



Rochester Hills

Minutes - Draft

City Council Regular Meeting

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

*Greg Hooper, Nathan Klomp, Adam Kochenderfer, James Rosen, Mark Tisdel,
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 21, 2012

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 - Greg Hooper, Nathan Klomp, Adam Kochenderfer, James Rosen, Mark
Tisdel, Michael Webber and Ravi Yalamanchi

Others Present:

*Bryan Barnett, Mayor
Scott Cope, Director of Building/Ordinance Compliance
Paul Davis, City Engineer
Todd Gary, Captain/Fire Marshall
Captain Michael Johnson, Oakland County Sheriff's Office
Jane Leslie, City Clerk
Keith Sawdon, Director of Finance
John Staran, City Attorney*

PLEDGE OF ALLEGIANCE

*Mr. Tisdel introduced **Kim Williams** and stated that she was instrumental in
bringing the Blessings in a Backpack program to the Rochester Community
Schools three years ago. He noted that each week, volunteers pack enough food
for the entire weekend for 240 students. The program is run out of the First
Congregational Church in Rochester. He thanked Ms. Williams for her efforts.*

Ms. Williams led the Pledge of Allegiance.

APPROVAL OF AGENDA

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

Aye 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

PUBLIC COMMENT

Jeff Matis, Oakland County Commissioner, announced that the County Board of Commissioners approved the webcasting and televising of County Commission meetings. He mentioned that he was the Chair of a bipartisan committee that brought about this initiative, and noted that the savings from fund balances along with the elimination of four County Commissioners due to redistricting will allow the broadcasting to be done in a fiscally-responsible way at no additional cost to taxpayers. He stated that broadcasting will begin within one to two months, and will include webcasting and archiving of the full Board as well as committee meetings.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

Mayor Barnett thanked Ms. Williams for her involvement in the Blessings in a Backpack organization and stated that individuals would be surprised of the need in the community for their help. He gave the following update on area road projects:

- The Avon Bridge Rehabilitation Project is on-schedule. The first planks have been installed across the bridge.
- The Livernois Bridge Rehabilitation Project should begin in mid-July.
- Main Street in downtown Rochester is now closed for that phase of the reconstruction project. The City is working in close coordination with the City of Rochester to ensure that Fire and EMS vehicles can navigate the streets around town.

He mentioned the following upcoming events and activities:

- Memorial Day services will begin on Monday, May 28th, in downtown Rochester. The Parade will travel from Rochester to Veteran's Memorial Pointe where the City will host a Memorial Day recognition service.
- Interested individuals may purchase a brick at Veteran's Memorial Pointe to be inscribed.
- Paddlepalooza is scheduled for Saturday, June 2 on the Clinton River, beginning in Auburn Hills and ending with refreshments and prizes in Rochester Hills.
- The Tons of Trucks event is set for Saturday, June 2 at Borden Park from 9:00 a.m. to noon. The event is hosted in conjunction with the Rochester Avon Recreation Authority.
- The first NoHaz collection date of the year is Saturday, June 2 at Oakland University. Fees for disposal of hazardous items and chemicals is \$10 per car for City residents.
- The Spencer Park Bass Tournament is set for Sunday, June 10. The event will run all day.

- The Rochester Hills Government Youth Council's (RHGYC) annual 5K Run/Walk will be held on Saturday, June 16, at Bloomer Park, from 9:00 a.m. to 11:00 a.m.
- The City's Watering Ordinance mandates that automated sprinkler systems must be programmed for use between the hours of midnight and 5:00 a.m.

Mayor Barnett noted that Bruce Halliday, Fleet Manager, is one of 15 finalists nationwide for Fleet Manager of the Year.

Mr. Tisdell noted that individuals wishing to register for the June 16th RHGYC's 5K may register online at www.goracego.com.

Mr. Rosen stated that he has begun to see signs in various subdivisions reminding residents of the City's Watering Ordinance, and commented that the Ordinance has made a huge difference in shifting the times of peak water usage.

Mr. Kochenderfer thanked Ms. Williams for her service with Blessings in a Backpack and mentioned that his mother is a volunteer with the organization. He congratulated the Green Space Advisory Board for a well-attended Discovery Hike this past Saturday along the Clinton River Trail.

Mr. Klomp commented that the Discovery Hike was a great event, and attendees were able to see the green space properties the City has purchased to protect.

Mr. Webber echoed Council's comments regarding the Blessings in a Backpack organization and the Green Space Discovery Hike. He thanked County Commissioner Matis for his updates on County activities. He expressed his congratulations to the Avondale High School Yellowjackets 2011 Soccer Team, in attendance to be recognized tonight for their State Championship.

President Hooper thanked County Commissioner Matis for his comments and stated that the Commission has done a great job in improving the transparency of Oakland County government. He thanked Ms. Williams for her contributions to Blessings in a Backpack.

ATTORNEY MATTERS

City Attorney John Staran had nothing to report.

RECOGNITIONS

2012-0183 Proclamation in Recognition of the Avondale High School Yellowjackets 2011 Division Two Boys Soccer State Champions

Attachments: [Agenda Summary.pdf](#)
[Avondale High School Yellowjackets.pdf](#)
[Resolution.pdf](#)

Mayor Barnett recognized the outstanding achievement of the Avondale High

*School Yellowjackets 2011 Division Two Boys Soccer State Champions. He invited Team Captains **Nathan Chapman** and **Joe Davison** to comment on the team's tremendous athletic efforts and to reflect on an exciting moment from the season.*

***Mr. Chapman** commented that watching his teammate score the winning goal with one minute left for a State Championship win was most exciting.*

***Mr. Davison** stated that his favorite moment came during the District Finals game where the team was down by one goal, and scored a goal to tie the game and a goal to win.*

***Mayor Barnett** mentioned that the team's overall record was 18 wins, five losses and two ties.*

***David Muszynski**, Head Coach, thanked the Mayor and Council Members for recognizing the team. He commented that this is the third State Championship in Avondale High School's history and stated that the team members have represented the community well.*

Council congratulated the team members.

Presented.

Whereas, the Avondale High School Yellowjackets captured the 2011 Michigan High School Athletic Association (MHSAA) Division 2 State Championship on November 5, 2011.

