screened compost for use in their gardens.

- The City will investigate whether a consolidation of the EEC and the Museum would bolster the operations of both facilities. This is one of a number of items that Council will discuss in moving forward with the City's budget process.

- Progress is ongoing on the following road projects:

** Construction is continuing on the intersection of Hamlin and Livernois, and Hamlin is closed at that intersection in both directions until late-July.*

** Work will begin on the Tienken Bridge in the Historic District around the second week in June, with a hard-closure from June 18, 2010 until mid-August.*

** The State has released money to do a complete overpaving of Auburn Road through the City. Work will begin in July or August.*

ATTORNEY MATTERS

City Attorney John Staran had nothing to report.

PRESENTATIONS

2010-0193 Proclamation in Recognition of National Public Works Week, May 16 - May 22, 2010

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

Mr. Pixley read the Proclamation.

Presented.

Whereas, National Public Works Week (NPWW) is a celebration of the tens of thousands of men and women in North America who provide and maintain the infrastructure and services collectively known as public works; and

Whereas, instituted as a public education campaign by the American Public Works Association (APWA) in 1960, NPWW calls attention to the importance of public works in community life. NPWW seeks to enhance the prestige of the often-unsung heroes of our

society - the professionals who serve the public good every day with quiet dedication; and

Whereas, the support of an understanding and informed citizenry is vital to the efficient operation of the public works systems and programs such as water, sewers, streets and highways, public buildings and solid waste collection; and

Now, Therefore, Be It Resolved, that the Mayor and City Council of Rochester Hills hereby designate May 16-22, 2010 to be the "NATIONAL DEPARTMENT OF PUBLIC WORKS WEEK" in the City of Rochester Hills.

- 2010-0192** Presentation on the Rochester Road Access Management Project; Representatives from SEMCOG and Derek Delacourt, Deputy Director of Planning and Economic Development, presenters

Attachments: [Agenda Summary.pdf](#)
[Scope of Work.pdf](#)
[SEMCOG Presentation.pdf](#)
[Memo of Understanding.pdf](#)

Derek Delacourt, Deputy Director of Planning, stated that the Southeast Michigan Council of Governments (SEMCOG) will undertake a study of the Rochester Road Corridor from Royal Oak through Rochester, up to Mead Road, to develop a comprehensive Access Management Plan for this corridor. Council will be given the opportunity to adopt a resolution in support of participation in this Plan.

Jennifer Evans, Transportation Coordinator for SEMCOG gave the following presentation regarding the proposed Access Management Plan:

ROCHESTER ROAD ACCESS MANAGEMENT PLAN:

What is SEMCOG?

SEMCOG, the Southeast Michigan Council of Governments, is a membership organization of 162 local governments in the seven-county southeast Michigan region.

SEMCOG supports local government planning on regional issues in the areas of transportation, community and economic development, the environment and education.

- Data and technical resources
- Direct assistance to members

Purpose of Access Management

- Reduce crashes
- Improve traffic flow
- Improve business vitality
- Preserve road investment
- Enhance walkability, bikeability, and transit access
- Improve aesthetics
- Aid stormwater management

Why Rochester Road?

- *Density and growth. Rochester Road is seen as a growing corridor.*
- *Traffic volumes/congestion. Between 35,000 to 50,000 vehicles travel the road daily.*
- *Traffic crashes*
- *You asked*

The MDOT Access Management Guidebook

- *MDOT Access Management Task Force*
- *Based on numerous studies in other states*
- *National research and publications*
- *Experience of many Michigan communities*
- *Numerous MDOT Access Management Plans completed in partnership with communities*

Outcomes

- *Access Management Plan*
 - * *Incorporated into City's Master Plan*
 - * *Supports zoning regulations*
 - * *General guidelines with parcel-specific recommendations*
- *Zoning Ordinance*
 - * *Consistent standards throughout the corridor communities*
 - * *Flexibility allowed by community when appropriate*

Access Standards

- *Spacing between driveways and between driveways and intersections*
- *Offsets*
- *Shared access*

Types of Access Recommendations

- *Close/consolidate driveways*
- *Connect parking areas*
- *Redesign driveways/parking areas*
- *Front or rear service drives/connections as space permits*
- *Intersection improvements*
- *Integrate with walking/biking and transit*
- *Consider low-impact development techniques*

Developing Recommendations: What Do We Look For?

- *Driveways near signalized intersections*
- *Poorly spaced or offset driveways*
- *Driveways nearest to cross-streets*
- *Access points near high crash segments*

When are the Plan Recommendations Applied?

- Changes in property status: as businesses redevelop or expand
- Local initiatives: partnerships with DDA, Corridor Improvement Authority, grants
- Road construction projects: coordinated between road agencies and property owners

SEMCOG Role/Community Expectations

- SEMCOG role
 - * Fund project, retain consultant
 - * Provide project oversight
- Community expectations
 - * Sign Memorandum of Understanding
 - * Actively participate on Steering Committee
 - * Adopt master plan and zoning ordinance
 - * Coordinate implementation with fellow communities

Timeline

- Kick Off and Existing Conditions - Summer 2010
 - * Data Collection, Corridor Tour, Basic Findings, Crash and Intersection Analysis
- Public Workshop - Fall 2010
- Plan Development - Winter 2010
 - * Plan Text, Parcel-Specific Maps, Model Zoning Regulations
- Local Adoption - Spring 2011
 - * Master Plan Amendment, Zoning Ordinance Overlay

Ms. Evans noted that the Study will dove-tail with the Michigan Department of Transportation's Safety Audit. She stated that while driveways are the main focus of the Study, other items will be considered, including greening techniques. Driveway modifications suggested during the Study can be incorporated during future construction and development. Each community is being asked to sign a memorandum of understanding and participate on a steering committee to coordinate with fellow communities. A educational workshop on access management in preparation for the Study will be held on June 17, 2010, with details to follow, and will involve the participating communities along with business owners and other affected individuals.

Mr. Delacourt stated that this is an opportunity to evaluate the entire corridor up front, meet with business owners in the City and work with them to plan how changes will be implemented. SEMCOG will fully fund the project.

Council Discussion:

Mr. Rosen questioned what the timeframe would be for any suggested changes.

Ms. Evans responded that recommendations would be based on what currently

exists today, with consideration for any road construction plans. She noted that the Study will focus on driveways and will make very limited recommendations regarding possible turn lane or signal changes. She stated that implementation is expected to be long-term, noting that it will take a number of years for all the recommendations to be implemented.

Mr. Yalamanchi questioned what impact the resulting plan would have for the City's Master Plan and Zoning Ordinance.

Ms. Evans responded that recommendations would be site-specific and could be incorporated into the City's Master Plan or Master Thoroughfare Plan.

Mr. Delacourt stated that the Study will be based on existing zoning and will not evaluate land use. He stated that it will be recommended for incorporation into the City's Master Thoroughfare Plan.

