



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, August 9, 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:

*Bryan Barnett, Mayor
Tara Beatty, Chief Assistant
Scott Cope, Director of Building/Ordinance Compliance
Ron Crowell, Fire Chief/Emergency Management Director
Paul Davis, City Engineer
Derek Delacourt, Deputy Director of Planning and Development
Pamela M. Gordon, Director of Human Resources
Bob Grace, Director of MIS
Mike Hartner, Director of Parks and Forestry
Captain Michael Johnson, Oakland County Sheriff's Office
Jane Leslie, City Clerk
Roger Rouse, Director of DPS/Engineering
Keith Sawdon, Director of Finance
Leanne Scott, City Council Coordinator
Paul Shumejko, Transportation Engineer*

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

A motion was made by Webber, seconded by Klomp, 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

None.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

President Hooper stated that 31 percent of the City's voters cast their ballot in the August 3, 2010 Primary Election, noting that this was an excellent turnout when compared with previous elections.

Mr. Brennan expressed his thanks to the citizens who voted to approve the replacement millage to be applied to Roads. He thanked everyone who supported him in his bid for election to the Oakland County Probate Court and stated that while not successful, he had a great showing in the Rochester Hills, Rochester and Oakland Township area.

Mr. Klomp announced that The Village of Rochester Hills shopping center will host its Back 2 School Bash on Saturday, August 22, 2010, with proceeds to benefit the Holiday Helpers charitable organization.

Mr. Rosen stated that the Meadow Brook Concours d'Elegance car exhibition will move to a new location in Plymouth and stated that this is a huge loss for this area.

Mr. Webber thanked the citizen members of the Police and Road Funding Technical Review Committee for their efforts in assembling the pamphlet that explained the Local Road Millage. He congratulated the incoming and outgoing Youth Council members for their interest in local government.

Mayor Barnett thanked the voters who turned out for the Primary Election and expressed his appreciation for the efforts of Jane Leslie, City Clerk, and the City's Election Team. He stated that approximately 200 election workers along with City personnel assisted the Clerk's Office with election activities. He pointed out that the Road Millage passed with a 70 percent to 30 percent margin and stated that these monies will be used for road maintenance and not new construction. He commented that while this replacement Millage is only a portion of the funds needed for roads, he is appreciative of the residents' support. He made the following announcements:

- County Executive L. Brooks Patterson and Oakland University President Gary Russi will lead efforts to bring the Concours d'Elegance back to Oakland University. One reason given for the Concours' move to Plymouth was a desire to be in a location with a hotel on-site.
- The City challenged its residents to bike the equivalent of one trip around the world: 24,905 miles. A grant funded this effort, with residents logging their miles on a website. As of July 31, 2010, bikers had logged 29,525 miles with participants of all ages in the Ride Around the World.

- A \$265,000 grant awarded to the City last week from the Department of Natural Resources and Environment (DNRE) will allow the purchase of a 26-acre conservation easement adjacent to Stoney Creek. The City will be asked to match this funding. One of only two projects to be funded in the state, the City will work with the Green Space Advisory Board in wetlands, woodlands and watershed planning along Stony and Paint Creeks.
- The RecycleBank program has been very successful over the past one-and-one-half years. Recycling in the community has increased dramatically from 18 to 20 percent of the residents participating to 85 to 90 percent currently participating. Beginning October 1, 2010, the RecycleBank program will allow residents to redeem points for coupons that can be printed directly from their computer, eliminating the wait for coupons to arrive by mail. Sixty-seven percent of residents participating in recycling have activated their RecycleBank accounts.
- The Hamlin Road Roundabout will open to traffic on Saturday, August 14, 2010.

ATTORNEY MATTERS

None.

PRESENTATIONS

2010-0322 2009/2010 Rochester Hills Government Youth Council (RHGYC) Final Report to City Council

Attachments: [Agenda Summary.pdf](#)

Sara Etienne, Vice Chairperson, and **Kaitlyn Forbes**, Secretary, of the Rochester Hills Government Youth Council (RHGYC) presented the year-end report:

Ms. Etienne noted that this is her third and final year as member of the RHGYC.

Ms. Forbes noted that this is her second year on the RHGYC, and commented that RHGYC Chairperson Rachel Schlagel is currently out of the state.