Now, Therefore, Be It Resolved, that the Mayor and City Council of the City of Rochester Hills hereby express our community's admiration for the teamwork, commitment, cooperation and talent of Avondale Yellowjackets 2011 Division Two Boys Soccer State Champions, and express our thanks for the dedication of their coaching staff; and

Be It Further Resolved, that on behalf of the Citizens of Rochester Hills, we express our pride in the accomplishments of the following athletes and coaches:

Nathan Chapman	Ben Richter	Danny Swanson
Joe Davison	Garrett Ritterhaus	James Turner
Michael Dinkineh	Skyler Russ	Geoffrey Williston
Mike Hill	Stuart Russ	
Erik Koberstein	Wes Russ	Head Coach
Matt Krupa	Mark Shoemaker	David Muszynski
Brad Perri	Zach Silkwood	
Patrick Reidy	Kyle Sroka	

2012-0199 Proclamation in Recognition of National Public Works Week, May 20-26, 2012

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

Mayor Barnett recognized the work of the City's Department of Public Services. He invited **Paul Davis**, City Engineer, to accept a proclamation in recognition of National Public Works Week.

Mr. Davis commented that he has great pride in the Department.

Presented.

Whereas, public works services provided in our community are an integral part of our citizens' everyday lives; and

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

Whereas, the health, safety and comfort of this community greatly depends on these facilities and services; and

Whereas, the quality and effectiveness of these facilities, as well as their planning, design and construction, is vitally dependent upon the efforts and skill of public works officials.

Now, Therefore, Be It Resolved, that the Mayor and City Council of Rochester Hills hereby proclaim the week of May 20-26, 2012 as "National Public Works Week" in the City of Rochester Hills, and we call upon all citizens and civic organizations to recognize the contributions which public works officials make every day to our health, safety, comfort and quality of life.

2012-0184 Proclamation in Recognition of National Rosie the Riveter Day - May 26, 2012

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

Mayor Barnett introduced **Donnaleen Lanktree** and **Alyson Denyer** and read the proclamation in recognition of Rosie the Riveter Day, May 26, 2012, honoring the over 16 million women who worked during World War II in factories, farms, shipyards, airplane factories, banks and other institutions in support of the military overseas. He read the proclamation.

Ms. Lanktree stated that Rosie the Riveter Day is celebrated on the Saturday before Memorial Day each year. She commented that both her mother and Ms. Denyer's mother were Rosies; and stated that as children of Rosies, they are called "Rosebuds". She recognized Mayor Barnett and bestowed an honorary membership in the national organization as a "Rivet", a male member.

Presented.

Whereas, National Rosie the Riveter Day is a collective national effort to raise awareness of the 16 million women who worked during World War II; and

Whereas, Americans have chosen to honor female workers who contributed on the home front during World War II; and

Whereas, these women left their homes to work or volunteer fulltime in factories, farms, shipyards, airplane factories, banks and other institutions in support of the military overseas; and

Whereas, these women also worked with the USO or Red Cross, drove trucks, riveted airplane parts, collected critical materials, rolled bandages and served on rationing boards; and

Whereas, it is appropriate to recognize and preserve the history and legacy of working women, including women who volunteered during World War II, in order to promote cooperation and fellowship among such members and their descendants.

Now, Therefore, Be It Resolved, that the Mayor and City Council of Rochester Hills, Michigan hereby recognize May 26, 2012 as Rosie the Riveter Day in the City of Rochester Hills.

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.

2012-0151 Approval of Minutes - City Council Special Meeting - April 23, 2012

Attachments: [CC Special Mtg Min 042312.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0088-2012

Resolved, that the Minutes of a Rochester Hills City Council Special Meeting held on April 23, 2012 be approved as presented.

2012-0152 Approval of Minutes - City Council Regular Meeting - April 23, 2012

Attachments: [CC Min 042312.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0089-2012

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on April 23, 2012 be approved as presented.

2012-0185 Request to Authorize the permit application from the Road Commission for Oakland County (RCOC) for the Memorial Day Parade to be held on Monday, May 28, 2012

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0090-2012

Whereas, the Cities of Rochester Hills and Rochester jointly host the 2012 Greater Rochester Memorial Day Parade, conducted under the sponsorship of various associated veteran organizations; and

Whereas, the parade route begins at 10:00 a.m.; Mt. Avon Cemetery within the City of Rochester and run along First Street, then southerly along Castell Street, then westerly along Harding Road to Livernois Road, and finally Livernois Road southerly to Veterans Memorial Pointe Park in the City of Rochester Hills; and

Whereas, staging this event requires closing certain County routes and using others for posted detour routes; and

Whereas, the two Cities coordinate parade planning by dividing responsibility for obtaining necessary permits, with the City of Rochester Hills applying to the Road Commission for Oakland County for the detour and the closure of Livernois Road and Avon Road.

Be It Resolved that the Rochester Hills City Council authorizes the Mayor or his/her agents to make application to the Road Commission for Oakland County for the necessary permits for posting road closures; and

Be It Further Resolved that the parade route be scheduled for Monday, May 28, 2012, starting at 10:00 a.m. on Harding and Livernois Roads; and

Be It Further Resolved that the City of Rochester Hills will faithfully fulfill all permit requirements and shall save harmless, indemnify, defend, and represent the Board of County Road Commissioners against and all claims for bodily injury or property damage, or any other claim arising out of or related to operations authorized by such permit(s) as issued; and

Be It Further Resolved that a certified copy of this resolution be filed with the City Clerk of Rochester Hills, Oakland County, Michigan.

2012-0186 Request for Purchase Authorization - BLDG/FAC: Blanket Purchase Order for snow removal services for the 2012-2013 winter season at City Hall, 52/3 District Court and Oakland County Sheriff's Office Substation in the amount not-to-exceed \$75,000.00; Ultra Professional Outdoor Services, LLC, Auburn Hills, MI

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0091-2012

Resolved, that the Rochester Hills City Council authorizes a Blanket Purchase Order for snow removal services for the 2012-2013 winter season at City Hall, 52/3 District Court and Oakland County Sheriff's Office Substation to Ultra Professional Outdoor Services, LLC, Auburn Hills, Michigan in the amount not-to-exceed \$75,000.00 through June 15, 2013.

