



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, June 18, 2012

7:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

*President Hooper called the Regular Rochester Hills City Council Meeting to order
at 7:01 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:

*Ed Anzek, Director of Planning and Economic Development
Tara Beatty, Chief Assistant
Vince Foisy, Supervisor of Communication Services
Pamela Gordon, Director of Human Resources
Farha Hanif, Rochester Hills Government Youth Council Representative
Jane Leslie, City Clerk
Keith Sawdon, Director of Finance
Allan Schneck, Director of DPS/Engineering
Joe Snyder, Senior Financial Analyst
John Staran, City Attorney*

Mayor Barnett provided prior notice that he would not be in attendance.

PLEDGE OF ALLEGIANCE

*Mr. Tisdel introduced **Farha Hanif**, Rochester High School 2012 Valedictorian and
Rochester Hills Government Youth Council Member, and mentioned many of her
accomplishments. Ms. Hanif will attend Oakland University in the fall.*

Ms. Hanif 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

None.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

President Hooper announced that the League of Women Voters will host a Candidate Forum for State Representative (45th District) on Wednesday, July 18th, at 7:00 p.m. in the City Hall Auditorium.

Mr. Webber congratulated Mr. Klomp for receiving his Masters in Business Administration from Walsh College. He announced that the Festival of the Hills is scheduled for Wednesday, June 27th, at Borden Park. The Fireworks will begin at 10:06 p.m. He mentioned that the American Cancer Society's Relay for Life event is set to begin on Saturday, June 23rd at 9:00 a.m. and will end on Sunday, June 24th at 9:00 a.m. The Relay will be held at Hart Middle School.

Mr. Klomp commented that earning his Masters from Walsh College has been a great experience for him. He mentioned that an informational meeting on the Dequindre Road Widening Project (between Long Lake and Auburn Roads) is being held this evening at Reuther Middle School. Another meeting is set for Thursday, June 21st, from 4:00 p.m. to 7:00 p.m. at the River Bends Township Park Burgess-Shadbush Nature Center in Shelby Township.

Mr. Kochenderfer announced that an information gathering meeting to discuss speed limits on gravel roads and obtain resident input is set for Thursday, June 21st at 7:00 p.m. in the City Hall Auditorium. He stated that bills are pending in the State Legislature to give control back to local municipalities to allow the lowering of speed limits on roads within their jurisdictions. He mentioned that City Council passed a Resolution of Support in April for these bills. He stated that the Executive Director of the Traffic Improvement Association and a representative from the Michigan State Police will be in attendance; and he noted that State Senator Jim Marleau and State Representative Tom McMillin have been invited to attend. Comments made during that meeting will be forwarded on to Lansing.

Mr. Tisdell congratulated Mr. Klomp on receiving his Masters.

Farha Hanif, Rochester Hills Government Youth Council (RHGYC) Representative, reported that the RHGYC hosted its fourth annual 5K Run/Walk on Saturday, June 16th at Bloomer Park. Over 200 individuals participated and the group raised approximately \$13,500 to be donated to the Boys and Girls Club of Troy, to benefit programs helping Rochester Hills youth. She mentioned that the application and interview process is underway for the 2012-2013 RHGYC.

ATTORNEY MATTERS

City Attorney John Staran had nothing to report.

PRESENTATIONS

2012-0235 Southeast Michigan Council of Governments (SEMCOG) Presentation on Public Outreach Programs; Grant Brooks, SEMCOG External Affairs, presenter

Attachments: [Agenda Summary.pdf](#)

Grant Brooks, Communications Specialist, Southeast Michigan Council of Governments (SEMCOG), was in attendance to highlight SEMCOG programs available to residents.

Mr. Brooks stated that SEMCOG runs a free carpool matching service, with over 6,000 individuals registered in their database. He noted that interested drivers can register for the matching service online and will receive contact information for anyone who might commute along the same areas from home to work. A link to the carpool matching service is available on SEMCOG's website at www.semco.org.

He stated that 5,000,000 people live in Southeast Michigan in 1.5 million homes, and noted seven simple steps individuals can take to ensure clean water:

- 1. Help keep pollution out of storm drains.*
- 2. Fertilize sparingly and carefully.*
- 3. Carefully store and dispose of household cleaners, chemicals and oil.*
- 4. Clean up after your pet.*
- 5. Practice good car care.*
- 6. Choose earth-friendly landscaping.*
- 7. Save water.*

Mr. Brooks explained the Ozone Action Program, noting how alerts are issued when weather conditions combine with pollution to create ground ozone levels. He stated that residents should reduce activities that form ozone, including avoiding using gas-powered lawn equipment, using an electric starter instead of charcoal fluid for barbecues, limiting the use of aerosol consumer products and refueling in the evening, if possible.

He stated that several informational brochures and handouts will be available and invited residents to visit SEMCOG's website.

President Hooper thanked Mr. Brooks for his presentation.

Presented.

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.

2012-0205 Approval of Minutes - City Council Regular Meeting - May 7, 2012

Attachments: [CC Min 050712.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0098-2012

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on May 7, 2012 be approved as presented.

2012-0212 Approval of Minutes - City Council Special Meeting - May 21, 2012

Attachments: [CC Special Mtg Min 052112.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0100-2012

Resolved, that the Minutes of a Rochester Hills City Council Special Meeting held on May 21, 2012 be approved as presented.

2012-0213 Approval of Minutes - City Council Regular Meeting - May 21, 2012

Attachments: [CC Min 052112.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0101-2012

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on May 21, 2012 be approved as presented.

2012-0206 Request for Purchase Authorization - BLDG/FAC: Increase to Blanket Purchase Order for voice systems support and maintenance in the amount of \$2,000.00 for a new not-to-exceed total of \$27,000.00 through August 31, 2012; Suntel Services, Troy, MI

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0102-2012

Resolved, that the Rochester Hills City Council authorizes an increase to the blanket purchase order for voice systems support and maintenance to Suntel Services, Troy, Michigan in the amount of \$2,000.00 for a new not-to-exceed total of \$27,000.00 through August 31, 2012.

- 2012-0207** Request for Adoption of Resolution Authorizing the Parks & Forestry Director to be the Agent for the City of Rochester Hills for Oakland County's West Nile Virus Fund Program

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0103-2012

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

Whereas, Oakland County's West Nile Virus Fund Program authorizes Oakland County cities, villages, and townships to apply for reimbursement of eligible expenses incurred in connection with mosquito larviciding in designated community areas; and

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

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

- 2012-0215** Request for Purchase Authorization - DPS/FLEET: Blanket Purchase Order for uniform rental services in the amount not-to-exceed \$70,200.00 through July 31, 2015; Unifirst Corporation, Pontiac, MI

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0104-2012

Resolved, that the Rochester Hills City Council authorizes a Blanket Purchase Order for uniform rental services to Unifirst Corporation, Pontiac, Michigan in the amount not-to-exceed \$70,200.00 through July 32, 2015.