Ms. Etienne noted the many projects that the RHGYC undertook this past year:

- **Brooksie Way Half-Marathon:** Provided manpower at the finish line
- **City Council Swearing In Ceremony:** Host activities, assisting in preparation and leading City Council into the event
- **Holiday Family Fun Night:** Led games and craft activities
- **Rochester Hometown Christmas Parade:** Marched as brightly-colored presents
- **State of the City Address:** Assisted in ushering and at the request of the

Mayor performed a "sprinkler dance" to demonstrate the City's Watering Ordinance
- Voter Registration Drives at the local high schools

Ms. Forbes reported on the RHGYC's largest project of the year, the 5K Run/Walk in Memory of Dillon Cope to Benefit the University of Michigan C.S. Mott Children's Hospital, which had 357 participants, raised almost \$9,000 to be used to purchase flat screen televisions, DVD players, DVDs, carts and a portable cabinet for use by patients on the 7-Mott floor. She commented that Dillon Cope, a student at Adams High School who lost his battle with Leukemia last year, was a classmate to several, a friend to many and a hero to all. She continued with additional projects:

- Festival of the Hills manpower
- City Hall Beautification Garden
- Planting activities around the new Chapel at the Van Hoosen Jones-Stoney Creek Cemetery

She expressed thanks to Vern Pixley, Council Liaison, and Council Staff Christine Wissbrun and Mary Jo Whitbey for their work with the RHGYC. She thanked Leanne Scott, City Council Coordinator and Adult Advisor to the RHGYC, commenting that she was a mentor, motivator and mother to the group and was there every step of the way.

Presented.

2010-0323 Swearing In Ceremony - 2010/2011 Rochester Hills Government Youth Council (RHGYC)

Attachments: [Agenda Summary.pdf](#)

Vern Pixley, Council Liaison to the Rochester Hills Government Youth Council (RHGYC), expressed thanks to all parents and guests in attendance, noting that this is a time to be proud of these students who represent the City and demonstrate what great youth Rochester Hills has. He acknowledged Ms. Scott and Council Staff for their efforts with the RHGYC.

Leanne Scott, City Council Coordinator and Adult Advisor, introduced a video to highlight the RHGYC's activities this year.

Mr. Pixley invited Council to the front of the dais to recognize the outgoing RHGYC members. He announced the colleges and universities that the graduating members would be attending:

Sara Etienne, Rochester High School, attending Central Michigan University
Jessica Ruiz, Stoney Creek High School, attending the University of Michigan (not in attendance tonight)
Alex Zelinski, Brother Rice High School, attending Washington and Lee University

He recognized the other 2009-2010 RHGYC members:

Trip Brennan, Rochester High School
Jenna Clarkson, Marian High School, who is moving out of the City and cannot return (not in attendance tonight)
Aly Difilippo, Rochester High School
Amith Diwakar, International Academy (not in attendance tonight)
Kaitlyn Forbes, Notre Dame Preparatory High School
Sean Kosecki, Rochester High School
Susanna Jang, Rochester Adams High School
Harvey Li, International Academy
Ishan Patel, Avondale High School (not in attendance tonight)
Sresht Rengesh, Avondale High School
Rachel Schlagel, Rochester High School (not in attendance tonight)
Michelle Thorpe, Rochester Adams High School

Mr. Pixley announced the 2010-2011 Rochester Hills Government Youth Council members:

Trip Brennan, Rochester High School, representing District 2
Aly Difilippo, Rochester High School, representing District 1
Scott Difilippo, Rochester High School, representing District 1
Amith Diwakar, International Academy, representing District 4
Kaitlyn Forbes, Notre Dame Preparatory High School, representing District 2
Kelsey Jackson, Stoney Creek High School, representing District 2
Susanna Jang, Rochester Adams High School, representing District 2
Sean Kosecki, Rochester High School, representing District 4
Eric LaRose, Notre Dame Preparatory High School, representing District 3
Harvey Li, International Academy, representing District 1
Laisa Magucha, Rochester High School, representing District 1
Sresht Rengesh, Avondale High School, representing District 1
Rachel Schlagel, Rochester High School, representing District 3
Scott Schlagel, Rochester High School, representing District 3
Michelle Thorpe, Rochester Adams High School, representing District 2

Jane Leslie, City Clerk, administered the Oath of Office and welcomed the new members.

Aly Difilippo, RHGYC member, thanked Ms. Scott and Council Staff for their efforts with the group.

Presented.

(RECESS 7:39 P.M. to 8:06 P.M.)

2010-0337 2010 Grant Review and Update; Tara Beatty, Chief Assistant, presenter

Attachments: [Agenda Summary.pdf](#)

Tara Beatty, Chief Assistant, distributed a mid-year report of grants awarded to the City in 2009 and 2010 and highlighted the following:

- \$510,000 from the Michigan Department of Natural Resources (DNR) to

purchase greenspace property at Sheldon and Mead Roads.

- \$265,000 from the Department of Natural Resources and Environment (DNRE) to further preserve natural resources and acquire a conservation easement along Stony and Paint Creeks. Over 40 proposals were received and only 14 were selected to receive funding.

Ms. Beatty noted that from August of 2009 to August of 2010, the City has secured more than \$2 million in grant funding. She mentioned that Federal, State and foundation dollars are highly-sought as cities try to leverage funding and try to do more with less. She commented that grant awards in the last six months have totaled approximately \$500,000 and stated that several additional grants are pending with more opportunities being researched. She noted that as funding is received, projects will come to Council for approval to allocate funds to the various contractors and vendors. She stated that Scott Cope, Director of Building/Ordinance Compliance, will come before Council in the future to report on the management of the Energy Efficiency and Conservation Block Grant (EECBG) received from the Department of Energy. She commented that the modifications to lighting at City facilities and HVAC systems will save energy and money. She noted that the grant received from the U.S. Fish and Wildlife Service has allowed the commencement of a restoration project of Avon Creek.