- 2012-0196** Request for Contract Approval - DPS/ENG: Agreement for the operations, maintenance and inspection of the proposed overhead pedestrian crossing sign and mast arm at Crooks Road at Clinton River Trailway Crossing - 500 feet south of Hamlin Road; Road Commission for Oakland County, Waterford, MI

Attachments: [Agenda Summary.pdf](#)
[RCOC Ltr and Agreement.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0092-2012

Resolved, that the Rochester Hills City Council approves the Agreement between the Road Commission for Oakland County (RCOC) and the City of Rochester Hills for the operations, maintenance and inspection of the proposed overhead pedestrian crossing sign and mast arm at Crooks Road at Clinton River Trailway Crossing - 500 feet south of Hamlin Road.

Passed the Consent Agenda

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

Aye 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

ORDINANCE FOR INTRODUCTION

- 2012-0200** Acceptance for First Reading - an Ordinance to amend Sections 54-741 through 54-745 of Article XII, Utilities, of Chapter 54, Fees, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify water and sewer rates and fees, repeal conflicting ordinances, and prescribe a penalty for violations

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

Keith Sawdon, Director of Finance, stated that the Water and Sewer Technical Review Committee (WSTRC) meets each year, reviews water usage and the rate structure, and determines recommended rates based on the consideration of three factors:

- Whether the system broke even in the past year, fell short of expenses, or received more revenues than predicted.
- Whether the system has 90 days of cash reserves available to pay operating bills. The system is in year three of a five-year process to increase cash reserves, with the goal of having the appropriate cash reserves by 2014. A 90-day

reserve is desired as customers are billed approximately 30 to 60 days after a water purchase by the City, and the City receives their payment approximately 30 days after the billing cycle.

- What rate adjustments are forthcoming from the Detroit Water and Sewer Department (DWSD) for water, and from the Oakland County Water Resources Commissioner (OCWRC) for sewer.

He explained that the WSTRC met on May 9, 2012, and reviewed the impacts of the three factors along with the City's customer charge, which represents the City's efforts in billing and meter reading. He noted that over the last several years, the Administration has provided the WSTRC with three options to consider: 1) Maintaining status quo; 2) Adjusting rates according to the prior year's usage and costs; or 3) Considering a multi-year approach. He stated that the WSTRC has looked toward a multi-year approach to stabilize rates and achieve optimum cash flow. He explained that Capital and Lateral Fees are collected to fund future capital improvements and depreciation is applied to the system. He commented that the City is approximately halfway through the life of its piping systems.

Mr. Sawdon noted that rate increases were received from both DWSD (8.9 percent for water) and the OCWRC (9.8 percent for sewer). He noted that the WSTRC is recommending a rate increase that will result in the average residential customer's bill, using 12 units in a billing cycle, moving from an average of \$117.36 to \$120.60, or an increase of approximately 2.8 percent. He explained that the flat-rate sewer customers will see their bills go to \$60.20, an increase of 6.17 percent.

Council Discussion:

Mr. Yalamanchi stated that he concurs with utilizing a multi-year approach to set rates. He questioned whether the recommended increase of 2.8 percent is softened by the surplus of water sold above the previous estimate for 2011.

Mr. Sawdon responded that rates were set for 2011 based on estimated water sales. As more water was sold than was predicted, the profits made on the sale can be used to soften the rate increase. He noted that the customer charge was reduced as the City has become more efficient in providing its services.

Mr. Yalamanchi questioned whether a prediction can be made as to what rate increases will be necessary in the next two years.

Mr. Sawdon responded that the water rate model is set similar to the City's financial forecast, reviewing prior rate increases and projecting rates going forward. He pointed out that DWSD has changed its rate structure and has moved from billing strictly on a variable rate to an inclusion of both variable rate and a fixed component for debt service. He commented that water usage has been going down system-wide, and this lowered demand is one of the reasons why the DWSD had to move to a fixed component cost. He noted that the City's demand has decreased from 4.5 million units to 3.4 million units, and rates are set based on the lower volume.

Mr. Klomp stated that this is his second year on the WSTRC, and commented that it has been interesting to note that if rates had been lowered last year, the City would be looking at a substantial increase this year.

Mr. Sawdon concurred, noting that the multi-year approach eliminates the see-saw effect of rate increases and decreases. He displayed a chart which showed how the multi-year approach functions to smooth rates.

Mr. Klomp noted that the WSTRC discussed incorporating a water meter reading system that could more accurately track usage and peak hours; however, it was noted that the City has a good system in place that is currently being depreciated over time.

Mr. Webber commended the WSTRC and the Administration for its long-term approach. He stated that it appears that the DWSD is coming to grips with the true fixed costs for the system. He mentioned that there has been much discussion of moving toward a more regional water authority.

Mr. Sawdon noted that the DWSD has a new Executive Director and commented that he receives communications from her every month. He noted that she comes to the DWSD from outside of the Detroit market and brings a sense of cooperation with the DWSD's customer base.

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

Aye 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Resolved, that an Ordinance to amend Sections 54-741 through 54-745 of Article XII, Utilities, of Chapter 54, Fees, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify water and sewer rates and fees, repeal conflicting ordinances, and prescribe a penalty for violations is hereby accepted for First Reading.

ORDINANCE FOR ADOPTION

2012-0148 Acceptance for Second Reading - an Ordinance to amend Section 58-58 of Article III of Chapter 58, Fire Prevention and Protection, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify fireworks regulations, repeal conflicting Ordinances and prescribe a penalty for violations

Attachments: [Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[050712 Agenda Summary.pdf](#)
[Staran Letter 041912.pdf](#)
[Michigan Fireworks Safety Act.pdf](#)
[050712 Resolution.pdf](#)
[Resolution.pdf](#)

Todd Gary, Captain/Fire Marshall, noted that recent changes in State Law makes it legal to sell and use consumer fireworks. He noted that the Law prohibits local jurisdictions from regulating the sale; however, local jurisdictions may still regulate use.

Mr. Yalamanchi questioned whether Council must still grant permission for fireworks displays.

Captain Gary responded that Council does not need to grant permission for consumer fireworks that can be legally purchased and used on their own property; however, display fireworks will still require Council's approval.

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

Aye 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0094-2012

Resolved, that an Ordinance to amend Section 58-58 of Article III of Chapter 58, Fire Prevention and Protection, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify fireworks regulations, repeal conflicting Ordinances and prescribe a penalty for violations is hereby accepted for Second Reading and shall become effective on Friday, June 1, 2012, the day following its publication in the Rochester Post on Thursday, May 31, 2012.