- 2012-0227** Request for Approval of FY 2013 Suburban Mobility Authority for Regional Transportation (SMART) Municipal Credit Contract Application between SMART and the City of Rochester Hills in the amount of \$69,806.00

Attachments: [Agenda Summary.pdf](#)
[SMART Letter and 2013 MC Contract.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0105-2012

Resolved, that the Rochester Hills City Council hereby approves the transfer application for the Suburban Mobility Authority for Regional Transportation (SMART) for Fiscal Year 2013 Municipal Credits to the Older Persons' Commission as presented.

Further Resolved, that the Mayor is authorized to execute and deliver the transfer agreement on behalf of the City.

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

The Following Consent Agenda Items were Discussed and Adopted by Separate Motion.

- 2012-0202** Request for Approval of the Floodplain Use Permit for the Crooks Road construction work between Star Batt and Bonnie Brae Road

Attachments: [Agenda Summary.pdf](#)
[Proposed Wetland Fill.pdf](#)
[Easement Location Drawing.pdf](#)
[Floodplain Permit.pdf](#)
[Resolution.pdf](#)

Mr. Yalamanchi requested additional information on where any filling in of the wetland area will occur.

Allan Schneck, Director of DPS/Engineering, responded that there will be some minor filling at the northeast corner of the intersection of Crooks and Bonnie Brae to facilitate the installation of the bike path and stabilize the toe slope.

Mr. Yalamanchi questioned whether any adjustments would be required to offset the area filled in.

Mr. Schneck responded that the amount of disturbance will be negligible and no offset or mitigation will be required.

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

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

Enactment No: RES0106-2012

Resolved, that the Rochester Hills City Council approves the issuance of a Floodplain Use Permit to the Road Commission for Oakland County (RCOC) for the Crooks Road construction work between Star Batt and Bonnie Brae Roads.

2012-0216 Request for Purchase Authorization - CLERK: Blanket Purchase Order for printing and publishing of legal and other notices as the "Official City Newspaper" in the amount not-to-exceed \$40,000.00 through June 30, 2015; Oakland Press, Pontiac, MI

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

Mr. Yalamanchi questioned whether State Law requires legal notices to be published in the newspaper.

John Staran, City Attorney, responded that while there have been some legislative efforts to change the publishing requirements, there has been opposition from the print media industry. He stated that the City must still publish certain notices and ordinances.

Mr. Yalamanchi noted that the Rochester Post has a higher circulation and questioned how much the cost difference is between publishing notices in the Post versus the Oakland Press.

Jane Leslie, City Clerk, responded that in comparing the Oakland Press' price to the current three-year Blanket Purchase Order with the Rochester Post, the City would have saved over \$4,000. She pointed out that the actual costs are dependent on the number of notices that must be posted.

Mr. Yalamanchi questioned whether Council should consider the Post as the Oakland Press has a circulation of approximately 6,000 in Rochester Hills.

Clerk Leslie noted that the Oakland Press reports that their circulation is 7,000 within the City of Rochester Hills and noted that they reported a seven percent increase in subscriptions in the past year.

President Hooper stated that the Internet is where he obtains most of his information.

A motion was made by Webber, seconded by Yalamanchi, 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: RES0107-2012

Resolved, that the Rochester Hills City Council authorizes a Blanket Purchase Order for printing and publishing of legal and other notices to the Oakland Press, Pontiac, Michigan,

as the "Official City Newspaper" in the amount not-to-exceed \$40,000.00 through June 30, 2015, and further authorizes the Mayor to execute a contract on behalf of the City.

PUBLIC HEARINGS

2012-0204 FY 2012 2nd Quarter Budget Amendments

Attachments: [Agenda Summary.pdf](#)
[2012 - 2nd Qtr BA - Overview.pdf](#)
[2012 - 2nd Qtr BA - Amendment Detail.pdf](#)
[2012 - 2nd Qtr BA - Adjustment Detail.pdf](#)
[Public Hearing Notice.pdf](#)
[Resolution.pdf](#)

Keith Sawdon, Director of Finance, stated that the City amends its budget quarterly and commented that Joe Snyder will be presenting the 2nd Quarter Budget Amendments this evening.

Joe Snyder, Senior Financial Analyst, presented highlights of the Budget Amendment, noting the following:

- Total Revenues will increase by \$1.8 million City-wide.
- Expenses will increase by \$419,000.
- If approved, these amendments will be a net positive impact on Fund Balance of \$1.4 million.
- Most significant is an increase to State Shared Revenue of \$700,000. This increase is due to two factors:
 - * The positive impact of the City's 2010 Census efforts
 - * Increased Sales Tax receipts by the State of Michigan
- Other revenue increases include:
 - * Cable Franchise Fees
 - * Act 51 Gasoline Taxes
 - * An amendment to the actual tax amounts received this year

Mr. Snyder noted that revenues are monitored monthly and the Administration feels confident that the proposed numbers can be reliably counted on to meet or exceed the proposed budget by year-end.

He pointed out that additional revenues from Energy Efficiency and Conservation Block Grant Program (EECBG) projects and transfers in have offsetting expenditures. He mentioned that the most significant expenditure increase is \$200,000, due to EECBG projects. He stated that these projects have already been approved by Council.

He stated that a \$66,000 increase to the City's Unemployment Insurance can be attributed to claim experience. He explained that a four-year average is used to develop an experience rate. He pointed out that the City's 20 percent reduction in staff falls within this timeframe; and as the years fall off, the experience rate will return to normal.

Mr. Snyder stated that Capital Project budgets are decreasing by \$329,000 due to projects being eliminated or deferred. He mentioned that projects included for consideration on tonight's agenda have already been adopted by Council.

President Hooper Opened the Public Hearing at 7:25 p.m.

Seeing No Public Input, President Hooper Closed the Public Hearing at 7:26 p.m.

President Hooper extended his appreciation to the Administration for a positive impact on the City's budget.

Mr. Kochenderfer questioned why Cable Fees have increased by \$200,000.

Mr. Sawdon responded that throughout the recession, cable use has increased. He suggested that this may be due to individuals staying home rather than traveling.

Mr. Kochenderfer questioned whether there are any projections for future interest rates.

Mr. Sawdon responded that the Administration is using the City Assessor's estimates for interest going forward and noted that rates are constantly monitored.

Mr. Yalamanchi questioned whether these projections carry through to December 31, 2012 and why an adjustment for 2011 Capital and Lateral fees is included.

Mr. Snyder responded that each year, the Water and Sewer Policy mandates a transfer of fees to the Capital Fund. There is a one-year time lag in the transfer.

Mr. Yalamanchi questioned whether the Museum's projects, particularly the Pumpkin Festival, are offset by private funds.

Mr. Sawdon noted that the Pumpkin Festival is offset by fees collected at the event. He mentioned that the Mayor's Office has a sponsorship program to encourage donations; however, he was not aware of any fund raising activities related to the Pumpkin Festival.

Mr. Yalamanchi questioned adjustments to the Vehicle Fund.