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

Aye 7 - Brennan, Hooper, Klomp, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0117-2010

Whereas the governing body of the City of Rochester Hills with offices located at 1000 Rochester Hills Drive, Rochester Hills, Michigan recognizes the need for coordinated planning along the Rochester Road Corridor; and

Whereas the governing body of the City of Rochester Hills recognizes the need to prepare and implement coordinated land use and access management standards along the Rochester Road Corridor in the interest of all parties; and

Whereas the governing body of the City of Rochester Hills has reviewed the Memorandum of Understanding which is attached hereto and made part hereof and which is agreed to by all parties who have signed it at the end;

Now, Therefore, Be it Resolved that the governing body of the City of Rochester Hills hereby adopts the said Memorandum of Understanding as a policy document and instructs the staff and affected Councils and Commissions of the City of Rochester Hills to implement the provisions thereof.

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.

2010-0126 Approval of Minutes - City Council Regular Meeting - February 8, 2010

Attachments: [CC Min 020810.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0108-2010

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on February 8, 2010 be approved as presented.

2010-0142 Approval of Minutes - City Council Regular Meeting - February 22, 2010

Attachments: [CC Min 022210.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0109-2010

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on February 22, 2010 be approved as presented.

2010-0199 Request for Adoption of Resolution Authorizing the Parks and Forestry Director to be the Agent for the City of Rochester Hills for Oakland County's West Nile Virus Fund Program

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0110-2010

Whereas, upon the recommendation of the Oakland County Executive, the Oakland County Board of Commissioners has established a West Nile Virus Fund Program to assist Oakland County cities, villages, and townships in addressing mosquito control activities; and

Whereas, Oakland County's West Nile Virus Fund Program authorizes Oakland County cities, villages, and townships to apply for reimbursement of eligible expenses incurred in connection with personal mosquito protection measures/activity, mosquito habitat eradication, mosquito larviciding, or focused adult mosquito insecticide spraying in designated community green areas; and

Whereas, the City of Rochester Hills, Oakland County, Michigan, has or will incur expenses in connection with mosquito control activities believed to be eligible for reimbursement under Oakland County's West Nile Virus Fund Program;

Now, Therefore, Be It Resolved, that the City Council of Rochester Hills authorizes and directs its Parks and Forestry Director, as agent for the City of Rochester Hills, to request reimbursement of eligible mosquito control activity under Oakland County's West Nile Virus Fund Program.

Passed the Consent Agenda

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

Aye 7 - Brennan, Hooper, Klomp, Pixley, Rosen, Webber and Yalamanchi

ORDINANCE FOR INTRODUCTION

- 2010-0196** Acceptance for First Reading - an Ordinance to amend Section 74-108 of Article II, Division 3, of Chapter 74, Parks and Recreation, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify the regulation of firearms in city parks, repeal inconsistent or conflicting Ordinances, and prescribe a penalty for violations

Attachments: [050310 Agenda Summary.pdf](#)
[Ordinance \(Revised\).pdf](#)
[Ordinance.pdf](#)
[Staran Ltr 041410.pdf](#)
[050310 Resolution.pdf](#)

President Hooper stated that this proposed Ordinance Amendment is being brought forward to bring the City's Ordinance into compliance with State Law.

Public Comment:

Alex Sherman, 1220 Oakwood Court, commented that regardless of how Council members feel about possession of firearms, the City's Ordinance must be amended to bring the City into compliance with State Law.

Martha Black, 2408 Jackson Dr., stated that as a mother she struggles with this Ordinance Amendment, noting that it will be unnerving to visit a City Park knowing that someone is allowed to have a firearm there. She questioned whether the Ordinance could be modified to prohibit loaded firearms.

Council Discussion:

President Hooper suggested that those individuals who are opposed to firearms being allowed in parks should appeal to the State Legislators to change State Law.

Mr. Pixley questioned whether the wording regarding the discharge of a weapon in a City Park should be removed.

City Attorney John Staran offered his opinion that this language was based directly on the State Firearms Law and should remain. He noted that the State Law preempts local regulation regarding possession; however, the City is allowed to regulate the discharge of firearms. He stated that it is extremely unlikely that the City would choose to prosecute for the discharge of a weapon for the lawful reason of protecting oneself.

Mr. Rosen questioned whether there were any other exceptions allowing discharge of firearms in the State Law other than those cited in the proposed Ordinance language.

Mr. Staran stated that State Law allows discharge to defend one's property as well; however, as this Ordinance pertains to City parks and not one's own home, he did not feel that this instance would apply.

Mr. Brennan stated that the concept of lawful self-defense is as defined by the courts.

A motion was made by Yalamanchi, seconded by Brennan, that this matter be Accepted for First Reading by Resolution. The motion CARRIED by the following vote:

Aye 7 - Brennan, Hooper, Klomp, Pixley, Rosen, Webber and Yalamanchi

Resolved, that an Ordinance to amend Section 74-108 of Article II, Division 3, of Chapter 74, Parks and Recreation, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify the regulation of firearms in city parks, repeal inconsistent or conflicting Ordinances, and prescribe a penalty for violations is hereby accepted for First Reading.

ORDINANCE FOR ADOPTION

2010-0185 Acceptance for Second Reading - an Ordinance to repeal Article VI, Fences, of Chapter 18 and to amend Section 84-6 of Chapter 84, Property Maintenance Code, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify and amend allowable fence materials, repeal conflicting Ordinances and prescribe a penalty for violations

Attachments: [Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[042610 Agenda Summary.pdf](#)
[042610 Resolution.pdf](#)
[Resolution.pdf](#)

A motion was made by Yalamanchi, seconded by Pixley, that this matter be Accepted for Second Reading and Adoption by Resolution. The motion CARRIED by the following vote:

Aye 7 - Brennan, Hooper, Klomp, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0111-2010

Resolved, that an Ordinance to repeal Article VI, Fences, of Chapter 18 and to amend Section 84-6 of Chapter 84, Property Maintenance Code, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify and amend allowable fence materials, repeal conflicting Ordinances and prescribe a penalty for violations is hereby accepted for Second Reading and Adoption, and shall become effective on Friday, May 14, 2010, the day following its publication in the Rochester Post on Thursday, May 13, 2010.

2010-0186 Acceptance for Second Reading - an Ordinance to amend Section 54-501 of Chapter 54 Fees, and to add Section 78-171 to Chapter 78, Peddlers, Solicitors and Itinerant Merchants, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to require annual inspection and licensing of ice cream vending vehicles, repeal inconsistent or conflicting Ordinances, and prescribe a penalty for violations

Attachments: [Agenda Summary.pdf](#)
[Revised Ordinance.pdf](#)
[042610 Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[042610 Resolution.pdf](#)
[Resolution.pdf](#)

Scott Cope, Director of Building/Ordinance Compliance noted that two changes were made from the Draft Ordinance presented for First Reading to incorporate Council's request that the annual license cost be reduced to \$25.00; and to clarify that there are two separate fees: one fee for the Permit and one fee for the License.