NEW BUSINESS

2012-0198 Request for Nonprofit Designation for a Charitable Gaming License from the State of Michigan - Motor City Baseball Club

Attachments: [Agenda Summary.pdf](#)
[MCBC Cover Letter.pdf](#)
[MCBC Bylaws.pdf](#)
[MCBC Articles of Incorporation.pdf](#)
[MCBC IRS Nonprofit.pdf](#)
[MCBC Articles Amend.pdf](#)
[MCBC Rev and Exp Stmt.pdf](#)
[MCBC Nonprof Prov in Bylaws.pdf](#)
[MCBC Board of Directors.pdf](#)
[MCBC Purpose and Plans.pdf](#)
[MCBC Board Resolution.pdf](#)
[MCBC Init Solicit Reg Form.pdf](#)
[Resolution.pdf](#)

Jennifer Mooney, in attendance to represent the Motor City Baseball Club, explained that her husband, Joseph Mooney, is the Chairman of the organization. She noted that he was out of town and unable to attend tonight's meeting. She stated that the organization is headquartered in Rochester Hills, has received 501(c)3 designation from the Internal Revenue Service, and provides opportunities for youth to participate in baseball. She noted that two organizations came together to form the Club two years ago; however, both previous organizations had been in existence for at least ten years.

President Hooper questioned the organization's activities in the community.

Ms. Mooney stated that the Motor City Baseball Club organizes baseball teams

for youth from nine years of age to 16 years of age. The teams travel to games around the country.

Mr. Yalamanchi noted that the Club's largest revenue is receipts from memberships and questioned how many members the group has and what the membership fee covers.

Ms. Mooney responded that there are approximately 100 youth team members, and each participant must pay a membership fee of \$1,500 per year. She explained that \$500 to \$600 goes to the practice facility, and fees include uniform and tournament entry costs.

Mr. Yalamanchi questioned what the group's nonprofit role in the community is.

Ms. Mooney responded that the membership fee does not cover all expenses and sponsors donate to defray costs.

John Staran, City Attorney, noted that while the Club is recognized as a 501(c)3 charitable organization, that does not necessarily mean that all money submitted to the organization is deductible. He explained that monies that pay for services or product are not deductible, and only the charitable component is deductible. He commented that it is not clear from the information submitted whether the families are just paying for services and use of a facility, or if there is a component going toward charitable purposes. He mentioned that the group's Revenue and Expense sheet shows \$8,200.00 in donations.

President Hooper noted that the purpose of this request is for the organization to raise more money and has nothing to do with charity.

Mr. Yalamanchi questioned whether this item could be postponed until more information could be made available. He noted that the proposed event would be held in another community.

Ms. Mooney noted that the other similar organizations raise money in this manner. She questioned what additional information would be needed.

President Hooper responded that information that supports a charitable purpose should be included.

Mr. Staran stated that the Internal Revenue Service has made a determination that something the organization does is charitable or it would not have allowed nonprofit status. He stated that information should be transmitted to Council as to what makes the group a charitable organization.

Ms. Mooney suggested that she could provide a copy of the packet from the Internal Revenue Service.

It was determined that the item would be postponed to the June 18, 2012 Regular Council Meeting and suggested that Mr. Mooney be in attendance to answer Council's questions.

Postponed.

Resolved, that the request from the Motor City Baseball Club, located at 2703 Product Drive, Rochester Hills 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.

2012-0194 Request for Purchase Authorization - DPS/ENG: Contract for 2012 Concrete Road Slab Replacement Program and Fire Station #4 Drive Reconstruction - Option 2 in the amount of \$1,368,010.00 with a 10% contingency in the amount of \$136,801.00 for a not-to-exceed amount of \$1,504,811.00; Galui Construction Company, Clinton Township, MI

Attachments: [Agenda Summary.pdf](#)
[Location Maps.pdf](#)
[Bid Tabulation.pdf](#)
[Resolution.pdf](#)

President Hooper noted that while he works in the construction industry, he does not know the firm involved, did not participate in the bid process, and has no financial interest in the project. He stated that as such, he sees no need to recuse himself from consideration of this item.

Paul Davis, City Engineer, noted that bids came in lower than anticipated. He stated that the Administration recommends that the full amount allocated in the 2012 budget be utilized (Option 2) to allow additional reconstruction activities to be done.

Mr. Yalamanchi questioned whether savings realized from lower salt usage this past winter could be included to undertake additional reconstruction.

Mr. Davis responded that bids were 31 percent lower than the engineer's estimate, and it is recommended to undertake additional work by expending the amount originally budgeted.

President Hooper noted that the worst of the worst would be done, and the bids will allow additional areas to be targeted within the same budgeted amount.

Mr. Yalamanchi suggested that the budgeted amount could be increased by using the amount saved from the milder winter.

Mayor Barnett responded that salt usage is budgeted by calendar year. He commented that he would be hesitant to utilize the savings in the event that bad weather in the fall could drive usage up.

Mr. Kochenderfer thanked the Administration for their efforts, and noted that while he campaigned for office, residents' primary concern was the condition of the City's roads.

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

Aye 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0093-2012

Resolved, that the Rochester Hills City Council authorizes a contract for 2012 Concrete

Road Slab Replacement Program and Fire Station #4 Drive Reconstruction - Option 2 to Galui Construction Company, Clinton Township, Michigan in the amount of \$1,368,010.00 with a 10% contingency in the amount of \$136,801.00 for a not-to-exceed amount of \$1,504,811.00 and further authorizes the Mayor and City Clerk to execute a contract on behalf of the City.

Further Resolved, that the City's acceptance of the proposal and approval of the award of a contract shall be contingent and conditioned upon the parties' entry into and execution of a written agreement acceptable to the City.