She acknowledged that a team consisting of City Staff is behind the preparation of each application and administration of each grant received, and recognized Jean Farris, Supervisor of Procurement, Roger Moore, Professional Surveyor, Mike Hartner, Director of Parks and Forestry and Derek Delacourt, Deputy Director of Planning for their efforts.

Presented.

ORDINANCE FOR INTRODUCTION

2010-0259 Request for First Reading - An Ordinance to Amend Chapter 138, Zoning, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to Rezone one parcel of land totaling approximately four (4) acres, located at 1680 S. Livernois, south of Avon, west of Livernois from I (Industrial) to SP (Special Purpose) and to prescribe penalties for the violation thereof

Attachments: [Agenda Summary.pdf](#)
[Ordinance Amendment.pdf](#)
[Map.pdf](#)
[Staff Report 072010.pdf](#)
[Back Up Info.pdf](#)
[Letter Synergy 061510.pdf](#)
[Site Plan.pdf](#)
[Minutes PC 072010.pdf](#)
[PC PHN 072010.pdf](#)
[Resolution.pdf](#)

Derek Delacourt, Deputy Director of Planning, introduced the proposed rezoning, noting that the property is located on the southwest corner of Horizon Court and Livernois Road, directly in front of Fire Station No. 1. The proposed project would require a rezoning from Industrial to Special Purpose. He commented that the site is four acres in size, with one industrial building. The Master land Use Plan

designates the site as the Regional Employment Center, which is a broad-base master plan district allowing adaptability and flexibility within the City and a wide range of permitted uses. He noted that it is the Planning Department's opinion that the rezoning of the site, on its own, is supported by the Master Land Use Plan and is appropriate for the specific request. He stated that the Planning Commission unanimously recommends approval of the rezoning.

*Attending on behalf of the Applicant were **Bob Gigliotti**, Volunteer Capital Campaign Director, and **Lisa Price**, President, Jack's Place for Autism Foundation.*

***Mr. Gigliotti** noted that Ms. Price and her husband Jim are the founders of Jack's Place for Autism and the Foundation is named after their son Jack. He commented that the Foundation conducted an extensive search throughout southeast Michigan and Oakland County and reviewed over 70 buildings in the area. Focus turned to Rochester Hills because of the relationship the Foundation has with Oakland University and Oakland Community College in providing many day-to-day activities. He stated that the site at 1680 South Livernois is ideal because of its location to main roads and access; and noted that its proximity to the Fire Station will allow the opportunity to utilize the help of Police and Fire personnel in interaction with autistic children. He commented that the current valuation of industrial real estate was advantageous to the Foundation in their search.*

He stated that the Jack's Place for Autism Foundation is a 501(c)(3) corporation dedicated to provide support, education and compassion to families that cope with autism. Focus is toward assisting children in mainstreaming them into their schools and communities. A life skills center will assist children from ages five to adult to cope with everyday life and will teach skills in cooking, cleaning, laundry, art, graphics and music. Training of educators, and medical and dental personnel will be accomplished as well, as many autistic children are afraid of those types of facilities. Training for parents in dealing with children with autism will be provided. He highlighted the Foundation's alliances with several medical, psychological and therapy centers. He explained that there has been some discussion regarding moving the alliance corporate headquarters to this location in the future. In providing this comprehensive range of services, the facility would be the first of its kind in the country, and would attract many visitors.

Council Discussion:

***President Hooper** noted that the Planning Commission held its public hearing on the application on July 20, 2010 where it was unanimously recommended for approval.*

***Mr. Yalamanchi** commented that this is a very impressive organization. He questioned whether services are provided directly to children and are offered to schools, where the Foundation is currently located, and what would happen to the rezoning if the applicant chooses not to proceed.*

***Mr. Gigliotti** responded that the Foundation's primary purpose is to work*

directly with children and explained that its current location is in Oak Park, Michigan. He noted that a Rochester Hills location will provide better access to nearby universities and can provide access to athletic facilities and sports camps.

Ms. Price responded that the Foundation works with schools as well.

Mr. Delacourt explained that in considering the rezoning, the Planning Commission evaluated all uses allowed in the Special Purpose zoning district. He stated that the rezoning is supported by the Master Land Use Plan and a Special Purpose zoning designation is appropriate to this area, commenting that uses within a Special Purpose district are no more intense or imposing than those uses allowed in Industrial Zoning.

Mr. Pixley commented that he has known many families touched by autism and stated that the Foundation will provide a highly-needed service.