A motion was made by Yalamanchi, seconded by Webber, that this matter be Accepted for Second Reading and Adoption by Resolution. The motion CARRIED by the following vote:

Aye 7 - Brennan, Hooper, Klomp, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0112-2010

Resolved, that an Ordinance to amend Section 54-501 of Chapter 54 Fees, and to add Section 78-171 to Chapter 78, Peddlers, Solicitors and Itinerant Merchants, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to require annual inspection and licensing of ice cream vending vehicles, repeal inconsistent or conflicting Ordinances, and prescribe a penalty for violations is hereby accepted for Second Reading and Adoption, and shall become effective on Friday, May 14, 2010, the day following its publication in the Rochester Post on Thursday, May 13, 2010.

NEW BUSINESS

2010-0195 Request for Nonprofit Designation for a Charitable Gaming License from the State of Michigan - Oakland Cobras Fastpitch Softball Association, Inc.

Attachments: [Agenda Summary.pdf](#)
[Oakland Cobras Memo.pdf](#)
[IRS Nonprofit.pdf](#)
[Oakland Cobras Bylaws.pdf](#)
[Articles of Incorporation.pdf](#)
[Resolution.pdf](#)

J. Dave Wetzel, 6475 Mallon, representing the Oakland Cobras Fast Pitch organization, noted that he has been involved with the organization for five years. He stated that the group became more organized a year ago, appointing a Board of Directors and developing Articles of Incorporation and Bylaws. He stated that the organization holds practices year-round, with tryouts for ages 10 to 18 and rules on how athletes should conduct themselves. He announced that the organization will host the Cobra Challenge Tournament at Borden Park on Father's Day weekend, with 36 teams and over 800 individuals participating in the three-day event.

Mr. Yalamanchi stated that he would like to see Council develop a policy regarding the approval of Nonprofit Designations for organizations.

Mr. Pixley questioned whether the organization had any current plans for fund

raising events.

Mr. Wetzel responded that no firm dates have been set; however, the organization is investigating working with other organizations such as the Elks Club to hold Euchre or Texas Hold-em events.

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

Aye 7 - Brennan, Hooper, Klomp, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0113-2010

Resolved, that the request from Oakland Cobras Fastpitch Softball Association, Inc. located at 935 Spartan Court, Rochester Hills, Michigan 48309, Oakland County, 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.

2010-0197 Request to place the Older Persons' Commission (OPC) Operating Millage Renewal on the August 3, 2010 Primary Election ballot

Attachments: [Agenda Summary.pdf](#)
[OPC Millage Request.pdf](#)
[Ballot Language.pdf](#)
[Resolution.pdf](#)

Marye Miller, Older Person's Commission (OPC) Director, stated that the OPC has had ballot approval of a millage since 1982. She noted that the OPC Board approved going to the voters for a renewal of the same millage as presently exists. She stated that OPC has been very conservative in the past several years and considered the downfall of the Michigan economic climate in approving a renewal millage for presentation to the voters.

Mr. Webber thanked Ms. Miller for the work OPC does for the community's seniors.

Mr. Rosen commented that the original millage adopted was 0.25 and over the years, with the Headlee rollback, it was reduced to 0.2403. He questioned whether the ballot proposal was a strict renewal of this rate.

City Attorney John Staran stated that it was.

Ms. Miller commented that OPC has not asked the voters for any more money since 1982 and stated that the OPC moved from a 25,000 square foot building to a 90,000 square foot building. She noted that only 35 percent of the OPC's current budget is funded by millage; and stated that the seniors and community at large have helped OPC make a difference. She explained that OPC attempts to keep its budget in line by writing grants, collecting fees, and holding fund raising events.

Mr. Yalamanchi questioned whether the ballot language should contain a reference to transportation, noting that OPC currently has a Transportation Millage.

Mr. Staran responded that the proposed language is the same as what

appeared in the last two millage requests. He noted that any changes to ballot wording would have to be approved by all three participating municipalities.

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

Aye 7 - Brennan, Hooper, Klomp, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0114-2010

Resolved, that the Rochester Hills City Council hereby approves the placement of the following Older Persons' Commission (OPC) Operating Millage Renewal proposal on the August 3, 2010 Primary Election ballot:

BALLOT QUESTION

Older Persons Commission (OPC) Millage

Shall the City of Rochester Hills renew the previously-authorized millage of 0.2403 mills (\$0.2403 per \$1,000 of taxable value) for ten (10) years, 2012 through 2021 inclusive, on the taxable value of all property assessed for taxes in the City to fund transportation, activities and services for older persons and operation, equipping and maintenance of an older persons activities center? If approved and levied in full, this will provide an estimated revenue of \$628,940 in the first year.

Yes
 No

- 2010-0164** Request for Purchase Authorization - DPS/GAR: Blanket Purchase Order for Ready Mix Concrete Materials in the amount not-to-exceed \$131,000.00; Paragon Ready Mix, Inc., Utica, MI; Superior Materials, Farmington Hills, MI

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

Roger Rousse, Director of DPS/Engineering stated that this annual concrete purchase will be used for a variety of purposes, including manhole repairs, road repairs, and water and sewer projects.

A motion was made by Brennan, seconded by Pixley, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:

Aye 7 - Brennan, Hooper, Klomp, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0115-2010

Resolved, that the Rochester Hills City Council authorizes a Blanket Purchase Order for Ready Mix Concrete Materials to Paragon Ready Mix, Inc., Utica, Michigan as primary vendor and Superior Materials, Farmington Hills, Michigan as secondary vendor in the amount not-to-exceed \$131,000.00.

- 2010-0190** Request for Purchase Authorization - DPS/FAC: Blanket Purchase Order for HVAC Preventative Maintenance and Repair Services for three (3) City-owned buildings in the amount not-to-exceed \$80,000.00 for two (2) years; K&S Ventures, Inc., Rochester Hills, MI

Attachments: [Agenda Summary.pdf](#)
[Detailed Spreadsheet Suppl Cost Proposal.pdf](#)
[Resolution.pdf](#)

Roger Rousse, Director of DPS/Engineering, stated that nine responses were received to the City's Request for Proposal (RFP). He noted that the RFP required that all paperwork be submitted electronically, in order to import the information into the City's Asset Management Plan, and required vendors to have computerized maintenance records. He stated that K&S was selected as they have experience with the City's updated equipment and their proposal did not include a transportation fee.

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

Aye 7 - Brennan, Hooper, Klomp, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0116-2010

Resolved, that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order to K&S Ventures, Inc., Rochester Hills, Michigan for HVAC Preventative Maintenance and Repair Services for three (3) City-owned buildings in the amount not-to-exceed \$80,000.00 for two (2) years.