**(Mr. Webber exited at 8:17 p.m. and re-entered at 8:19 p.m.)
(President Hooper exited at 8:40 p.m. and re-entered at 8:44 p.m.)**

2012-0201 Update on the City's seven-year Financial Forecast - Fiscal Years 2013 to 2019

Attachments: [Agenda Summary.pdf](#)
[7 Yr Financial Forecast 2013-2019.pdf](#)
[Suppl Presentation.pdf](#)

Keith Sawdon, Director of Finance, stated that the budget cycle for 2013, 2014 and 2015 began with the Planning Commission's adoption of the Capital Improvement Plan (CIP) at their April meeting. He noted that when the Administration moved to presenting a three-year budget, the forecasting cycle moved from five to seven years. He gave the following presentation regarding the Financial Forecast:

SEVEN YEAR FINANCIAL FORECAST - Fiscal Years (FY) 2013-2019

Why do we do long range forecasting?

- Helps prevent surprises.
- Helps with decision making (What if we...How does this (change) Impact our Budget...).
- Lets us be pro-active instead of re-active.
- A Financial Forecast is NOT intended to be a budget, a proposed spending plan, or a policy recommendation to City Council.
- It is an early step in our budget process. It helps us establish priorities and allocate our resources appropriately.

ECONOMIC ASSUMPTIONS

The Assumptions We Use are Based on Our Current Position in the Business Cycle

- Reaching the bottom of the downturn in Citywide Taxable Values
- Moderate improvement in funding from the State
- Improving unemployment levels (City, County and State)
- A somewhat tight credit market
- To some extent, improving consumer confidence

Key Forecasting Points - Revenues

- Our Base Year is our 2012 Amended (1st quarter) Budget and assumes no changes in programs, services or policies
- We are Forecasting Changes in:
 - * Taxable Values
 - * Interest Rates
 - * Future Millage Rates
 - * State Shared Revenue
 - * Act 51 Funding (Gas and Weigh Tax)

Forecasting Assumptions - Revenues

- Taxable Values
 - * -0.69%, FY 2013*
 - * -0.25%, FY 2014**
 - * 0.75% FY 2015**
 - * 1.0%, FY 2016**
 - * 1.0%, FY 2017**
 - * 2.0%, FY 2018**
 - * 2.0%, FY 2019**
 - * Actual
 - ** Estimated by Assessor
- Interest rates
 - * 0.35% for FY 2013
 - * 0.60% for FY 2014
 - * 1.2% for FY 2015
 - * 2.0% for FY 2016
 - * 2.60% for FY 2017-19
 - Estimate by Treasurer
- No new millage is introduced.
- All Millage(s) expiring in the Forecasting timely are renewed at current levels.
- State Shared Revenue
 - * 1.0% FY 2013-19
- Act 51 Revenue
 - * 0.0%, FY 2013-19
- Current Millage Rates only adjusted to Headlee Maximum if funding is needed to fill an operating shortfall AND the increase does not increase the City's total millage rate.

Mr. Sawdon noted that gas sales are down due to the unemployment rate and the development of more fuel-efficient vehicles.

Key Forecasting Points - Expenditures

- Our Base Year is the 2012 Amended (1st quarter) Budget and assumes no changes in programs, services or policies
- We are Forecasting Changes in:
 - * Salary and Wages
 - * Changes in the Number of Employees
 - * Health Care and other Fringe Benefits
 - * City's Share of Pension Contributions
 - * Inflation
 - * Changes in the Sheriff Contract

Forecast Assumptions - Expenditures

- Salary and Wages: 1.0%, FY 2013; 0.0%, FY 2014-19
- Changes in Number of Employees: None - No additions and No reductions
- Health Care (Base Plan): 9.0% FY 2013-19
- Change in City Share of Pension: None
- Inflation
 - * General Citywide Inflation: 2.20% Change
 - * Capital Project Inflation: 2.20% Change
 - Estimate provided by 2012 Oakland County Economic Outlook Forecast
- Sheriff Contract: 3.0%, FY 2013-19
 - Estimate provided by Oakland Sheriff Business Manager

A Fund Level Focus to our Fiscal Forecast

- For the forecast to be effective we focus in at the fund level.
- For General Fund, our fiscal forecast model reduces the amount being transferred to other funds to force General Fund expenditures to equal General Fund revenues.
- Local Street Fund is the safety valve for General Fund.
 - * Note: In the past, the safety valve also included the Water Resource Fund, but over the last couple of budgets, City Council determined not to have General Fund transfer to this fund so it has been removed as a safety valve. We use the Local Street Fund because any transfer from General Fund was not needed to fund a contractual relationship (like Special Police Fund) and the transfer is large enough to accomplish our balancing goal.

General Fund

- For this presentation, we have adjusted our model so that General Fund makes a transfer to Local Street Fund large enough to make sure that the Local Street Fund will have enough revenue to cover maintenance costs.
- After meeting the maintenance requirement, General Fund was still able to transfer, to the Local Street Fund, limited funding for reconstruction activity.

Mr. Sawdon displayed a chart showing revenues and expenses for the General Fund, and noted that City Tax revenues will not recover to 2011 levels until 2019. He noted that State Shared Revenue will be adjusted upward in the 2nd quarter. He displayed a bar graph noting projections for Property Taxes, and stated that as Drain Millages roll off, the General Fund millage will be taken up to its maximum level.

Graphs were displayed reflecting cost increases expected for Personnel Services, along with the decrease in budgeted full-time employees. He noted that there has been a 20 percent reduction in budgeted positions since 2006. A graph was displayed showing the increases in health care program costs, and he explained how changing the base plan to shift some of the responsibilities to the employees reduced the amount of the increase. He mentioned that the new Core Plan has resulted in \$650,000 in ongoing annual savings for health care costs.

He stated that this year, the City has budgeted to transfer \$4.7 million from the General Fund to fund Special Police. He pointed out that in 2019, that transfer becomes almost \$6.3 million. A graph highlighted how quickly the needs of the Special Police Fund and the Local Roads Fund increase over the next several years to place additional pressure on the General Fund.