A motion was made by Pixley, seconded by Webber, 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 Chapter 138, Zoning, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to Rezone one parcel of land totaling approximately four (4) acres, located at 1680 S. Livernois, south of Avon, west of Livernois from I (Industrial) to SP (Special Purpose) and to prescribe penalties for the violation thereof, is hereby accepted for First Reading.

NEW BUSINESS

2008-0302 Request for Approval of an Extension of the Final Site Condominium Plan - Pine Woods Site Condominiums, a proposed 29-unit development on 9.6 acres, located south of Auburn, west of M-59, zoned R-4, One Family Residential, L&R Homes, applicant

Attachments: [Agenda Summary.pdf](#)
[Signed Request for Extension.pdf](#)
[Memo Delacourt 072010.pdf](#)
[Map.pdf](#)
[Site Plans.pdf](#)
[Minutes PC 072710.pdf](#)
[Minutes PC 061708.pdf](#)
[071408 Agenda Summary.pdf](#)
[Staff Report 061708.pdf](#)
[Review Comments.pdf](#)
[071408 Resolution.pdf](#)
[Resolution.pdf](#)

Vito Randazzo and Lorenzo Randazzo, L&R Homes, applicant, were in attendance.

Vito Randazzo stated that L&R Homes is requesting an approval of an extension of the Final Site Condominium Plan and that no changes are being requested.

Derek Delacourt, Deputy Director of Planning, stated that the Applicant has met all the requirements of the City's Extension Policy and Staff recommends approval.

Mr. Rosen disclosed that Mr. Randazzo was the builder of his current home 25 years ago.

A motion was made by Rosen, 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: RES0183-2010

Resolved, that the Rochester Hills City Council hereby approves an Extension of the Final Plan until July 14, 2011 for Pine Woods Site Condominiums, City File No. 05-005, a 29-unit development located south of Auburn, east of Livernois, Parcel Nos. 15-34-101-012 & -013, L&R Homes, applicant.

2010-0319 Request for Purchase Authorization - DPS/ENG: Project Budget for Radar Speed Display Project in the amount not-to exceed \$305,000.00; J. Ranck Electric, Inc., Mt Pleasant, MI, DTE Energy and other necessary vendors

Attachments: [Agenda Summary.pdf](#)
[Proposal.pdf](#)
[3M Driver Feedback Signs Flyer.pdf](#)
[Proposals Tabulation.pdf](#)
[Supplemental Proposals.pdf](#)
[Project Budget.pdf](#)
[Resolution.pdf](#)

President Hooper stated that although he works in the construction industry and knows the parties involved, he has had no participation in the bid process nor any financial interest in this project and therefore does not see a need to recuse himself from this item.

Mayor Barnett stated that this project will be funded by a grant and will fill two critical needs in the community: providing safety to an active community using pathways and roads and offer better utilization of the City's strained police services. He explained that the project was submitted as a part of the 2008 Federal Appropriation Budget and was supported by Senator Debbie Stabenow, former Congressional Representative Joe Knollenberg and current Congressional Representative Gary Peters. He thanked Senators Stabenow and Carl Levin for their continued support. He explained that these signs will be located in areas where traffic problems exist and the data analyzed to allow a strategic approach to policing.

Roger Rouse, Director of DPS/Engineering, noted that the City's Community Development and Viability Committee discussed the project a number of times. He stated that since that conceptual project was discussed, a Request for Proposal was issued and cost estimates finalized. He explained that the signs have a life cycle of seven to ten years, and stated that any leftover grant monies will be used to maintain the system.

Paul Shumejko, Transportation Engineer, noted that the signs will be located in school zones along major roads and on residential collector streets within subdivisions. Targeted areas mentioned include West Middle School, Brewster Elementary and Reuther Middle School, along with collector roads Cumberland, Grandview and Rain Tree. He stated that a pre-implementation study gathering data on traffic speed, crashes and pedestrian crossings will isolate 13 recommended locations for the installation of 26 permanent signs. Two additional moveable signs which can be utilized in construction zones will also be included. He detailed the project steps:

- Preliminary evaluation and pre-implementation program slated for September 2010.
- Site location determination, with a focus on solar installations. Hard-wired installations will only be used in the instance of a heavy tree canopy blocking sunlight.
- Design engineering.
- Outside agency coordination and permitting through the Road Commission for Oakland County (RCOC) and the Michigan Department of Transportation (MDOT) as required.
- Coordination with DTE for any installations requiring power for conduits and direct connection.
- Installation. Solar-powered sites can be installed quickly.
- Follow-up traffic study(s) to determine effectiveness. Data can be stored for up to a month in the units and can be submitted to the Oakland County Sheriff's Office to determine targeted selective enforcement areas.
- Monthly progress reporting is required during entire process as a part of the grant requirements.
- Final auditing, providing an overview with results.