2010-0198

Request for Approval to discontinue payment of PEG Fees to Intergovernmental Cable and Communications Authority (ICCA) and withdraw membership in the ICCA

Attachments: [Agenda Summary.pdf](#)
[Staran Ltr 040610.pdf](#)
[Resolution.pdf](#)

Mayor Barnett stated that the Administration continues to investigate ways to deliver services more efficiently and save money. He commented that while he can say nothing bad about Community Media Network (CMN), similar to the City's Dispatch services or considerations of the Environmental Education Center, this item deserves discussion.

Keith Sawdon, Director of Finance, explained that a recent appellate court ruling gave better guidance of the proper use of Public Education Government (PEG) funding, indicating that PEG funding could only be used for Capital Improvements for studio facilities or equipment installed in studios. He pointed out that the City currently has an on-site studio with debt service incurred on the facilities. He stated that the City receives two fees related to cable funding: a Franchise Fee used to offset operating costs within the General Fund, including the City's own broadcast channel, and a PEG fee. The City's current use of PEG funding is to fund CMN through the Intergovernmental Cable and Communications Authority (ICCA) to provide public access. He noted that based on the recent court ruling on the use of PEG funding, the Administration feels that it is more appropriate to utilize the PEG funding for the City's own studio facilities.

Jamie Smith, Media Specialist, stated that the Administration is not suggesting doing away with CMN; however, it is reassessing the use of public access fees. He provided the following history of public cable services in Rochester Hills:

- 1981: Intergovernmental Cable Communications Authority (ICCA) formed. In the early days of cable service in the area, there was no shortage of complaints.
- 1983: OC4 forms to administer Public Access TV (this became CMN). Each city was given a channel, along with the schools. One public channel was created.
- 1998: Ameritech (later WOW) enters Rochester Hills. Complaints decline sharply.
- 2002-2005: Internet video explodes. Public Access membership declines.
- 2005: Rochester Hills adjusts funding to ICCA/CMN to current levels.
- 2006: Public Act 480 gives control of all contract oversight to the MPSC.
- 2008: AT&T Uverse becomes the third cable vendor in Rochester Hills. Circuit Court ruling restricts how PEG funds can be spent.

Mr. Smith showed a map of the communities who participated in the original cable consortium, including Oakland Township, Rochester, Rochester Hills, Auburn Hills, Troy, Berkley, Royal Oak, Clawson, Huntington Woods, Ferndale and Pleasant Ridge. He explained that for 2010, Clawson, Huntington Woods, Ferndale and Pleasant Ridge have now opted out. He noted, over the years, the number of Rochester Hills residents who participated as members in CMN:

- 2006: 18 members
- 2007: 23 members
- 2008: 16 members
- 2009: 33 members

He explained that viewers of cable television will not see any difference in CMN programming if the City withdraws membership in ICCA, and users who wish to maintain their relationship with CMN can still do so as individuals. He noted that the burden of cost will move to the individual user. He highlighted the membership benefits of CMN as a Producer:

- Reserves equipment, edit suites, studio, conference rooms.
- Live broadcasts.
- Use of Music Library.
- Advertise on CMN website and Bulletin Board.
- Register for certification classes and advanced production training classes.
- Request playback of program on the channel.
- Participate in CMN-sponsored members functions and user group meetings.
- Volunteer as a crewmember on productions (certification required).

Mr. Smith noted that those that want to produce in Rochester Hills can take advantage of other communities' facilities, including Shelby Township, which charges a fee-per use, and Waterford, which charges only \$125 per year. He mentioned that users can pay a \$25 fee to air their program on CMN.

Mr. Sawdon stated that as tax values continue to fall, it is becoming more and more difficult for the City to provide basic services. He stated that this proposal would allow the City to cover its in-house studio costs, and General Fund monies currently allocated to service the debt on the City facilities could be redirected to fund Police Services, Parks or Local Roads.

Public Comments:

The following individuals spoke in favor of continuing the City's funding of CMN through the ICCA:

- **Bruce Fealk**, 1474 Oakstone Drive, stated that he produced several shows of a political nature in 2008 and finds CMN's services extremely valuable.
- **Bryan Reed**, 1618 Glenbrooke Court, commented that he is a four-year volunteer of CMN and discontinuing these fees would mean a 25 percent reduction in CMN's budget.
- **Barbara Taylor**, 303 Grosse Pines Drive, stated she produces a show called Community Corner, and pointed out the CMN has been a wonderful supporter of the disabled who make use of CMN's training classes. She questioned whether the City would open its own studio facilities to the public.
- **Aaron Castle**, 3155 Quail Ridge, stated he participates on the Community Corner program.
- **David Dewitt Taylor**, 731 Ironwood Drive, Rochester, noted he is a host on Community Corner.
- **Jeff Kuykendall**, 1895 Tamm, stated he is in the middle of producing his first show and wants Council to continue funding CMN.
- **Annette Downey**, 3270 Greenfield, Berkley, commented that she represents Community Living Services, a non-profit community mental health agency serving people with disabilities, and noted that Community Corner is a show with a great impact in the community.
- **Ryan Gray**, 341 Lonesome Oak, Oakland Township, stated that without CMN's involvement in the community, Community Corner would not continue.
- **Henry Taylor**, 303 Grosse Pines Drive, questioned whether the City's in-house studio would provide diversity and accessibility to the community.
- **Nicholas Ritz**, 1388 Crescent Lane, commented he is a volunteer producer at CMN, and is active in making documentaries and independent films. He stated that he uses CMN's equipment and editing suite.
- **Gatini Tinsley**, 1581 Goldrush, stated that she completed news internships at Local 4 and Channel 10 in Lansing and commented that her internships were successful because of the skills she learned at CMN.
- **Jason "Jake" Hall**, 726 Oakbrook Ridge commented that he wished to continue his membership and would be willing to volunteer his time to assist in City productions.
- **Argloria Peek**, 905 Stanford Circle, stated that CMN-TV affects the whole community and provides a valuable service, noting that she is a volunteer and producer.
- **Pastor Desi Turner**, 2772 Foxwoods Lane, commented that as a Pastor, he wishes to see CMN involvement continue. He pointed out that YouTube involvement is generational, and stated that there is an age group out there that is not YouTube-savvy and still watches public access television.
- **Sandra Chimenti**, P.O. Box 70761, mentioned that she produces and hosts a program entitled Discover Your Power to Succeed.
- **Paul Miller**, 1021 Harding, stated that the purpose of these PEG funds was to provide public availability to the media. He commented that the Internet is not a replacement for CMN.
- **Charlie Langdon**, 4825 Riverchase Drive, Troy, stated that CMN has been a

stepping stone for him, and he now works with Fox-2 News. He commented that CMN funding is from franchise fees, not tax dollars. He stated that the money should be used for capital improvements for television, not City Hall in general.

Ann Edwards, 296 Meadowbridge, expressed support for the discontinuance of PEG fees and withdrawal of the City's membership in ICCA, noting that all unnecessary memberships should be withdrawn. She stated that there were not enough residents involved in CMN.