Mr. Snyder responded that several fleet purchases are being deferred to a future year.

A motion was made by Yalamanchi, seconded by Webber, 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: RES0108-2012

Whereas, in accordance with the provisions of Public Act 2 of 1968, the Uniform Budgeting and Accounting Act, and the Charter for the City of Rochester Hills, Chapter III Section 3.7, the City Council may amend the budget during the fiscal year, either on its own initiative or upon recommendation of the Mayor; and

Whereas, in accordance with Section 19 of Public Act 2 of 1968, the Uniform Budgeting and Accounting Act, the City Council may permit the Mayor to execute *adjustments* to the budget within limits;

Whereas, the Public Hearing for the proposed 2012 2nd Quarter Budget Amendments was noticed on May 22, 2012; and

Whereas, the proposed 2012 2nd Quarter Budget Amendments were available for public viewing beginning on June 8, 2012; and

Whereas, at its June 18, 2012 meeting City Council held a Public Hearing on the proposed 2nd Quarter Budget Amendments.

Now, Therefore, Be It Resolved, that the Rochester Hills City Council hereby approves the following 2012 fund totals as amended:

101 - General Fund	\$	24,318,750
202 - Major Road Fund		5,538,850
203 - Local Street Fund		6,564,960
206 - Fire Fund		7,345,510
207 - Special Police		9,111,220
211 - Perpetual Care Fund		44,980
213 - RARA Millage Fund		576,080
214 - Pathway Maintenance		549,890
232 - Tree Fund		52,950
244 - Water Resources Fund		668,530
265 - OPC Millage Fund		973,100
299 - Green Space Fund		896,080
313 - Street Improvements (2001 Series)		252,570
314 - Street Improvements (2001 Series SAD)		253,630
331 - Drain Debt Fund		1,314,370
369 - OPC Building Refunding		739,740
402 - Fire Capital Fund		50,000
403 - Pathway Construction Fund		477,500
420 - Capital Improvement Fund		295,960
592 - W&S Operating Fund		31,170,850
593 - W&S Capital Fund		5,853,570
631 - Facilities Fund		5,289,040
636 - MIS Fund		1,872,960
661 - Fleet Equipment Fund		4,254,950
736 - Retiree Healthcare Trust Fund		260,350
843 - Brownfield Redevelopment Fund		39,270
848 - LDFA Fund		600,860
851 - Smart Zone Fund		80,740
893 - EDC Fund		670

and, Therefore, Be It Further Resolved, the Mayor is authorized to administratively adjust the operating budget line-items up to \$25,000 per event, but in no case may total expenditures of a particular fund exceed that which is appropriated by the City Council without a Budget Amendment.

ORDINANCE FOR ADOPTION

2012-0200 Acceptance for Second 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](#)
[052112 Agenda Summary.pdf](#)
[052112 Resolution.pdf](#)
[Resolution.pdf](#)

Keith Sawdon, Director of Finance, noted that after Acceptance for Second Reading and Adoption and subsequent publication, the rates will become effective on July 1st, coinciding with the City's billing cycle.

A motion was made by Yalamanchi, seconded by Klomp, 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: RES0109-2012

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 Second Reading and shall become effective on Sunday, July 1, 2012, following its publication in the Rochester Post on Thursday, June 28, 2012.

NOMINATIONS/APPOINTMENTS

2012-0150 Nomination/Appointment to the Cemetery Citizen Advisory Technical Review Committee to fill the vacancy created by the resignation of Lois Golden

Attachments: [Agenda Summary.pdf](#)
[Nomination Form.pdf](#)
[Marries, David CQ.pdf](#)
[Revised Notice of Vacancy.pdf](#)
[Notice of Vacancy.pdf](#)
[050712 Agenda Summary.pdf](#)
[Golden Resignation.pdf](#)
[050712 Resolution.pdf](#)
[Resolution.pdf](#)

President Hooper Opened the Floor for Nominations.

Mr. Klomp nominated David Marries.

Seeing No Further Nominations, President Hooper Closed the Floor for Nominations.

President Hooper noted that Mr. Marries was in attendance and invited him to comment.

David Marries stated that he has been a lifelong area resident and was interested in serving the community.

Mr. Marries was appointed to the Cemetery Citizen Advisory Technical Review Committee.

A motion was made by Yalamanchi, 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: RES0110-2012

Resolved, that the Rochester Hills City Council appoints David Marries as a Citizen Representative to the Cemetery Citizen Advisory Technical Review Committee to fill the vacancy created by the resignation of Lois Golden.

2012-0236 Acceptance of Resignation from Micheal Kilpatrick from the Historic Districts Commission

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

A motion was made by Webber, seconded by Yalamanchi, 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: RES0111-2012

Resolved, that the Rochester Hills City Council hereby accepts the resignation of Micheal Kilpatrick as a member of the Historic Districts Commission effective June 13, 2012.

NEW BUSINESS

2012-0211 Request for Purchase Authorization - MAYOR: Purchase of property and casualty insurance for three (3) years; Michigan Municipal Risk Management Authority, Livonia MI

Attachments: [Agenda Summary.pdf](#)
[Award Recommendation.pdf](#)
[Award Recommendation Tabulation.pdf](#)
[100311 Agenda Summary.doc.pdf](#)
[100311 Report Cover.pdf](#)
[100311 Executive Summary.pdf](#)
[100311 MMRMA Response.pdf](#)
[CC Minutes 012411 \(Excerpt\).pdf](#)
[CC Minutes 032111 \(Excerpt\).pdf](#)
[CC Minutes 050211 \(Excerpt\).pdf](#)
[CC Minutes 100311 \(Excerpt\).pdf](#)
[Resolution.pdf](#)

Mr. Webber stated that due to the fact that he is employed by an agency that

does bid and work on municipal property and liability insurance, he would recuse himself from the discussion and vote on this item in order to avoid any conflict of interest.

Keith Sawdon, Director of Finance, stated that the City had gone through a Request for Proposal Process in late 2010 and early 2011 to review its property and liability insurance. It was discovered that in consideration of exclusions and exceptions to coverage, much more is involved beyond simply comparing premiums. Council authorized the City to move forward and retain an insurance consultant. Ken Bush, Insurance Audit, was selected to assist the administration in the process of reviewing policy statements and documents, and to review current coverages and give recommendations for future policy changes. Council authorized the Administration to move to prepare and solicit proposals for casualty and liability insurance. This multi-phase approach entailed first finding firms interested and determining their first, second and third choice of insurance lines that they wished to represent. He noted that this was done to avoid having agents of record representing the same carrier. Five firms expressed interest and were asked to submit their documents for review to ensure that the policy documents conformed to the necessary coverage. Two of the five firms followed through in submitting documents for review. The next phase entailed requesting the firms price their policies, and the City received two pricings back on May 16th. From that process, Mr. Bush has issued his letter of award and recommendation for policy continuation with the Michigan Municipal Risk Management Authority (MMRMA).

President Hooper questioned the recommendation by the consultant to accept a \$10,000 property and crime deductible and consider dropping automobile physical damage coverage.