He explained that the signs will collect data, run times can be adjusted; and they may also be run in a dark-mode, collecting data without being lighted. Parameters can be set for collection times. He stated that the product carries a two-year warranty on the panel and light-emitting diode (LED) display and a five-year warranty on the battery. He noted that the grant allows the purchase of spare parts and mentioned that the components are easily changed-out in the event of failure. The two moveable signs can be used as well for spare parts until replacements come in. The grant includes the purchase of two Toughbook computers which will operate through wi-fi connections from a vehicle that can be 30 to 40 feet away to download data. These Toughbooks will also be used by the City in the development of a paperless work-order system for sign inventory and pavement markings. The project goal is to begin actual sign installation in the spring once the frost subsides.

Mr. Shumejko displayed a sample sign and noted that it can be programmed for a variety of color and flashing sequences. He commented that the sign can also be programmed with a top-speed to not display above, to discourage young drivers from trying to see how fast they can go. The height will be nine feet to the bottom of the sign; school zone signs will be lime green; and the construction zone signs will be fluorescent orange.

Public Comments:

Lee Zendel, 1575 Dutton, stated that the Federal Government is running out of money and the City should not accept this grant. He commented that the City could make a significant statement if it turns down this funding and funds the project internally.

Scot Beaton, 655 Bolinger, commented that he is glad to see that the majority of funding is going back to the private sector and a Michigan company. He questioned the amount allocated for Toughbooks and noted that \$12,000 seems excessive. He stated that a search on the Internet yielded prices from \$1,700 to \$4,000 each. He questioned how much it could cost to maintain the signs once grant monies are depleted.

Martha Black, 2408 Jackson, questioned whether the City really needed this project and stated that perhaps the signs could be used instead in high car-deer crash locations.

Council Discussion:

President Hooper commented that it is more important to protect the children of the community rather than use these signs for deer. He requested that questions raised by commenters be addressed.

Mr. Rousse stated that the bids for the Toughbooks came to approximately \$9,500 total. He noted that units are built for use in outdoor vehicles and include a printer and service contract. He explained that sign locations are specific to the application and purpose of the grant and are not intended for any other purpose.

Mr. Shumejko noted that after the warranty period, a service agreement of \$1,500 per year will be implemented to annually inspect all signs and note problems. Spare parts will be held at the DPS Facility. He stated that \$12,000 was originally budgeted for the Toughbooks as a preliminary figure and any leftover grant funds can be added to the \$9,000 already allocated for the purchase of a spare parts inventory.

Mr. Pixley expressed his thanks to Tara Beatty, Chief Assistant, for her work in preparing the grant application. He commented that the project is a good use of Federal dollars and stated that it will be interesting to see the differences in data when the signs are run dark versus lighted. He pointed out that he also found \$1,700 Toughbooks when searching online, but noted that these were refurbished units and would not be recommended to sustain the rigors of the field.

Mr. Brennan questioned where within the school zones would the signs be installed and whether any current speed signs would be replaced.

Mr. Shumejko noted that the signs will be installed inside the school speed zones and will read at a distance of 500 feet. Current legal signage signifying the start of school zones will remain in place.

Mr. Yalamanchi questioned whether the grant funding could be extended to include maintenance beyond the three-year grant period, whether any signs could be used in other high speed areas such as Walton Boulevard, and if other communities experienced any incidental traffic problems created by these signs.

Mr. Shumejko noted that the grant will officially expire in March of 2012. He stated that the RCOC and MDOT were hesitant in supporting the project until the City explained that the focus would be to target school zones. He commented that all data researched on current installations showed no increase in traffic crashes after the signs were installed.

Mr. Rosen expressed reservations in undertaking such a comprehensive project without data on the cost of repairs over the next 5 to 15 years. He questioned whether a camera could be included to record license plates. He commented that high school locations should be considered as well.

Robert Hentkowski, J. Ranck Electrical, responded that cameras cannot be installed on this unit.

Mr. Shumejko noted that cameras are prohibited on these signs in Michigan.

Mr. Webber commented that he did not believe that installation of these signs would be effective in minimizing car-deer crashes. He stated that while he shares concerns about maintenance costs for the future, the signs could always be removed in later years if costs become prohibitive.

Mr. Klomp pointed out that Smart Carts follow the same concept and are effective when used. He concurred that in the future the signs could be removed if costs are too high.

Mayor Barnett commented that if the installation of the signs saves lives, the focus would not be on cost. He noted that middle schools are near high schools and the signs would be effective for the high schools as well. He pointed out that this will allow the creative use and utilization of the City's limited Police services moving forward.

A motion was made by Pixley, 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: RES0184-2010

Resolved, that the Rochester Hills City Council hereby authorizes the project budget for the Radar Speed Display Project to J. Ranck Electric, Inc., Mt Pleasant, Michigan, DTE Energy and other necessary vendors as required to complete the project in the amount not-to-exceed \$305,000.00 and further authorizes the Mayor to execute contracts on behalf of the City.