Jay Wiencko, 508 Marquette Drive, Director of CMN, commented that should Council choose to withdraw funding, it would have a dramatic impact on CMN. He noted that a 25-percent reduction in projected franchise fees would be devastating and would have immediate impact on services. He pointed out that CMN membership has grown boldly in the last five years with numbers greater than those cited by Mr. Smith. Classes have increased and are at capacity. He stated that CMN trains displaced employees on a routine basis. He explained that while revenues from franchise fees have declined in past years, other income has increased 50 percent year after year, from membership fees and other services provided. CMN has kept costs 15 percent lower than last year and negotiated a 37 percent lease rate reduction for its facility. He reported that CMN received a Dove Award from The Arc of Oakland County for work with the disabled. MetroTimes voted CMN the best place to learn how to produce television. City of Rochester has also recognized great value and contracted with CMN for programming and recording services of government meetings.

President Hooper questioned the following:

- If Rochester Hills withdraws from the ICCA, can residents still use CMN facilities by paying their own fees?
- What percentage of funding is received from government sources?
- If Rochester Hills opts to withdraw, who determines programming, including which local sporting events will be broadcast?

Mr. Wiencko responded that the CMN Board formulates policies and sets fees for non-resident participation. He noted that government funding is four-fifths of CMN's yearly budget, donations and grants represent a small percentage, and the remaining \$100,000 comes from membership fees and services. He stated that seven communities currently fund CMN, with the remaining four now in non-resident status. Two of the member communities fund CMN to their full extent. He stated that CMN tries to spread out broadcast of remote sporting events among the communities, trying not to leave anyone out. He noted that the CMN Board would have to determine what changes would occur for covering Rochester Community Schools' sporting activities if one municipality of the three involved were to leave the consortium.

President Hooper commented that he has no criticism whatsoever of CMN and the services it offers, and there is no intention of eliminating public access. He noted that should this move forward, it will be one of many difficult choices that the community must make as a whole. He questioned how the withdrawn funds would flow into the City's Budget and why the City opted to reduce funding

to one-half percent in 2005.

Mr. Sawdon commented that the \$93,000 would flow into the City's General Fund to pay for all of the City's activities related to the Council chambers and studio facilities. He stated that he was not aware why Council decided to not fully fund ICCA in 2005. He reiterated that PEG funding should be spent on studio facilities and equipment.

Council Discussion:

Mr. Yalamanchi asked the following questions:

- What does the City receive in cable franchise fees?
- Are there restrictions on how the franchise fees can be used?
- Is there a breakdown on the cost to operate Rochester Hills-TV? Is this cost approximately \$400,000?
- Is Rochester Hills TV exclusive to City use? Are there any restrictions on this use?
- Have other governments opted to have CMN provide programming for both their government and public broadcasts?
- Does CMN track viewership? What data is available from the cable companies?
- Must the entire PEG fee amount be used for capital equipment and funding specific to studio space?
- Is there a relationship between the cost of cable broadcasting and the amount of franchise fees received?

Mr. Sawdon responded with the following:

- Total franchise fees collected are approximately \$900,000 to \$1,000,000. These funds flow into the City's General Fund.
- Two full-time employees operate Rochester Hills TV, with an average total employee cost of approximately \$100,000 per year, including salary and benefits. Considering that cost, plus the share of building square footage allocated, \$400,000 per year would be a high estimate for Rochester Hills TV.
- PEG funding could be directed to the City's studio, portions of the Council chambers, and part of the MIS services interconnected to government access, along with the debt service raised for the capital to construct these facilities. He commented that this need each year is approximately \$95,000. He pointed out that approximately \$350,000 is accumulated in the Capital Improvement Plan to fund improvements related to the studio.
- There is no direct relationship to the amount of franchise fees collected and broadcasting cost. Franchise fees go into the General Fund, which have a heavy transfer to fund Police and Local Road services.

Mr. Smith stated that the use of the City channel is dictated by a policy decision. He stated that Rochester Hills programming is full with government broadcasting. He noted that the City of Rochester has contracted with CMN to produce four videos over the course of one year. He commented that those who view the City's streaming video on the Internet can be tracked, as well as those who view programs through YouTube.

Jason Dale, Media Production Technician, reported that Orion Township handles public access and government functions through one facility.

Mr. Wiencko commented that there is no means of measuring viewers. He pointed out that there are 140,000 homes subscribing to cable that have the opportunity to watch the channel and commented that CMN also has programming on its website, through the On Demand service and on YouTube as well.

Mr. Yalamanchi stated that he wished to see a two-way cost analysis of what the savings might be if the City collaborated with CMN to provide some of its services. He questioned whether CMN would survive with such cuts in funding. He commented that he cannot put a price on someone's access to free speech. He stated that it should be investigated whether CMN could do everything that the City currently does before moving forward to cut funding.

Mr. Smith stated that the Administration studies this every year and noted that the City facilities also provide many services different from CMN's services. He stated that the actual broadcast of Council meetings encompasses only approximately four percent of the Media personnel's hours; other activities include internal communications, communication with businesses, video stills, desktop publishing, writing, event production and promotion, and school tours.

Mr. Webber concurred that a two-way analysis should be undertaken and questioned the following:

- How does a resident go about becoming involved in CMN?
- When did the communities which left CMN withdraw?
- How does a political group go about airing a program; what are they charged?
- What does it cost to air a tape for an individual producer?
- Are any other current member communities considering pulling out of the consortium?

Mr. Wiencko responded with the following:

- A resident would begin with a ten-week production certification class for \$75. Residents of a community which does not provide funding to CMN pay \$200. Fees include membership for the first year. Renewal membership fees are \$25 for Rochester Hills residents and \$75 for non-residents.
- Clawson, Huntington Woods and Pleasant Ridge withdrew at the commencement of the current contract in 2007; Ferndale withdrew last year.
- For any political debate, CMN's policy is that any declared candidate on the ballot must be invited to participate.
- The producer of a program must have received training; if not trained, CMN will help. If the producer is a trained member, they can use the equipment, finish their DVD and fill out a playback form for no additional charge. Members in good standing are charged \$25 per year.
- No other communities are known to be considering leaving the consortium. In fact, CMN now supports many of Troy's production efforts.

Mr. Rosen requested additional explanation of the appeals court case and questioned whether it could affect Rochester Hills' own programming.

John Staran, City Attorney, commented that the ruling applies to all local governments receiving PEG fees and mandates that the one percent PEG fee may only be spent or accrued for the costs associated with the construction of PEG facilities. He explained that CMN's contract with the ICCA does not refer directly to PEG fees, and the money paid to ICCA could be allocated from the remaining five percent of the franchise fees. He stated that there is no suggestion that the way CMN is using the money is in any way illegal or contrary to the FCC, nor is the City's money paid to the ICCA improper. He summarized that of the six percent fees the City receives, five percent goes to the General Fund, one-half percent accrues in the Capital Improvement Fund to be spent on PEG facilities, and one-half percent flows to CMN through ICCA.