Mr. Sawdon commented that considering the large deductible, it is acceptable to consider dropping the automobile physical damage coverage as it provides for a premium savings.

Mr. Bush responded that the premium savings from removing the physical damage coverage would be approximately \$27,000.

President Hooper questioned whether the estimated asset distribution can be considered accurate.

Mr. Sawdon responded that if the City does renew its coverage with MMRMA, the amount quoted will be the exact amount distributed to the City in July.

President Hooper noted that the asset distribution is actually more than the premium proposed.

Mr. Sawdon commented that the amount is a function of the pool of insured municipalities.

Council Discussion:

Mr. Rosen thanked Mr. Bush for his comments and expressed appreciation to the Administration for undertaking the consultant's review process. He stated that it helped him to understand that being a part of MMRMA is the right thing for the City

to do. He questioned whether a review must be undertaken as recommended at six-year intervals or if it could be done at longer intervals.

Mr. Bush responded that insurance companies use three-year policy cycles and it is common practice to go two three-year cycles between proposals. He commented that the cost to assemble a proposal is significant for any firm; and rather than burden firms, they recommend a multi-year timeframe between the actual formal requests for proposals. He stated that should the City desire, it could lengthen the interval between proposals. He noted that should the market change and costs rise, his firm could always be consulted for additional review.

Mr. Rosen stated that if rates stay relatively stable, it would not pay to go for proposals every six years. However, if things change quickly, the City might wish to go out for proposals even sooner. He commented that the City seems to have a solid footing under its liability and he is pleased with the process.

Mr. Tisdell questioned whether a renewal application is submitted to the MMRMA that would make the authority aware of any changes required in coverage.

Mr. Sawdon responded that the City goes through an application process each year.

Mr. Tisdell questioned whether the City has undergone a full appraisal of its assets.

Mr. Sawdon responded that the City goes through an appraisal process as a part of its involvement with the MMRMA. He stated that the City received a summary report in late fall of last year that indicated that the estimation of values for its structures were fairly accurate. He pointed out that the Administration is always concerned about valuation for its historical properties and park buildings in particular.

Mr. Tisdell stated that both the insurer and the insured should be looking at the same risk exposures.

Mr. Sawdon concurred, and confirmed that this is the case.

Mr. Tisdell requested information on the following:

- Whether the City is going with a \$75,000 or \$150,000 deductible.
- Whether the deductible is per incident.
- What the City's experience has been in paying deductibles.

Mr. Sawdon noted that the proposal recommended for a premium level of \$354,000 is \$150,000 in retainage, and \$10,000 in property per incident. He noted that since he has been with the City, it has not incurred much in the way of deductibles. He commented that the City has experienced fleet vehicle accidents, but those occurrences are treated differently.

Mr. Tisdell questioned whether any required deductibles are paid from the City's Self Insured Retention (SIR) account and what a typical balance should be in that account for a community.

Mr. Sawdon responded that the City's SIR account has grown over the past few years to its current balance of approximately \$390,000. He noted that the City has not made a contribution to the SIR account in the last two years; and the \$354,000 premium quote for this year does not include a SIR contribution.

Mr. Bush responded that most public entities do not fund SIR accounts. He commented that the City is ahead of other communities, as most public entities don't fund them.

Mr. Tisdell questioned whether the MMRMA's return distribution is based on the Authority's performance as a whole or on the City's performance.

Mr. Bush responded that the distribution is determined by the overall performance of everyone in the Authority.

Mr. Tisdell questioned how many communities are currently in the MMRMA.

Mr. Bush responded that there are 75 or more communities currently in the MMRMA.

Mr. Sawdon added that the City has received a distribution in six of the last seven years.

President Hooper questioned how automotive liability deductibles are handled under the MMRMA.

Mr. Bush responded that automotive liability claims in Michigan are not common because the liability component for personal injury protection falls within the State's No Fault regulations.

Mr. Klomp questioned how it can be sustainable for the MMRMA to distribute more than the premium back to a member community.

Mr. Bush responded that asset distribution is independent of any contributions. He noted that if the MMRMA has an excellent year, it can afford to return significant assets to each of the members.

Mr. Sawdon pointed out that the length of time a community is a member of the MMRMA determines the percentage of asset distribution. He stated that the City has been a member of the Authority for a very long time.

Mr. Klomp commented that this factor would make it difficult for a community to ever consider a competitor's bid.

Mr. Bush responded that each year is different, and this year's distribution is not necessarily indicative of what future distributions might be.

Mr. Yalamanchi questioned whether a consideration of a long-term average of premiums would favor the MMRMA or Nickel and Saph.

Mr. Bush responded that from a coverage perspective, his opinion is that the MMRMA is favorable over Nickel and Saph.

Mr. Sawdon added that the process was broken down into two phases to allow for an extensive review of the bidding firms' documents. He commented that pricing was not considered until the coverage documents were reviewed and noted that only two proposers moved forward to the pricing stage.

Mr. Yalamanchi stated that last year, Mr. Bush's opinion letter noted that the City's policy documents at that time were 15 years old. He questioned what changes have been made to the documents in the past year.

Mr. Bush responded that the proposal from the MMRMA indicated the coverages provided, along with where the policy documents took exceptions. The MMRMA was then asked to obtain a letter from the Executive Director of the MMRMA addressing the exceptions. He noted that the MMRMA By-Laws provide that a letter from the Executive Director supersedes the policy documents. He mentioned that certain provisions of the Nickel and Saph proposal were more restrictive than the MMRMA proposal.

Mr. Yalamanchi questioned whether the Executive Director's letter will prevail if the City finds itself in a dispute in the future.

John Staran, City Attorney, responded that it is his opinion that it would.

Mr. Yalamanchi questioned whether the City will have the option to issue a request for proposal after three years.

Mr. Sawdon responded that as long as premiums remain acceptable, the City will continue to renew with the MMRMA for the next two years. He stated that he will come before Council in the fourth year to request a renewal. He commented that he will alert Council in the interim if premiums become out of line.

A motion was made by Yalamanchi, 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 Yalamanchi

Abstain 1 - Webber

Enactment No: RES0112-2012

Based on the report from the City's insurance consultant, City Council's review of the consultant's report and agreement with the recommendation;

Resolved, that the Rochester Hills City Council selects Michigan Municipal Risk Management Authority (MMRMA), Livonia, Michigan, as the City's insurance provider for

property and casualty insurance and authorizes payment of premiums for the next three (3) years with an option to renew for three (3) additional years with City Council approval.