Important Take Away - General Fund

- *Approximately 40 percent of all revenue or over 90 percent of tax revenue collected in General Fund is transferred to other funds to support their activities.*
- *The fund is fiscally sound following current budget policies and the structure used in the financial model. That soundness generally comes by limiting transfers to other funds.*

Major Road Fund

- *The Major Road Fund will be going through a phase out process related to its transfer to Local Roads. The decision will be discussed in more detail under the Local Street Fund, but generally, the need for Major Roads to make the transfer becomes less in future years.*
- *Capital Outlay is based on the CIP. The CIP will be revised as project(s) get updated timeframes, costs and City share requirements. Projects slated for 2014, 2015 and 2016 will be revised as we get closer to those years and will most likely be extended and better balanced out into the future.*
- *Major Roads Fund Balance is used to fund its capital expenditure budget and positioned well to meet that goal.*
- *We see little to no growth in Gas and Weigh Taxes any time soon, which is a major revenue source for both Major and Local Streets.*

Important Take Away - Major Road Fund

- *Receives more in Act 51 funds than it needs for maintenance costs.*
- *The portion of that difference it receives in Act 51 funding and what the fund needs for maintenance costs will be transferred to Local Road Fund to be used for maintenance and operations. The fund will be phasing out this transfer over the next three forecasted years.*
- *The fund's fund balance is used for construction projects and should last for a while with good prioritization of capital projects and with the phase out of its transfer to Local Streets.*

Local Street Fund

- *Local Street maintenance - Four-legged stool:*
 - * *Voted Millage - 23 percent*
 - * *Act 51 - 26 percent*
 - * *General Fund - 28 percent*
 - * *Major Roads - 23 percent*

- The forecast does indicate that some limited reconstruction funding will be available from General Fund.
- Local Roads depends on over 50 percent of the funding it needs to perform maintenance from other Funds (General and Major).

Important Take Away - Local Street Fund

- The fund does not receive enough Act 51 (Gas Tax) funding to cover its maintenance costs.
- The only dedicated funding sources for Local Streets is Act 51 funding and the recently voter approved Local Street millage.
- Local Streets has no funding source available for the reconstruction of subdivision (Local) streets and must rely on General Fund for limited support of its reconstruction needs.

Fire Fund

- In FY 2012, Fire Fund Millage is raised to Headlee level - a move that was needed to support current service level delivery. The increase did not increase the total City millage rate.
- Like all funds, future increases in health care costs are driving increases in Personnel Costs. In addition, increases in health care costs may be affecting Fire but for a different reason. Their staff generally start younger and move, in health care, from single to married, then married to family plans. Each of those steps add to the cost of health care.
- The stabilization of taxable values has greatly improved the outlook of the Fire Fund. Last year at this time we were concerned that starting in FY 2014 and beyond the Fire Fund Millage would not be able to support the Fire operation and that their fund balance would not be in conformance with our Fund Balance Police by FY 2017. That is not the case with the latest estimates of Taxable Value changes provided by the City Assessor. The fund may now actually be in a position to again add to its Capital Fund.

Important Take Away - Fire Fund

- In FY 2012, millage rate needed to be at the Headlee limit to be able to fund service delivery levels. The increase did not increase the City's total millage rate.
- With the stabilization of Taxable Values, the Fire Fund is able to support current delivery levels and may want to start adding to its Capital Fund again.

Special Police Fund

- Now that the Police and Road Funding Technical Review Committee has presented its recommendation(s) to City Council, it seemed appropriate that we look at the cost of police services in the form of a millage rate based on the

forecast, for the ten year ballot period starting in FY 2015 (2015-2024), suggested by the committee in one of their recommendations.

- Based on the assumptions used in our long-range forecasting model, the cost of police services in years 2015 to 2024 could range from 3.43 mills to 3.58 mills provided the assumptions become actual results.
- Even with the FY 2011 reduction in the number of contracted officers, the cost of the contract moves upward quickly from \$8 million in 2011 to just over \$10 million in 2019 based on current assumptions.
- As tax values fall and contract costs increase, General Fund becomes an ever increasing major funding source for the Special Police Fund. The General Fund subsidy becomes the dominating funding source for Police services growing from about 50 percent in 2011 to about 60 percent in 2019.

Important Take Away - Special Police Fund

- Current Millage (I & II) will expire in Tax Year 2013 for FY 2014. This forecast assumes renewal at current levels.
- Sheriff Contract Pricing adjusts each year which puts pressure on the Fund; and since the two current police millages are at their maximum level, those contract cost increases flow through to General Fund, adding pressure to that fund.
- By 2019, General Fund will be providing approximately 60 percent of the funding needed to pay for police services.

Water Resources Fund

- In last year's Financial Forecast, the Water Resource Fund was headed on a path of being out of all funding, including fund balance reserves, by 2015. Since that presentation, the Department of Public Services has put together a long-range plan in an attempt to match expenditures with available funding sources. Part of that plan was the suspending of all capital improvement projects. The postponement of those projects has resulted in the fund being able to exist for approximately three more years before all available resources are gone.
- DPS will need to address and begin to put in place more items contained within their long-range plan for this fund to survive beyond 2018.

Important Take Away - Water Resources Fund

- Has no funding source. Must make fund balance last as long as possible to pay for maintenance costs related to the City's drain system.
- Department needs to bring more items identified in their long-range plan forward and put them in place if this fund is to survive beyond 2018.
- Many of the City's drains were constructed under Chapter 20 of the Michigan Drain Code which obligates the City to pay Oakland County Water Resources for maintenance related work. This limits the City's ability to contain maintenance costs. The City needs to work towards gaining control over the maintenance of those drains.

Millage Opportunities

- *Drain Debt*

* *Over the next couple of years several of our Drain Debt Millage(s) will be expiring.*

* *It may be an opportunity to ask voters if they would like to repurpose those expiring millage(s) for Roads, Fire, Police or Water Resources (for drain maintenance).*

- *Green Space*

* *Tax Year 2014 for FY 2015 will be the last year Green Space millage can be spread.*

* *It may be an opportunity to ask voters if they would like to repurpose that expiring millage for Roads, Fire, Police or Water Resources (for drain maintenance).*

Critical Factors to Focus On

- *40 percent of all revenue or 90 percent of tax revenue of General Fund is transferred to other funds. Those transfers are putting pressure on General Fund and limit the services it can deliver.*

- *Local Streets needs additional funding sources if it wants to perform any major subdivision road reconstruction activity.*

- *Police Millage I & II expire in Tax Year 2013 and current Police Millage(s) only provide about 40 percent of the cost of police services in the future. The remainder is paid for by General Fund at an ever-increasing pace.*

- *Water Resource Fund needs a future funding source to pay for the maintenance performed by Oakland County Water Resources if it is to survive beyond 2018.*

- *There could be an opportunity to repurpose expiring Millages without increasing the overall City Millage Rate.*

In Summary

- *As we were told by the City's Audit firm, the Financial Forecast has helped us get ahead of issues and address them before they became problems.*

- *Working together we have been able to use the financial forecast to move to a multi-year approach to budgeting and to become pro-active, not re-active.*

- *We appreciate Council's support. Without it we might not have been able to manage during this economic storm.*

Council Discussion:

Mr. Rosen stated that the forecast is an excellent tool. He questioned whether it is the Administration's opinion that the City is doing relatively well.