Mr. Brennan commented that he served with CMN for several years and forged a relationship with the ICCA. He stated that he enrolled both of his children into the CMN program and commented that it was a great experience for them. CMN has many benefits and promotes free speech, public availability to the media, media education, diversity, and accommodates the disabled.

Mr. Wiencko stated that there are actually 44 Rochester Hills producing members, 142 non-profit members and 332 overall members. He commented that membership has steadily increased and CMN is currently at capacity.

Mr. Pixley suggested that the City could fund fees for residents who actually use CMN up to a maximum level, rather than paying a fixed amount through ICCA. He noted that while each person would pay non-member rates, in aggregate it would be less than the total that the City is currently remitting to ICCA. He requested input from Mr. Staran and Mr. Sawdon as to how a resolution could be worded to provide scholarship opportunities for residents.

Mr. Staran and **Mr. Sawdon** provided language that included consideration of the varying franchise fees received each year.

Mr. Klomp commented that he respects the value that CMN has for the community. He noted that if each member community chose to withdraw funding, CMN most likely would not continue to operate; however, this is one of many difficult decisions that City will have to make to protect the residents' investment in Rochester Hills.

Mr. Rosen stated that by discontinuing funding and providing scholarship monies, Rochester Hills residents would then pay the higher non-member price. He commented that if the City were to spend the same amount of money, it would be better off remaining a member of ICCA.

Mr. Smith pointed out that if the City were to fund scholarships, Waterford's program would be a less expensive way to get people on the air. He stated that ICCA is considering going to the cities to help with additional funding.

Mr. Yalamanchi commented that helping CMN with their base funding will help

sustain their infrastructure costs and better benefit the community. He stated that he would not support withdrawing funding until the two-way analysis was completed.

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

Aye 3 - Hooper, Klomp and Pixley

Nay 4 - Brennan, Rosen, Webber and Yalamanchi

Enactment No: RES0118-2010

Resolved, that the City of Rochester Hills discontinue the payment of PEG fees to the Intergovernmental Cable and Communications Authority (ICCA) and withdraw the City's membership in the ICCA and provide scholarship opportunities for residents for training classes, up to one-half percent of the six percent of revenues that the City receives from cable operators.

Therefore, Be It Resolved, that the Rochester Hills City Council hereby authorizes and requests that the City Administration terminate its membership in the ICCA effective sixty (60) days following the City's written notice of withdrawal.

(RECESS 10:46 P.M. to 10:57 P.M.)

2009-0419 Administration's response to City Council's request for water reservoir alternate locations

Attachments: [050310 Agenda Summary.pdf](#)
[Suppl Presentation \(Revised\).pdf](#)
[Presentation.pdf](#)
[Alternate Site Comparison.pdf](#)
[Adams Reservoir.pdf](#)
[Adams Reservoir North.pdf](#)
[Tienken Reservoir.pdf](#)
[John R Reservoir.pdf](#)
[Bloomer Reservoir.pdf](#)
[Shelton Dealership Reservoir.pdf](#)
[Goddard Reservoir.pdf](#)
[Meadowfield Reservoir.pdf](#)
[Dicks Parking Lot Reservoir.pdf](#)
[Overall Wm Map.pdf](#)
[020810 Agenda Summary.pdf](#)
[TetraTech Proposal.pdf](#)
[101909 Agenda Summary.pdf](#)
[Proposals Tabulation.pdf](#)
[101909 Resolution.pdf](#)
[020810 Resolution.pdf](#)
[Suppl Staran Letter 040810.pdf](#)
[Suppl 2011-2030 City Water Cost Impacts - Zellers.pdf](#)

Roger Rousse, Director of DPS/Engineering, recapped the Water and Sewer Technical Review Committee's recommendation to Council to reconsider water reservoirs and Council's request for the Administration to review additional sites. He displayed maps highlighting additional northwest and east central reservoir locations to consider, and gave the following presentation on the alternate sites:

City Council Presentation, Proposed Water Reservoirs - In response to City Council Resolution #0097-2010 adopted on April 12, 2010

Proposed Water Reservoirs - Alternate Locations:

Map ID	Location	Water Purchase Acreage	Reservoir Elev.	Est. Cost**	Cost to Use Property	Total Est. Cost
<u>Northwest Reservoir:</u>						
A1	Adams Rd., Nowicki Park	---	990	\$4,600,000	City Owned Property*	\$4,600,000
A2	Adams Rd., N of Nowicki Park	2	964	\$4,600,000	\$100,000	\$4,700,000
A3	Tienken Rd., West of Adams High School	---	998	\$4,600,000	City Owned Property*	\$4,600,000
<u>East Central Reservoir</u>						
B1	John R, N of Avon, City Property	---	759	\$6,350,000	City Owned Property*	\$6,350,000
B2	Bloomer Park	---	790	\$7,900,000	City Owned Property*	\$7,900,000
B3	Vacant Property, N Avon, E Rochester Rd	2	840	\$7,980,000	\$500,000	\$8,480,000
B4	Vacant Property, N Avon, W Rochester Rd	1.5	830	\$7,980,000	\$290,000	\$8,270,000
B5	Meadowfield Site	2	850	\$8,700,000	\$160,000	\$8,860,000
B6	Pkg. Lot behind Dick's Sporting Goods	2	846	\$8,700,000	\$500,000	\$9,200,000

*Though these are City-owned properties, it is still unclear whether or not additional fees will need to be paid to cover the use of the property.

**There are constraints on all these sites and will need to be reviewed in more detail if the project moves forward. These costs are preliminary and many factors can change them, including elevation, amount of new water main replacement to provide sufficient reservoir supply line, type of reservoir, road crossings, tree removals, varying soil conditions, adjacent zonings, access road distance, etc. Just a few parcels were reviewed for costs regarding the installation of water storage facilities. These costs include contractor payments for construction only. Keep in mind that there may be other appropriate sites. Once sites are selected, it is recommended that the City's consultant review these for feasibility and cost in a more detailed manner to ensure the suite is suitable.

Final design cost is approximately \$500,000.

Mr. Rousse displayed photos of several at-grade water storage reservoirs, noting that the domed type of reservoir is the least expensive as it has a self-supporting structure. He reviewed a graph of Detroit Water and Sewerage Department (DWSD) water rates charged to Rochester Hills in comparison to Van Buren Township and Grosse Pointe Woods, noting that both communities are constructing water storage facilities and are projected to receive substantial reductions in their water rates. He pointed out that Rochester Hills could receive a forty percent (40%) reduction in water rates after incorporating water storage facilities.