2010-0336

Mayor's 2011 Proposed Budget

a. Presentation

b. Adoption of Resolution acknowledging receipt of the 2011 Proposed Budget

and 2012 and 2013 Projected Budget and setting the Budget Public Hearing for Monday, September 13, 2010

Attachments: [080910 Agenda Summary.pdf](#)
[2011 Proposed Budget Message.pdf](#)
[2011 Budget Presentation.pdf](#)
[Suppl 2011 Budget Presentation \(Revised\).pdf](#)
[080910 Resolution.pdf](#)

Mayor Barnett introduced the 2011 Proposed Budget and 2012 and 2013 Projected Budget, noting that the City has experienced unprecedented economic challenges requiring the City to think more strategically, and examine every service provided in search of greater efficiencies. He pointed out that the City is one of the first in Oakland County to present a three-year budget plan.

He noted that the two principles guiding the Budget development process include the City's Vision Statement, "The community of choice for families and businesses", and the City's Mission Statement, "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".

He mentioned that the Administration continues to be faced with the challenge of delivering quality services to its citizens with reduced funding sources, budgeting and forecasting challenges resulting from the current downturn in housing and resulting falling taxable values, continued high levels of unemployment, and rising health care costs. He commented that the City has gone through significant, but necessary restructuring over the past three years; and stated that he made a concerted effort to make the vast majority of personnel decisions needed to sustain the continued downturn in the 2011 Budget.

He outlined the following items contained in the proposed 2011 Budget:

The Fiscal Year 2011 (FY 2011) Proposed Millage Rate:

- The FY 2011 Proposed Budget recommends a total millage rate of 9.7060, the same as FY 2010. The proposed rate is one of the lowest millage rates for cities in Oakland County with a population over 5,000.
- No Headlee roll back of the City's millages and no levy of a one percent (1%) administrative fee for the City's Assessing and Tax Collection services are included. Seventy-five percent (75%) of Oakland County cities currently levy an administrative fee.
- The net effect of declining residential and commercial property values has resulted in taxable values declining about 11.3 percent for FY 2011, with taxable values totaling approximately \$3.2 billion.
- The FY 2011 Proposed Budget manages inflationary cost increases with less funds than it had available last year by continuing to refine and improve the way that services are delivered.

Total Expenditure Budget:

- The FY 2011 Budget proposes City-wide expenditures of \$101,330,190, a decrease of 11.8 percent from the 2010 Amended Budget. Most of the reductions are in the area of personnel services, transfers to other funds and capital projects.

The proposed budget provides for:

- * \$23.1 million (22.7 percent) for personnel costs
- * \$17.2 million (16.9 percent) toward commodity charges for water purchases and sewer disposal charges
- * \$26.6 million (26.2 percent) for other charges such as professional contracted police services (\$8.4 million), etcetera
- * \$16.1 million (15.9 percent) for transfers-out to City funds
- * \$5.7 million (5.6 percent) for capital projects and capital equipment
- * \$4.8 million (4.7 percent) for debt service
- * \$6 million (5.9 percent) toward asset depreciation
- * \$1.9 million (1.9 percent) for various supplies

Expenditures - Government Funds:

The table below summarizes recent expenditures in governmental funds and illustrates that the City is taking reductions in expenditures despite inflationary pressures on health care costs:

| <u>Fiscal Year</u> | <u>Millions</u> | <u>Percent Change</u> |
|--------------------|-----------------|-----------------------|
| 2009 Actual | \$ 68.2 | |
| 2010 Amended | \$ 65.1 | - 4.5% |
| 2011 Proposed | \$ 56.1 | -13.8% |
| 2012 Projected | \$ 52.8 | - 5.9% |
| 2013 Projected | \$ 54.1 | 2.5% |

Personnel Costs:

Recognizing the struggles of the region's economy, the City actively moved to bring personnel costs in line with available funding. With the three-year budgeting approach, deeper cuts were made in 2011 to plan for FY 2012 and 2013 as well. The proposed FY 2011 Budget provides a \$1.96 million reduction in total personnel costs over the Amended FY 2010 Budget and since 2006, represents an 18.8 percent reduction in budgeted positions. Personnel cost containment is possible due to the continued reduction in budgeted overtime and the elimination of twenty-one (21) budgeted positions. The City now has 208 full-time positions, approximately a 9.2 percent reduction from 2010, below 1998 staffing levels.

In addition to City staff reductions, and to offset falling taxable values and an anticipated 2.5 percent contracted police rate increase from the Oakland County Sheriff's Office, a reduction of two Deputy II positions and one Patrol Investigator position is proposed for the contracted Sheriff's staff.