- 2012-0214** Request for Purchase Authorization - HUMAN RESOURCES: Approval for the City's agent of record to provide brokerage and consulting services for employee benefit plans on a commission basis for three (3) years with an option to renew for three (3) additional years; Gallagher Benefit Services, Bingham Farms, MI

Attachments: [Agenda Summary.pdf](#)
[Proposals Tabulation.pdf](#)
[Exhibit A Scope of Services.pdf](#)
[Exhibit B Historical Plan Comparison.pdf](#)
[Exhibit C Commission Structure.pdf](#)
[Resolution.pdf](#)

Pamela Gordon, Director of Human Resources, stated that the City has worked with a consultant agent broker since 1999 and has worked with Gallagher Benefit Services since 2008, when Gallagher acquired its predecessor firm. She commented that the City has several projects in the works with Gallagher, including benefit strategies to ensure compliance with various State and Federal initiatives, including Public Act 152 and the Federal Affordable Care Act. She noted that the City will also be marketing all of its employee benefit lines in the coming year in order to implement required changes in 2013 and is implementing short, medium and long term strategies with the City's bargaining units. She mentioned the development of a health care plan document which is being prepared at no additional cost to the City beyond the commissions paid by the insurance carriers. She stated that Gallagher offers the best combination of staff resources, is a nationally-based company, and has the training and expertise that will enable the City to respond to the increasing demands of benefit administration in the years to come.

Mr. Yalamanchi questioned whether all commissions are paid by the insurance carriers.

Ms. Gordon responded that they are.

Mr. Yalamanchi questioned whether selecting a different Agent of Record might result in a different cost to the City in commissions or premiums.

Ms. Gordon responded that it would not. She stated that the City would be paying commissions regardless of who the consultant is, and stated that the major carriers build commissions into their premiums. She pointed out that some of the proposals received included an additional fee; however, Gallagher's proposal did not include any direct costs to the City.

Mr. Tisdell mentioned that insurance companies are limited to administrative costs of 15 percent. Many of the carriers have eroded commission levels. He stated that this ultimately will result in consolidation to national entities. He mentioned that any agency fees added are controlled by the State and must be offset by actual costs incurred.

A motion was made by Klomp, seconded by Yalamanchi, 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: RES0113-2012

Resolved, that the Rochester Hills City Council approves Gallagher Benefit Services, Bingham Farms, Michigan, as the City's agent of record for brokerage and consulting services in accordance with the identified commission structure for a period of three (3) years with an option to renew upon City Council approval for an additional three (3) years and further authorizes the Mayor to execute a contract on behalf of the City.

2007-0221 Request for Approval of an Extension of the Tentative Preliminary Plat for Grace Parc, a 16-lot subdivision located north of South Boulevard between Livernois and Rochester Roads, zoned R-4, until April 20, 2013; Gwen Bismack, Applicant

Attachments: [Agenda Summary.pdf](#)
[Map.pdf](#)
[Site Plans.pdf](#)
[Memo Anzek 060112.pdf](#)
[Letter Bismack 041112.pdf](#)
[Minutes PC 060512.pdf](#)
[071811 Agenda Summary.pdf](#)
[Letter Bismack 050311.pdf](#)
[Minutes PC 060711.pdf](#)
[041210 Agenda Summary.pdf](#)
[Memo Anzek 06-01-11.pdf](#)
[Letter Mosher 04-13-11.pdf](#)
[Minutes PC 2005-2010.pdf](#)
[Minutes PC 030210 \(draft\).pdf](#)
[Memo Anzek 022510.pdf](#)
[Letter Mosher 021510.pdf](#)
[Minutes PC 042109.pdf](#)
[Letter Mancini 041509.pdf](#)
[041210 Resolution.pdf](#)
[053008 Agenda Summary.pdf](#)
[PC Minutes 050608.pdf](#)
[Letter Mancini 032808.pdf](#)
[Agenda Summary 042507.pdf](#)
[Resolution 042507.pdf](#)
[PC Minutes 040307.pdf](#)
[Letter Mancini 031207.pdf](#)
[060908 Resolution.pdf](#)
[PC Minutes 071806.pdf](#)
[PC Minutes 031505.pdf](#)
[PC Minutes 021505.pdf](#)
[PC Minutes 020105.pdf](#)
[071811 Resolution.pdf](#)
[Resolution.pdf](#)

Ed Anzek, Director of Planning and Economic Development, noted that the Applicant is requesting a one-year extension, and is currently in the process of revising engineering for the development.

Gwen Bismack, Applicant, stated that with several engineering changes and retention pond changes, the development is down to 14 lots instead of 16.

Mr. Klomp questioned why the extension is being requested at this time and noted the R-4 zoning for the development.

Ms. Bismack responded that drawings are being revised to reflect 14 lots and additional soil borings are necessary to prove the accuracy and stability of the retention pond.

Mr. Anzek noted that R-4 is the most dense zoning and commented that the redesign mandated by the City's Engineering Standards revisions eliminated two of the 16 lots.

Mr. Kochenderfer questioned whether there is a general timeline estimate for the project.

Ms. Bismack responded that she is hoping to receive all approvals within the next six months and plans to break ground shortly thereafter. She mentioned that funding has been secured. She commented that she is hopeful that the project can be completed within a one-year timeframe.

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

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

Enactment No: RES0114-2012

Resolved, that the Rochester Hills City Council hereby approves an Extension of the Tentative Preliminary Plat for Grace Parc, a 16-lot subdivision located north of South Boulevard between Livernois and Rochester Roads, zoned R-4, until April 20, 2013.

2007-0775

Request for Approval of the Final Site Condominium Plan - Grace Oaks, a two-unit site condominium development on 1.1 acres, located on the north side of Hazelton, east of Livernois, zoned R-4, One Family Residential, Parcel No. 15-34-101-039; Joseph Lombardo, Applicant

Attachments: [Agenda Summary.pdf](#)
[Map.pdf](#)
[Site Plans.pdf](#)
[Staff Report 060512.pdf](#)
[Minutes PC 060512.pdf](#)
[Resolution.pdf](#)

Ed Anzek, Director of Planning and Economic Development, noted that the Master Deed has been filed and is ready for approval. He pointed out that the development consists of a large lot which Joseph Lombardo, the Applicant, owns and resides on. His home is on the western portion of the parcel and in order to divide the property into two parcels, he is required to do a single family site condominium split. He stated that a wetland at the back portion of the property has been delineated and demarcated. He mentioned that approval is being recommended by both the Department and the Planning Commission.

A motion was made by Tisdell, seconded by Webber, 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: RES0115-2012

Resolved, that the Rochester Hills City Council hereby approves the Final Site Condominium Plan for Grace Oaks, a two-unit site condo development on 1.1 acres, located on the north side of Hazelton, east of Livernois, zoned R-4, One Family Residential, Parcel No. 15-34-101-039, with the following findings and conditions:

Findings:

1. Upon compliance with the following conditions, the Final Plan meets all applicable requirements of the Zoning Ordinance and One-Family Residential Detached Condominiums Ordinance.
2. Adequate utilities are available to properly service the proposed development.
3. The Final Plan represents an acceptable, comprehensive development that is harmonious with the surrounding development.
4. The Final Plan represents a reasonable lot orientation.
5. The development should have no substantially harmful effects on the environment.
6. The Final Plan is in conformance with the Preliminary Plan approved by City Council on September 29, 2006.