Mr. Sawdon responded that the City is doing better than many others; however, there are still issues that must be addressed, such as Local Roads and Drains. He stated that if it is Council's desire, General Fund can continue to be a contributing factor for police services.

Mr. Rosen questioned what the most sensitive assumption is in the forecast, noting that minor changes in assumptions can change the bottom line.

Mr. Sawdon responded that taxable value is the most sensitive, with health care also affecting the bottom line.

Mr. Rosen questioned whether increased residential construction activities are a factor in raising taxable values.

Mr. Sawdon commented that while he would prefer the City Assessor address this question, it is his opinion that the existing residential values are increasing.

Mayor Barnett noted that the City has approximately \$3.4 billion in taxable value. He mentioned that new construction added \$125 million to that amount last year.

Mr. Rosen commented that either another recession or a slowdown in housing starts and resales could affect values; however, this does not seem terribly likely. He noted that the big issue facing the City is funding Police services.

Mr. Sawdon commented that if Taxable Value did not increase much in the future, the General Fund could decrease the amount funding Local Roads reconstruction activities.

Mayor Barnett noted that the City is 75 percent residential; and stated that while residential values were the first to drop, they will be the first to recover.

Mr. Webber commented that the presentation gives a great look at the future, and provides an understanding of the challenges the City faces.

Mr. Yalamanchi stated that the City has done a great job in sustaining, and has increased partnerships and collaborations, and has continued to leverage its resources. He commented that he would be interested to learn whether foreclosures are rising or declining.

Discussed.

2012-0155 Discussion and consideration of the recommendations proposed by the Police and Road Funding Technical Review Committee

Attachments: [Agenda Summary.pdf](#)
[Police Millage Ballot Questions.pdf](#)
[Resolution Proposal A.pdf](#)
[Resolution Charter Amendment.pdf](#)
[050712 Agenda Summary.pdf](#)
[Presentation.pdf](#)
[Staran Letter 050212.pdf](#)
[Draft Ballot Proposals.pdf](#)
[Police Funding Article.pdf](#)
[Election Dates and Deadlines.pdf](#)
[Public Hearing Notice.pdf](#)

President Hooper noted that subsequent to the Public Hearing held at the May 7, 2012 Regular City Council Meeting, City Attorney John Staran was requested to provide revised ballot questions and possible resolutions of intent to be discussed tonight. He noted that should Council desire a question to be placed on the August 7, 2012 Primary Election Ballot, the language must be approved tonight.

Public Comment:

Lee Zendel, 1575 Dutton Road, stated that any proposal other than a straight renewal of the existing police millage is doomed to failure. He noted that the City cannot spend taxpayer funds to promote a ballot proposal, and suggested that Council should spend its own time going door-to-door to educate voters. He stated that the community needs a police millage increase in order to make Rochester Hills a better place to live.

Dee Hilbert, 3231 Quail Ridge Circle, stated that while she has heard that police funding is unsustainable, it is her opinion that the general cost of municipal government is unsustainable. She stated that employee benefits should be decreased and questioned whether the General Fund could contribute to the Fire Fund if it was determined that it would need additional funding.

Council Discussion:

President Hooper responded that while the General Fund could be used to supplement Fire if needed, the Fire Department does not warrant immediate attention. He commented that the City's personnel costs are comparable to other communities in both pay structure and in benefits and wages. He stated that the contribution from the General Fund to Special Police is unsustainable.

Mayor Barnett stated that where most communities have a defined benefit program, Rochester Hills has a defined contribution program, and the City has no legacy costs for its employees once they leave. He noted that employees have to be here for 20 to 25 years in order to receive longevity increases of 5.5 percent. The longevity structure has been changed for employees moving forward. He stated that the City has the lowest employee-to-resident ratio of many surrounding cities.

President Hooper stated that two ballot questions were provided for review. One question would be a ten-year millage to fully fund the Special Police budget from a dedicated millage. The second question would ask to place Special Police funding into the City Charter. He noted that the intent of both proposals is for no net tax increase. He suggested Council consider asking voters to place the levy into the Charter, and noted that only the amount needed would be levied. He stated that an additional new millage could be considered to fund additional officers.

Mr. Webber stated that Council must act tonight to place a proposal on the August ballot. He noted that a resolution was drafted to demonstrate Council's intent to the taxpayers to keep the tax rate the same. He stated that while he does not vehemently disagree with opting for a Charter proposal, he favors a ten-year renewable millage. He suggested that should Council opt to include a proposal for additional officers, it should not specify a number of officers. He stated that asking for a straight renewal of current millages is merely "kicking the can down the road".

Mr. Tisdal noted that a request for 3.7 mills, with 2.5 mills reduced from the General Fund millage would actually result in the median homeowner paying \$13 a month less than they did a decade prior. If the request is for 3.7 mills and the

full 2.5 mills is left in the General Fund, the median homeowner would only pay approximately \$6 more per month than a decade prior. He noted that these figures must be stressed during the education process. He suggested that a request for an additional 0.4 mills to fund additional officers should not be included at this time.

Mr. Kochenderfer distributed another possible ballot proposal that he stated he had drafted with City Attorney Staran's assistance which he stated further streamlined the language.

President Hooper read Mr. Kochenderfer's draft of the Ballot Proposal.

John Staran, City Attorney, stated that he was satisfied with Mr. Kochenderfer's alternate version of the ballot proposal.

Mr. Kochenderfer commented that he would only support a ballot proposal if it were accompanied by the resolution of Council's intent that was included in the meeting packet for review.

President Hooper read the draft resolution of intent.

Mr. Rosen stated that in order for a proposal to be successful, there must be a serious dedicated effort by many individuals to promote passage. He stated that there was not enough time and Council should consider bringing a proposal before the voters in August of 2013. He stated that with a dedicated ten-year millage, a future Council can opt to spend additional funds. He commented that while he is not against going to the voters this coming August, he is fearful of the outcome.