Capital Projects:

While it continues to be a City goal to timely replace capital infrastructure in an effort to maintain property values and service to Rochester Hills residents, Capital projects are being proposed based on available funding levels. The \$5.7 million for Capital projects are recommended to be funded by cash on-hand in FY 2011. Over \$3.116 million, or 55 percent of the City-wide Capital budget is slated for major road work. Proposed projects include:

- MR-03A: Major Road - Concrete Slab Rehabilitation Program
 - MR-03B: LDFA - Road Rehabilitation Program
 - MR-04A: Walton Boulevard Rehabilitation
 - MR-05E: Adams Road Rehabilitation
 - MR-12: Major Road Traffic Calming Program
 - MR-14: Washington Road Paving (Tienken Road to Dequindre Road)
 - MR-27: Major Road Bridge Rehabilitation Project (yearly)
 - MR-42C: M-59 Rehabilitation (Adams Road to Crooks Road)
 - MR-42D: M-59 Sound Barrier Installation (Federal Project Share)
 - MR-43: Rain Tree Drive Reconstruction
 - The Fire Capital Fund includes \$230,000 for IS-04A: Turn-out Gear Replacement Schedule
 - Pathway improvements include \$490,000 for:
 - * PW-01: Pathway Rehabilitation Program
 - * PW-43: Rain Tree Drive Pathway (Adams Road to Firewood Drive)
 - Approximately \$715,000 for water and sewer infrastructure work is proposed.
- Projects include:
- * WS-25B: South Boulevard Water Main Replacement (Livernois to Rochester Roads)
- Facility Improvements of \$75,000 include:
 - * FA-11: ADA Compliance Implementation
 - * FA-02G: Fire Station #1 Parking Lot Drainage Improvements
 - * FA-13J: Fire Station #4 Concrete Apron Replacement
 - Fleet Fund proposes to purchase \$876,000 of replacement equipment
 - * IS-05A: City-wide Fleet Replacement Schedule
 - Management Information Technology amounting to \$170,000 is proposed, including:
 - * IS-02B: City Website Update
 - * IS-10B: Computer Network Upgrade Schedule
 - * IS-12B: Financial Software System Enhancements

Revenues:

To offset the proposed 2011 City service levels and their related expenditures, the 2011 Proposed Budget is recommending City-wide revenues at \$99,842,000, an 8.9 percent reduction from the 2010 Amended Budget; and the use of \$1,488,190 for Capital-related projects. Property tax revenues are falling, State-Shared Revenue and Act 51 (road funding) monies are also estimated to decline, along with revenues from the general charges for City services. The proposed FY 2011 Budget, along with the FY 2012 and FY 2013 projected budgets take a conservative approach to forecasting revenues to ensure that the services proposed are within the revenue resources. Significant projected revenue sources include:

- \$44.5 million (44 percent) from City service charges
- \$28.2 million (28 percent) derived from taxes
- \$14.4 million (14 percent) represent transfers from other funds
- \$9.1 million (9 percent) from State, Federal and other sources
- \$2.6 million (2 percent) from fines, licenses and permits
- \$1.0 million (1 percent) from investment earnings
- \$1.5 million (1 percent) from/to Fund Balance

Taxable property values are declining by 11.3 percent for FY 2011, translating into a property tax revenue decline of \$3.8 million (11.8 percent). State Shared Revenue (sales tax) is proposed to decline by over \$225,000 (5 percent) in 2011. Act 51 Revenue (supported by the gas tax and vehicle registrations) is proposed to decrease by over \$37,000 (2 percent) in 2010 based on the assumption that less gas will be purchased due to less driving. Licenses and Permits are projected to decline slightly due to conservative assumptions for economic recovery in the State. Investment earnings are projected to decrease due to a decline in projected interest rates.

The Administration is not proposing the use of General Fund Unassigned Fund Balance as a revenue source to balance Operating Expenditures. Any proposed use of Fund Balance in FY 2011 is related to improving the City's infrastructure through Capital projects (Major Roads, Pathway Construction, etcetera).

Mayor Barnett shared a partial list of 2010 Accomplishments:

- *The City's Single Trash Hauler (April 2009) provides residents with both trash and recycling services, diverting more than an estimated 3,391 tons of materials from landfills. In addition, \$3.3 million has stayed in residents' pockets over the past 18 months.*
- *Over \$2 million in Major Road reconstruction is underway throughout the City, covering concrete slab replacement near Walton Boulevard, Technology Drive, East Nawakwa Road and M-59.*
- *The rebuilding of Hamlin Road (Crooks Road to Livernois) is nearing completion.*
- *The new Cemetery Chapel has been completed.*
- *OPC Building Bonds, City Hall Building Bonds and Water and Sewer Bonds were refinanced, saving the City approximately \$1.3 million on future debt repayments.*
- *The Fire Department will be replacing three Heart Monitors and two fire suppression trucks and trailers.*
- *The Water and Sewer Capital Fund is continuing its Sewer Rehabilitation Program and several improvements to pump stations.*
- *The City's adopted Debt Management Policy received national Certification from the Association of Public Treasurers, United States and Canada.*
- *The City was recognized by the Government Finance Officers Association (GFOA), winning its 14th consecutive Distinguished Budget Presentation Award for the City's 2010 Budget Document; one of only twenty cities in Michigan to receive this award.*
- *The City's Purchasing Division received its seventh consecutive*

Achievement of Excellence in Procurement Award. Only 59 cities in the United States received this honor this year.