Conditions:

1. Provide a Notice of Wetland/Floodplain Designation in recordable format after City Council Approval and prior to Plans being stamped "Approved" in accordance with Ordinance 469: One-Family Residential Detached Condominiums; Sec. 122-368 (d).
2. Eliminate Note #3 that references the need for a sidewalk waiver. The note is part of 3 notes placed near the bottom center of sheet 1. The City Council had already granted that with the Preliminary Plan Approval in 2006.

2012-0190 Request for Approval of the Preliminary and Final Site Condominium Plans - Northbrooke East, a proposed twelve-unit development on 3.7 acres located south of Auburn, east of Crooks, zoned R-4, One Family Residential; Northbrooke East LLC, Applicant

Attachments: [Agenda Summary.pdf](#)
[Map.pdf](#)
[Site Plans.pdf](#)
[Suppl Memo and Additional Conditions.pdf](#)
[Minutes PC 060512.pdf](#)
[Minutes PC 060705.pdf](#)
[Public Hearing Notice 060512.pdf](#)
[Resolution.pdf](#)
[Resolution as Adopted.pdf](#)

Ed Anzek, Director of Planning and Economic Development, noted that the Northbrooke East development has been underway since 2000. He stated that the project lapsed in 2009, and since then, Franklin Property Corporation has taken on the project. He pointed out that the site sits just to the east of Northbrooke, and west of Meadow Creek II. The site was designed to be a link to the two

neighborhoods. He mentioned that since there has been no change from the preliminary plan and all drawings have been approved, the Administration recommends that both Preliminary and Final approval be granted tonight. He pointed out that the project was designed in 2005 to meet current detention system requirements. He noted that the Applicant has listed several additional conditions that he is willing to place into the record.

Andrew Milia, President, Franklin Property Corporation, stated that his firm is the development consultant to the property principal. He explained that following a Planning Commission meeting, his firm did meet with a group of neighbors to address their concerns. Subsequent to that meeting, the developer is willing to commit to upgrade the housing product and agreed to add six additional conditions.

Mr. Anzek noted that the additional conditions agreed to include specifying that homes have full brick frontage up to the gable ends, address concerns regarding tree preservation, and detail a provision to cease construction on July 21, 2012, to accommodate a neighbor's request.

President Hooper questioned why construction needed to be halted on July 21st.

Mr. Malia responded that a neighbor is having a graduation party that afternoon.

Public Comment:

Larry Dropiewski, 3154 Davenport Lane, expressed his appreciation to the developer's agreement to stop working on the project at 3:00 p.m. on July 21st. He stated that he was in attendance to confirm that discussions that had taken place and a meeting was held with Mr. Malia. He listed each of the additional conditions and requested additional consideration regarding the detention basin slope and utilizing asphalt roadways instead of concrete.

Jim Jones, JJ Associates, Project Engineer, responded that the detention basin slope will be one on three or one on four, and will be fenced.

President Hooper reviewed the six additional conditions agreed to by the developer.

Council Discussion:

Mr. Klomp expressed his appreciation that the developer is working with the surrounding residents and questioned whether sidewalks will be connected to the adjacent neighborhoods.

Mr. Jones responded that they would be.

Mr. Klomp questioned whether access to Auburn Road will only be through the existing subdivisions.

Mr. Jones responded that it would.

Mr. Yalamanchi commented that it is appreciated any time a developer takes the step to meet with the adjacent residents.

A motion was made by Klomp, seconded by Yalamanchi, 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: RES0116-2012

Resolved, that the Rochester Hills City Council hereby approves the Preliminary and Final One-Family Residential Detached Condominium Plan for Northbrooke East, a 12-unit development on 3.7 acres located south of Auburn, east of Crooks, zoned R-4, One Family Residential, based on plans dated received by the Planning and Economic Development Department on May 16, 2012 with the following findings and conditions:

Findings:

1. The proposed condominium plan meets all applicable requirements of the Zoning Ordinance and One-Family Residential Detached Condominium Ordinance for both Preliminary and Final Approval.
2. Adequate utilities are available to properly serve the proposed development.
3. The proposed development will connect three current dead-end streets, providing an area-wide benefit.
4. The Environmental Impact Statement indicates that the development will have no substantially harmful effects on the environment.

Conditions:

1. Provide all off-site easements and agreements for approval by the City prior to issuance of a Land Improvement Permit.
2. City Attorney and Staff approval of the proposed condominium documents.
3. Payment of \$2,400 into the tree fund for street trees prior to issuance of a Land Improvement Permit.
4. Developer shall make every effort to meet with neighboring homeowners, adjacent to the road access and adjacent to the development, prior to the start of any construction and continuing throughout the construction process.
5. Relocate the storm at the back of lot three to save the box elder on the adjacent property.
6. The homes shall be a minimum of 2,350 square feet, and the front facade shall consist of brick and/or stone on two stories up to the bottom of any gable level at a minimum.
7. Inlet protection bags will be installed in the two southern most catch basins on Newstead Lane. They will be maintained and replaced routinely throughout the duration of construction.
8. The developer will not permit construction activity on July 21st after 3 p.m.
9. The construction manager will be present during the installation of the silt fence to ensure the Colorado Blue Spruce behind lot 14 is placed outside the development confines. The developer will advise neighbor Larry Dropiewski prior to the commencement

of the installation of the silt fence which is planned to go on the property line, but will be adjusted accordingly where practical to accommodate adjacent tree drip lines.

10. Construction traffic will be routed through Wilmington and Newstead and any construction dirt will be periodically swept. The developer will take pictures of road and back of curb conditions prior to the beginning of construction and provide a copy to the Homeowners Association and City of Rochester Hills as a record copy. Any damage caused by construction traffic will be rectified by the developer.

11. The developer will plant some trees at the rear end of Lot 9 to provide some covering between the existing development and the detention pond.

12. The developer provides that no two adjacent houses built on speculation will have the same elevation or brick color.

2010-0297 Request for Approval to Extend the Moratorium regarding Medical Marihuana uses for an additional twelve-month period, to June 19, 2013

Attachments: [Agenda Summary.pdf](#)
[Letter Staran 052412.pdf](#)
[Memo Anzek 06-01-12.pdf](#)
[Minutes PC-CC Joint 052912.pdf](#)
[Minutes PC 060512.pdf](#)
[062011 Agenda Summary.pdf](#)
[PC memo.pdf](#)
[Attorney Letters.pdf](#)
[Sample Ordinances.pdf](#)
[Minutes PC 060711.pdf](#)
[011011 Agenda Summary.pdf](#)
[Minutes PC 110410.pdf](#)
[Minutes PC 120710.pdf](#)
[Memo Anzek 120310.pdf](#)
[Med Mari Resolution PC.pdf](#)
[Final Letter Granholm 120710.pdf](#)
[071910 Agenda Summary.pdf](#)
[Memo Mayor 071410.pdf](#)
[July 2010 Medical Marihuana Article.pdf](#)
[071910 Resolution.pdf](#)
[011011 Resolution.pdf](#)
[062011 Resolution.pdf](#)
[Resolution.pdf](#)

Ed Anzek, Director of Planning and Economic Development, stated that the Administration still does not have clear direction on how Medical Marihuana use should be implemented or mandated at the local level. He pointed out that several states have received letters from the Department of Justice which note that the Federal Government is more likely to implement procedures for enforcement as a controlled substance. He commented that the City should continue its moratorium for an additional year.