Mr. Webber stated that should there not be enough Council candidates in 2013, there would not be an August 2013 City primary. He noted that going to the voters now will help in the budget process and stated that the Police and Road Funding Technical Review Committee discussed easing the burden on the General Fund so it can do more work on Local Roads. He expressed support for Mr. Kochenderfer's version of the ballot language.

Mr. Yalamanchi noted that the 2.5 mill offset to the General Fund is not included in the ballot language and suggested that it could convey the idea that Council is going for a 2.5 mill increase.

Mr. Kochenderfer noted that a reduction is not directly referenced in the ballot question. While the ballot question is binding, the resolution of intent is non-binding.

Mr. Yalamanchi stated that he is not in support of increasing any millages at this point in time. He expressed concern for families trying to balance their checkbooks, and stated that he is in favor of the opportunity to capture expiring millages. He stated that if Council is going to ask residents for 2.5 additional mills, and the intent is to offset this amount in the General Fund, it should be clarified to the residents.

President Hooper noted that the intent is that while the allowable millage rate would increase, the tax rate will not increase. He noted that when the Charter was first adopted in 1984, Council was allowed to levy a certain amount; however, it did not levy the full amount.

Mr. Kochenderfer stated that while the tax ceiling would be raised, the intent is that taxes would not increase.

Mr. Yalamanchi stated that Council should go for the renewals and questioned when the current millages expire.

Mr. Staran responded that the millages are levied for the last time in 2013 to fund Police Services in Fiscal Year 2014. He stated that Council must ultimately approve the ballot question this evening, or schedule another meeting in order to have a proposal ready for the August ballot.

President Hooper noted that the only information that would be added to any approved language was the total dollar amount of levy, which is customarily added on the day after Council grants approval.

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

Aye 6 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell and Webber

Nay 1 - Yalamanchi

Enactment No: RES0097-2012

Resolved, that the Rochester Hills City Council hereby approves placing the following Proposal on the August 7, 2012 Primary Election ballot:

BALLOT QUESTION

Police Millage Renewal Plus New Millage to Maintain Current Service Level

The City of Rochester Hills currently funds police services through special police millages, totaling 1.2083 mills, and additional funds drawn from the City's general operating millage and other sources.

The current special police millages will expire after final levy in 2013. In order to maintain the current level of police services, this proposal would (A) renew the expiring special police millage of 1.2083 mills and (B) authorize up to 2.5 additional mills, for 10 years, to allow the City to discontinue the use of general operating millage for police services.

If no action is taken, the City forecasts that funding through additional voter-approved special millage and/or a larger allocation of the City's general operating millage will be necessary.

Therefore, shall the City renew the expiring 1.2083 mills (\$1.2083 per \$1,000 of taxable value) and levy up to 2.5 additional mills (\$2.50 per \$1,000 of taxable value) on the taxable value of all property assessed for taxes in the City for 10 years, with the first year of levy in calendar year 2014 (for fiscal year 2015) and continuing through 2023 (for fiscal year 2024), inclusive, to fund and maintain the current level of police protection, services and operations? This will provide estimated revenue of \$10,864,051 if levied in full in the first year.

Yes _____

No _____

2012-0155 Adoption of City Council Resolution of Intent relative to funding Police Services

Attachments: [Agenda Summary.pdf](#)
[Police Millage Ballot Questions.pdf](#)
[Resolution Proposal A.pdf](#)
[Resolution Charter Amendment.pdf](#)
[050712 Agenda Summary.pdf](#)
[Presentation.pdf](#)
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*After the vote on the Resolution of Council's intent, **President Hooper** questioned whether it was Council's desire to place a proposal for an additional 0.4 mills on the August ballot. There was no support for including that proposal on the August ballot.*

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

Aye 6 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell and Webber

Nay 1 - Yalamanchi

Enactment No: RES0097-2012

WHEREAS, at the August 7, 2012 primary election, Rochester Hills voters will have the opportunity to decide whether to support a special police millage dedicated to fund and maintain the current level of police services through fiscal year 2024; and

WHEREAS, the City of Rochester Hills currently funds police services through 2 voter-approved special police millages, totaling 1.2083 mills, that will expire after final levy in 2013, plus approximately 1.9 mills allocated from the City's general operating millage. The City forecasts the cost of maintaining the current level of police services will increase in the future and that additional funding through voter-approved special millage and/or a larger allocation (up to 2.5 mills) of the City's general operating millage will be necessary; and

WHEREAS, the special police millage proposal would renew the expiring police millage and authorize up to 2.5 additional mills, for 10 years, to maintain the current level of police services and allow the City to discontinue the levy and expenditure of general operating millage dollars for police services; and

WHEREAS, the Rochester Hills City Council wants to clearly state, on the public record, that if the special police millage passes, the City Council intends to offset the additional millage levy by correspondingly reducing the City's general operating millage levy so that no net tax increase to City taxpayers will result from the approval of the special police millage.

THEREFORE, IT IS RESOLVED the Rochester Hills City Council declares that if the proposed special police millage to maintain the current level of police services passes, the City Council intends to discontinue applying general operating millage to fund police services and correspondingly reduce the City's general operating millage levy so that no net tax increase to City taxpayers will result from the approval of the special police millage.

COUNCIL COMMITTEE REPORTS

Rochester Avon Recreation Authority (RARA):

Mr. Klomp reported that RARA received approval from the Rochester City Council for use of their fund balance and is moving forward with the design/bid/build process on the proposed new location on Second Street. A progress report will be submitted to Council once the next phase is complete.

Paint Creek Trailways Commission:

Mr. Klomp reported that the Paint Creek Trailways Commission approved the bridge work that will take place on the trail. The Trail will be closed from Tienken to Dutton Roads during the lengthy repair project.

Liquor License Technical Review Committee:

Mr. Webber reported that the Liquor License Technical Review Committee held its first meeting today with City Clerk Jane Leslie. The Committee will be putting criteria together to be used to evaluate applications for the one additional quota license the City received based on the Census.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

*Joint Meeting with the Planning Commission - Tuesday, May 29, 2012 - 7:00 p.m.;
Regular Meeting - Monday, June 4, 2012 - Cancelled; Regular Meeting - Monday,
June 18, 2012 - 7:00 p.m.*

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 10:16 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.