He reviewed the top ten municipalities in the system ranked by Highest Peak Hour Increment and Lowest Peak Hour Increment, noting that Rochester Hills has the highest peak hour increment of any community served by DWSD:

Top 10 Municipalities on DWSD's Water System Ranked by Highest Peak Hour Increment

Preliminary Rate Calculations for FY 2010-2011:

Municipality	Avg Day (Mcf/Day)	Max Day (Mcf/Day)	Peak Hour (Mcf/Day)	Peak Hour Increment (Mcf/Day)	Rate (\$ per MCF)
Rochester Hills	1346	3577	7066	3489	\$24.06
Shelby Twp.	1313	3774	7084	3310	\$20.75
Farmington Hills	1561	3615	6395	2781	\$18.46
Sterling Heights	2232	5591	8332	2740	\$12.72
Bloomfield Twp.	921	2625	4764	2139	\$25.14
Novi	999	2591	4724	2134	\$26.21
Warren	2418	5267	7345	2079	\$ 9.58
W. Bloomfield Twp.	1217	3196	5067	1872	\$22.05
Livonia	1886	4391	6239	1848	\$13.54
Canton Twp.	1329	3155	4960	1805	\$17.87

Top 10 Municipalities on DWSD's Water System Ranked by Lowest Peak Hour Increment

Preliminary Rate Calculations for FY 2010-2011:

Municipality	Avg Day (Mcf/Day)	Max Day (Mcf/Day)	Peak Hour (Mcf/Day)	Peak Hour Increment (Mcf/Day)	Rate (\$ per MCF)
Grosse Pte. Woods	309	738	738	0	\$ 8.38
Oak Park	413	686	686	0	\$ 6.81
Oakland County Drain Comm	30	46	46	0	\$ 6.17
SOCWA	4030	8432	8432	0	\$ 8.74
Wayne	437	1147	1147	0	\$11.05
Ypsilanti Comm Utility Authority	1871	3569	3569	0	\$11.02
Wixom	308	717	717	0	\$15.07
St. Clair County - Greenwood	39	186	186	0	\$ 2.70
Plymouth Twp.	507	1480	1493	13	\$15.59
Northville	107	224	245	21	\$12.59

Data Source, DWSD; Peak Hr. Increment = Peak Hr - Max Day

Mr. Rousse highlighted two current construction projects:

Township of Van Buren:

- New two million gallon water storage reservoir currently under construction; anticipated completion date is November 2010.
- Van Buren successfully negotiated reduced rates with DWSD for the 2010 to 2011 rate season, with an ultimate savings of 30 to 35 percent for the 2011 to 2012 rate season.
- Increased reliability of the Township's water system by being able to supply water during low pressure or supply from DWSD, as well as providing more consistent pressure throughout the system, addressing a long-standing pressure problem.

City of Grosse Pointe Woods:

- New 600,000 gallon water storage reservoir currently under construction. Anticipated completion date is 2010.
- With anticipated new storage and operational improvements, Grosse Pointe successfully negotiated a 20 percent reduction in water rates for the 2010-2011 rate season.

Tracy Balint, Project Engineer, noted that DWSD has become more supportive of water storage projects:

What does DWSD gain by having Municipalities utilize water storage reservoirs?

- DWSD maintenance costs are reduced
- DWSD water main improvements are reduced, thus creating a more efficient utilization of the system
- Energy savings are realized
- Additional redundancy in the regional water system
- DWSD may be able to decrease the scope and size of capital improvement projects (32 Mile Rd.)

Ted Zellers, 1308 Brook Lane, citizen representative serving on the Water and Sewer Technical Review Committee (WSTRC), stated that the WSTRC determined that savings in water costs provided by the construction of water storage facilities would be substantial when viewed over time. He stated that if this year's projected increase of over 12 percent would continue each year, there would be a transfer of wealth from the residents and businesses of Rochester Hills to the DWSD that could total \$850 million in twenty years. He explained that his financial model looks at the financial impact of having water storage facilities, in comparison to cost increases that would be incurred if no action were taken, and highlighted the following:

2011-2030 Water Cost Impact Assumptions:

1. This is a COST model, not a pricing model
2. Future Water Purchase basis equal to 2009 totals
 - * This amount was 390,000 MCF; the City sold 340,000 MCF
3. Cost increases from DWSD will be an annual occurrence
4. DWSD will have little opportunity to increase water deliveries due to the weakened Michigan economy
 - * SEMCOG studies showing population and employment trends were used for background
5. DWSD will face increasing cost pressures due to soft demand and increasing maintenance expense
 - * Per DWSD, "infrastructure is more than 50 years old on average"
 - * The general condition of the City of Detroit balance sheet and budget deficits will trigger higher cost burdens on suburban customers
6. City of Rochester Hills has no special negotiating position vis-a-vis DWSD standard water rates
 - * Rochester Hills has limited bargaining power due to adoption of Technical Advisory Committee (TAC) contract template
 - * Rochester Hills represents a very small percentage of DWSD water sales

7. The model assumes water cost increases of seven percent (7%) projected (2011 to 2030)
 - * Regarded as a "Best Case" number
 - * 2010 DWSD rate increase for Rochester Hills equal to 12.8 percent
 - * "Fixed" component of DWSD water rate is adjusted by two percent (2%) annually
8. Construction and Debt Service Figures were provided by the City of Rochester Hills
9. Initial Reservoir Operating Expense estimates were provided by the City of Rochester Hills
 - * Operating Expenses were adjusted three percent (3%) annually in the model
10. Conservation efforts were initially calculated at five percent (5%) effectiveness
 - * Action Step: Survey other communities for effective target ranges
11. No provision for implementation or enforcement costs associated with conservation initiatives was modeled
12. No provision for conservation enforcement revenue is included in the model. De-Minimis benefit.

Mr. Zellers referred to a spreadsheet of water cost impacts, considering four options:

- Option One - Do nothing
- Option Two - Construct Reservoir; Water at Lowest Available Rate
- Option Three - Water at Standard Rate; Aggressive Water Usage Reductions
- Option Four - Construct Reservoir; Water at Lowest Rate with Aggressive Water Usage Reductions

He noted that his model assumes a twenty-year debt repayment and stated that reservoirs have a useful life of 50 years. He stated that opportunities to bond this project utilizing the City's bond rating were reviewed with Mr. Sawdon, with the possibility of calling the bonds early if additional revenue is realized. His model included Water Cost Trends and Estimated Total Water Costs over the years from 2011 through 2030, assuming a best-case scenario of annual increases from DWSD of seven percent (7%) per year. He commented that considering DWSD's deteriorating infrastructure, greater increases are more likely; and noted that there would be a tremendous benefit to lowering the cost basis now. He pointed out that in the first year alone, including construction of reservoirs, operation and financing through the bonding process, the City would still save approximately \$1.7 million and noted that this savings accelerates over the years. He explained that other municipalities are also studying water storage facilities, and noted that Orion Township is investing \$8 million into a water tower and will sell water at off-peak rates to the Village of Orion.

Public Comments:

The following residents spoke in support of water storage facilities:

- **Lee Zendel**, 1575 Dutton, noted that water storage facilities would become critical to the City if the DWSD system were shut down due to a terrorist attack.
- **Mike McGuire**, 935 John R, commented that he had worked with Warren's water and sewer systems and commented that the longer the City waits, the more expensive construction will be.