John Staran, City Attorney, stated that his recommendation is for Council to extend the Moratorium. He noted that several cases are working their way through the appellate process and a number of different bills are still under consideration by

the State Legislature. He mentioned that the State Attorney General has taken a strong and restrictive position in his interpretation of the statute, and stated that it is best to maintain status quo and extend the moratorium.

Public Comment:

Dr. Bradley Barnes, 1845 N. Livernois, stated that he is a Pediatrician and was in attendance to represent the Rochester Auburn Hills Community Coalition. He noted that a major concern is the implication that the term "medical marihuana" conveys to the youth of the community that the drug is a safe and effective treatment. He commented that the message needs to get through that this drug is for a restricted population only and is not something that is of value to the general public. He suggested the word "medical" be removed in reference to the drug and added that heavy restrictions should be imposed on the use of a vehicle for someone who carries a Medical Marihuana Card.

Council Discussion:

Mr. Webber stated that he concurs with the Planning Commission's recommendation to extend the moratorium, and commented that it appears that the State Legislators are moving closer to answering local municipalities' questions and concerns.

Mr. Staran stated that as the Medical Marihuana Act was adopted by voter initiative, any action by the State Legislature requires a supermajority and entails more work and cooperation than is ordinarily required at the State level. He commented that it is hoped that answers can be obtained in the next year or so.

Mr. Yalamanchi questioned what would happen in the event that someone with a Medical Marihuana Card is pulled over by the Sheriff's Department and is found to be using the drug.

Mr. Staran responded that it is illegal to be driving under the influence of marihuana as well as it is with certain prescription drugs.

Mr. Yalamanchi questioned whether the word "Medical" can be removed.

Mr. Anzek stated that the term "Medical Marihuana" is used because that is the wording used in the Voter Initiative.

Mr. Tisdell noted that the initiative was passed by the voters three-and-one-half years ago and is not for general public use. He stated that in order to receive a card, a patient must be certified by a physician and must register with the State, at a cost of \$100. He commented that in the past three-and-one-half years, the State has issued 225,000 registrations, collecting over \$22 million in fees. He noted that at this point, the State and physicians are collecting monies; however, patients and caregivers are subject to arrest and possible jail time. He commented that he finds this unacceptable. He pointed out that when the voters approved the initiative, they were not anticipating that the State would be in the business of issuing cards instead of considering patients and caregivers. He stated that he would vote no on extending the moratorium as a statement of protest.

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, Webber and Yalamanchi

Nay 1 - Tisdell

Enactment No: RES0117-2012

Resolved, that in the interest of promoting and protecting the health, safety and welfare of the public, and in view of the need for clarification of the Medical Marihuana Act and the resulting need for further study and analysis, the Rochester Hills City Council hereby extends the Moratorium for Medical Marihuana uses for another twelve-month period, to June 19, 2013 with the following findings:

Findings:

1. There is uncertainty with cases currently in court.
2. There is concern about Federal involvement in the enforcement of drug laws.
3. There is great disparity and an untested nature of regulatory ordinances.
4. There is current and on-going discussions in the State legislature and the State Attorney General's Office involving regulations for Medical Marihuana.
5. There is a lack of Best Management Practices for regulating Medical Marihuana uses.

2012-0222 Request for Purchase Authorization - DPS/ENG: Blanket Purchase Order for the maintenance and repairs or upgrades of the existing traffic signals and SCATS for a total not-to-exceed amount of \$140,000.00 through December 31, 2013; Road Commission for Oakland County; Waterford, MI

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

Allan Schneck, Director of DPS/Engineering, noted that the Blanket Purchase Order covers the maintenance of traffic signals, the SCATS system, and school flashers. He pointed out that the amount includes the remaining budget of \$50,000 for this year, along with \$90,000 proposed for next year.

A motion was made by Rosen, seconded by Webber, 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: RES0118-2012

Resolved, that the Rochester Hills City Council authorizes a Blanket Purchase Order for the maintenance and repairs or upgrades of the existing traffic signals and SCATS to the Road Commission for Oakland County, Waterford, Michigan, for a total not-to-exceed amount of \$140,000.00 through December 31, 2013.

The following six (6) Legislative Files are related to 2013 Salary Recommendations

2012-0228 Salary Recommendation for Directors' General Adjustment - 2013

Attachments: [Agenda Summary.pdf](#)
[2013 Proposed Director Salaries.pdf](#)
[2012 Salary & Healthcare Adjust 1st Qtr BA.pdf](#)
[Resolution.pdf](#)

Pam Gordon, Director of Human Resources, stated that the Human Resources Technical Review Committee (HRTRC) meets annually to make recommendations for compensation for Directors, Boards and Commissions, City Council and the Mayor for the subsequent year. She explained that the HRTRC met in April and recommends a General Adjustment of one percent to the salary of Department Directors for Fiscal Year 2013. She commented that this is a recommendation based on being in the second year of a two-year salary strategy and will apply to part of the non-union group as well. She pointed out that health care cost savings were negotiated into current union contracts and were implemented for the non-union benefit group as well. She noted that the changes in health care resulted in a \$540,000 savings to the City and yielded a net reduction of 8.3 percent per employee per year in 2012 for medical and prescription costs. She commented that a one percent increase offsets some of those savings; however, it maintains parity between union and non-union groups.

Mr. Kochenderfer expressed his appreciation to the Administration, commenting that health care is a runaway cost for local governments. He stated that people may want to point out that this is an increase; however, they should not ignore the net savings.

Mr. Klomp stated that while he has heard some discussion in the community about the increase, it should be remembered that the overall compensation component yields a net savings to the bottom line.

Mr. Tisdell questioned whether the positions include salary caps.

Ms. Gordon responded that there are no specific caps. She commented that each director's position was evaluated individually ten years ago and salaries are based from that evaluation.

Mr. Tisdell pointed out that there are employees who have 25 or 30 years with the City who are receiving only a one percent increase.

A motion was made by Klomp, seconded by Yalamanchi, 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: RES0119-2012

Whereas, pursuant to Article II, Section 5 of the *City Council Policy for Salaries of Department Directors and Mayor, and Per Diem Fees for City Boards and Commissions*, the HR Technical Review Committee has met to discuss recommendations concerning the general base pay adjustments for department directors in 2013.

Whereas, healthcare changes that significantly reduced costs to the City were negotiated for the two AFSCME locals through 2013 and extended to non-union employees, including department directors and the Mayor,

Whereas, a base salary increase for 2013 consistent with that negotiated with the largest AFSCME unit will support the desired internal pay equity between union and non-union employees,

Resolved, the amount of 1% shall be added to the general base salary budget for department directors for 2013, in the amount of \$8,433, bringing the total base salary budget for department directors to \$962,641.