- *The City successfully hosted the 2010 Festival of the Hills Fireworks, one of the largest fireworks displays in the state and completely funded by private donations.*
- *The City has secured eleven Federal and State grants totaling \$1,989,700.*

Additional applications will be submitted in the second-half of 2010.

- *The employees' Safety Committee, and work-place safety improvement efforts, have led to a reduction in worker's compensation insurance premiums, saving the City an additional \$60,000 to the previous year's savings of \$100,000.*

- *The employee's Wellness Committee raised awareness of the importance of living healthier, with 73 percent of eligible employees participating in health screening, and 100-percent of those screened completing the Health Risk Questionnaire.*

- *Despite a weak but stabilizing economy, economic development activity has become brisk in 2010. Development activity is moderate with the recent completion of the 30,000-square-foot Karmanos/Crittenton Cancer Center and 156,000-square-foot Meijer store. The 100,000-square-foot Beaumont Wellness Center is under construction. Residential permits for new construction are on the rise, leasing activity in industrial and high-technology parks has increased; and as of this afternoon, ten new companies have moved into the community this year, creating almost 650 new jobs. In addition, three existing companies with expiring leases chose to remain in the City, retaining 224 jobs. The City's unemployment rate at 7.8 percent has dropped by a half-percentage point in the first six months of 2010 and remains the lowest rate in Oakland County, and one of the ten-lowest in the state.*

Expenditures and related services have been reduced to meet revenue streams. City-wide revenues are forecasted to decrease by 8.9 percent in 2011 and City expenditures are proposed to decrease by 11.8 percent.

Mayor Barnett concluded that the Administration remains very optimistic about the City's current position, the proposed plan and the community's outlook for the future. He noted that projected budgets not only serve as a financial plan, but also as a policy document, operations guide and communications device to the residents for the next fiscal year and beyond. He stated that anyone with questions on the Proposed Budget can contact either himself or Keith Sawdon, the City's Finance Director. He also requested that questions be submitted in advance of the workshop sessions on August 16 and 23, 2010.

Council Discussion:

Mr. Webber commented that it is not an easy task to put a budget together and stated that he respects all the work the Administration puts forward.

Mr. Yalamanchi questioned whether an additional Budget meeting could be scheduled, noting that he will not be able to attend the August 23, 2010 session as he will be out of town.

President Hooper noted that the Budget Meeting schedule was set at the

beginning of the year and stated that an additional meeting could be set for August 30, 2010 if there are any unresolved items from the two Budget sessions. He suggested Mr. Yalamanchi could submit his questions ahead of time.

A motion was made by Webber, 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: RES0220-2010

Whereas, the City of Rochester Hills City Council have worked to develop City goals for the Fiscal Year 2011; and

Whereas, based on these City goals, the Fiscal Year 2011 Mayor's Proposed Budget and 2012 and 2013 Projected Budget was developed; and

Whereas, at the August 9, 2010 City Council Meeting, the Mayor delivered the 2011 Proposed Budget Plan for the Fiscal Year beginning January 1, 2011.

Be It Resolved, that the Rochester Hills City Council acknowledges receipt of the 2011 Proposed Budget and the 2012 and 2013 Projected Budget and hereby gives notice of Public Hearing to be held at 7:00 p.m. on Monday, September 13, 2010 at the Rochester Hills City Hall, 1000 Rochester Hills Drive, for the purpose of discussing the 2011 Budget and providing opportunity to all interested parties to present comments thereon prior to the adoption by the Rochester Hills City Council.

Be It Further Resolved, that the publication of the Notice of Public Hearing is hereby authorized.

COUNCIL COMMITTEE REPORTS

None.

ANY OTHER BUSINESS

Mr. Yalamanchi stated that he has received complaints regarding loss of electric power in the Springhill Subdivision area and requested that DTE Energy be asked to provide a status report on any actions to remedy these losses.

Mr. Brennan commented that at his residence on Old Perch Road, he has also experienced several power blackouts and brownouts in the past two to three weeks.

President Hooper noted that a resident of Streamwood Condominiums has also reported DTE service outages.

Mayor Barnett responded that he requested Mike Palchesko, the City's contact at DTE Energy, to address resident concerns. He stated that he would report back to Council with any information Mr. Palchesko can provide.

Mr. Yalamanchi provided a report on Complete Streets and requested the Planning Commission look into the program. He questioned whether any

additional discussions have been held with Auburn Hills regarding shared services.

Mr. Rosen responded that a report on shared services would be brought to Council possibly in September.

NEXT MEETING DATE

Special Budget Meeting - Monday, August 16, 2010 - 5:30 PM

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 9:57 p.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.