The following residents spoke against water storage facilities:

- **Karl Streibel**, 635 Timberline, commented that the City does not have enough money to fix its roads and cannot afford a water storage reservoir at this time and stated that he is not in favor of Nowicki Park as a possible location.
- **Scot Beaton**, 655 Bolinger, commented that Mr. Zellers' presentation should have been included in the meeting packet. He questioned what would occur if the development of a new regional water and sewer department moved forward. He expressed concerns about the security measures that would be required to keep the facility safe.
- **Kim Barno**, 891 River Bend Drive, commented that the development of water storage facilities should not move forward as there are too many unknowns and stated that conservation measures should be undertaken first.
- **Greg Domka**, 891 River Bend Drive, stated that the City's emphasis should be on water conservation.
- **Melinda Hill**, 1481 Mill Race, stressed that conservation should be encouraged first. She commented that the Ordinance should be changed and enforced and area maintenance meters eliminated or a surcharge assigned to them.
- **Carol Donovan**, 1394 Springwood Lane, stated that the Administration was looking to move forward too quickly toward construction of water reservoirs.
- **Greg Kosch**, 693 John R, stated that the City was moving too fast, and commented that he did not wish to have a reservoir constructed next to his home. He stated that the City should choose Bloomer Park as a location.
- **Paul Miller**, 1021 Harding, commented that the City should not spend its money to allow people to water their grass and stated that other means of encouraging reduced water usage should be reviewed first. He mentioned that a water reservoir would not be enough to provide water during an extended power outage.
- **Lyn Touissant**, 1005 Bloomer, stated that the majority of the residents on John R do not want a tank constructed there. She questioned whether a tank located in Bloomer Park could affect her property value.
- **Robert Quigley**, 1078 Bloomer, stated that reservoirs should be constructed in industrial areas and displayed photographs of a reservoir surrounded by fencing and barbed wire.
- **Deanna Hilbert**, 3234 Quail Ridge Circle, commented that the meeting agenda did not say anything about the process moving forward tonight.
- **William Freeman**, 466 John R Road, stated that moving forward with a public education program would be preferable at this time and commented that reservoirs belong in industrial areas.
- **Avi Sisso**, 1282 Cobridge, commented that Council spent over an hour-and-a-half tonight discussing saving \$93,000 in PEG fees and was now discussing an expenditure of \$20 million to construct reservoirs.

Responding to residents' comments, **President Hooper** stated that a revision to the City's Ordinance is in process and public education efforts for conservation will continue. He noted that the City has documentation from DWSD that states that there would be a forty percent (40%) reduction in rates if the City were to construct reservoirs. He mentioned that in considering cooperation with neighboring communities, one would have to take the lead. He questioned how security concerns would be addressed and how water conservation programs alone could impact rates.

Mr. Rousse responded that there are many technological advancements in security, including cameras, infrared scanners, instant e-mails alerts, and more. He noted that the security required will depend on the site. He stated that studies undertaken note that without enforcement, it is unlikely that sustained conservation efforts will be realized.

Paul Davis, City Engineer, stated that the City's typical usage is eight or nine million gallons per day and noted that reservoirs could be sized for six million gallons. He explained that in an emergency, the City's SCADA system will control reservoir discharge and ration water to allow an emergency supply to be maintained. He noted that as the City's water rates decrease, other communities without storage facilities will see increases. He stated that if the City is able to decrease water usage peaks, the new overall rate will become significantly less.

Mr. Pixley recalled that when DWSD officials attended Council's meeting in February, they offered that if the City constructed reservoirs, the water rate would be lowered. He noted if the City can reduce the current rate by up to 40 percent, going forward it will save more money. He questioned the costs specific to each site and what funding alternatives are available.

Mr. Webber stated that Water and Sewer Fund expenditures are separate from other City functions and would not impact Police Services or Parks. He commented that factors influencing a water reservoir decision include location, total cost, and aesthetics.

Mr. Sawdon explained the bonding process and noted that approximately \$10 million is held in reserve within the Water and Sewer Capital Fund. He noted that while some amounts are committed to upcoming projects, funds would be available to loan to a reservoir project. He stated that reservoir construction would have no impact on operating budgets. He pointed out that other Capital Funds could loan money for construction; however, the limit for inter-fund loans is most likely \$15 million as funds are allocated to scheduled replacement and maintenance expenditures. Council should keep funding limitations in mind when considering more costly alternative sites.

Mr. Davis stated that the site selection process included consideration of hydraulic needs. He pointed out that while it is possible to locate the reservoirs within industrial areas, the costs to do so would be very high.

President Hooper stated that Council should provide a consensus on alternate sites and give direction to the Administration as to how to proceed. Subsequently, the Administration should continue its investigations and encourage DWSD to commit to specific savings amounts that would be realized.

Council members questioned what criteria was reviewed in site selection.

Mr. Davis responded that location, elevation and pipe size were reviewed. He noted that a 30-inch main is required to supply the facility and commented that the Rochester Road sites were served by a 12-inch main.

Council members offered the following preferences:

- **Mr. Rosen** noted that B1 would have the best hydraulics and pipe size. He commented that A1 or A2 would break up Nowicki Park, and A3 is a marginally better location. He commented that conservation in shaving 20 percent off morning and evening peaks could reduce the size of reservoir required substantially, and stated that the City should know much more in five or six months.
- **President Hooper** commented that he would not be opposed to locating a reservoir in A2, as acquiring this property would extend Nowicki Park. He stated that he would support B3, B4 or B6.
- **Mr. Brennan** stated that he would concur with President Hooper's choices, and noted that he would like to see additional discussion deferred to a future agenda.
- **Mr. Pixley** stated that he preferred A2 or A3. He noted that he preferred B3 or B4; however, he also finds B6 acceptable, except for almost prohibitive cost factors associated with that alternative.
- **Mr. Klomp** commented that he would prefer A2 or A3, B3 or B4.
- **Mr. Webber** opted for A2 or A3 and B3 or B4, and would find B6 acceptable as well, except for cost.
- **Mr. Yalamanchi** stated that he wanted to study the options further before voicing his opinion on sites.

President Hooper commented that the Administration should refine costs and review funding for these options, and must receive firm rate information from DWSD for Council to consider. He pointed out that City Attorney John Staran will continue work on an Ordinance for AM Meters and Odd/Even watering restrictions. He requested the Administration provide additional information on security requirements.

Discussed.

COUNCIL COMMITTEE REPORTS

None.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Joint Meeting with Auburn Hills - Monday, May 10, 2010 - 6:00 PM; Regular Meeting - Monday, May 17, 2010 - 7:00 PM

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 1:00 a.m.

*GREG HOOPER, President
Rochester Hills City Council*

*JANE LESLIE, Clerk
City of Rochester Hills*

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

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