2012-0229 Salary Recommendation for Directors' Equity Adjustment - 2013

Attachments: [Agenda Summary.pdf](#)
[2013 Proposed Director Salaries.pdf](#)
[Resolution.pdf](#)

Pamela Gordon, Director of Human Resources, pointed out that an Equity-related freeze is recommended for the Assessor/Treasurer to bring that salary in line with comparable department directors who are responsible to multiple operational units within the City. She noted that the freeze is in no way related to performance.

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: RES0120-2012

Whereas, pursuant to Article III, Section 5 of the *City Council Policy for Salaries of Department Directors and Mayor, and Per Diem Fees for City Boards and Commissions*, the Human Resources Technical Review Committee met to discuss recommendations concerning individual salary equity adjustments for department directors in fiscal year 2012.

Whereas, a freeze of the current salary of the Director of Assessing/Treasury would support a more equitable distribution of the budget for department director salaries.

Resolved, that the Rochester Hills City Council hereby concurs with the recommendation of the Human Resources Technical Review Committee that the base salary of the Director of Assessing/Treasury be maintained at the current rate of \$110,952 in 2013.

Further Resolved, that no additional budget for equity adjustments be authorized for department directors in 2013.

2012-0230 Salary Recommendation for Directors' Variable Performance (Discretionary) Pool - 2013

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

Pamela Gordon, Director of Human Resources, stated that given the overall budget and consideration that the economy is at the beginning of what will be sustained recovery, the Human Resources Technical Review Committee is not recommending any performance-rated pool for 2013.

A motion was made by Webber, seconded by Klomp, 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: RES0121-2012

Whereas, pursuant to Article III, Section 5 of the *City Council Policy for Salaries of Department Directors and Mayor, and Per Diem Fees for City Boards and Commissions*, the Human Resources Technical Review Committee met to discuss recommendations concerning variable performance (discretionary) pay for department directors in fiscal year 2013.

Resolved that the Rochester Hills City Council hereby concurs with the recommendation of the Human Resources Technical Review Committee and that no additional budget for variable performance pay be authorized for department directors in 2013.

2012-0231 Salary Recommendation for Mayor - 2013

Attachments: [Agenda Summary.pdf](#)
[2013 Proposed Director Salaries.pdf](#)
[2012 Salary & Healthcare Adjust 1st Qtr BA.pdf](#)
[Resolution.pdf](#)

Pamela Gordon, Director of Human Resources, pointed out that the Mayor is actually a part of the non-union benefit group and the City's health care strategy applies to the Mayor's salary as well. The Human Resources Technical Review Committee recommends a one percent salary adjustment.

A motion was made by Klomp, seconded by Tisdell, 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: RES0122-2012

Whereas, pursuant to Article IV, Section 3 of the *City Council Policy for Salaries of Department Directors and Mayor, and Per Diem Fees for City Boards and Commissions*, the HR Technical Review Committee has met to discuss recommendations concerning the Mayor's salary for 2013.

Whereas, healthcare changes that significantly reduced costs to the City were negotiated for the two AFSCME locals through 2013 and extended to non-union employees, including department directors and the Mayor,

Whereas, a base salary increase for 2013 consistent with that negotiated with the largest AFSCME unit will support the desired internal pay between union and non-union employees,

Resolved, the amount of 1% shall be added to Mayor's salary for 2013, bringing the Mayor's total base salary to \$105,148.00.

2012-0232 Salary Recommendation for Boards and Commissions - 2013

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

Pamela Gordon, Director of Human Resources, stated that the Human Resources Technical Review Committee's recommendation is to maintain current

compensation for Boards and Commissions for 2013 with no change.

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: RES0123-2012

Whereas, pursuant to Article VI, Section 3 of the *City Council Policy for Salaries of Department Directors and Mayor, and Per Diem Fees for City Boards and Commissions*, the Human Resources Technical Review Committee met to discuss recommendations concerning the per diem compensation for members of boards and commissions in Fiscal Year 2013.

Resolved that the Rochester Hills City Council hereby concurs with the recommendation of the Human Resources Technical Review Committee and that the per diem compensation for boards and commissions remain unchanged at seventy-five dollars (\$75) for chairpersons and sixty-five dollars (\$65) for members per meeting attended for Fiscal Year 2013 for the following boards and commissions.

Building Authority
Construction/Fire Prevention Code Board of Appeals
Economic Development Corporation
Historic Districts Commission
Planning Commission
Zoning Board of Appeals/Sign Board of Appeals

2012-0233 Salary Recommendation for City Council - 2013

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

Pamela Gordon, Director of Human Resources, stated that the Human Resources Technical Review Committee's recommendation is to maintain current compensation for City Council for 2013 with no change.

A motion was made by Webber, seconded by Klomp, 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: RES0124-2012

Whereas, pursuant to Article III, Section 5 of the *City Council Policy for Salaries of Department Directors and Mayor, and Per Diem Fees for City Boards and Commissions*, the Human Resources Technical Review Committee met to discuss recommendations concerning the compensation for members of City Council in fiscal year 2013.

Resolved that the Rochester Hills City Council hereby concurs with the recommendation of the Human Resources Technical Review Committee and that Council compensation in 2013 shall remain at the current rate of \$7,850.48 for Council President, \$6,577.43 for Council Members, and meeting pay of \$60 after 32 meetings.

2012-0155 City Council Consideration of Resolution proposed by the Police and Road Funding Technical Review Committee

Attachments: [Agenda Summary.pdf](#)
[PRFTRC Resolution.pdf](#)
[052112 Agenda Summary.pdf](#)
[Ballot Proposal - As Adopted.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](#)
[Resolution.pdf](#)

President Hooper noted that Council voted to place a proposal on the ballot to fund Police Services at its May 7th meeting. He stated that subsequently, the Police and Road Funding Technical Review Committee (PRTRC) met and has begun to develop informational brochures regarding the August proposal to be distributed throughout the community. The PRTRC discussed funding for brochure development and has proposed that up to \$25,000 be approved to fund that education process.

Mr. Webber commented that an education process is required to explain the proposal to the voters. He pointed out that the process cannot influence a yes or no vote; only provide education and explain the proposal to the voters. He mentioned that materials will be sent to City Attorney John Staran for review to ensure that the language is legally correct.

Mr. Yalamanchi requested that the final ballot language be transmitted to Council.

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: RES0125-2012

Resolved, that the Rochester Hills City Council hereby approves funding for an Educational Campaign in the amount not-to-exceed \$25,000.00 to educate voters on the details of the police funding ballot proposal that will appear on the August 7, 2012 Primary Election ballot.

2012-0170 Council Discussion relative to the proposed Older Persons' Commission (OPC) Interlocal Agreement

Attachments: [Agenda Summary.pdf](#)
[050712 Agenda Summary.pdf](#)
[050712 Presentation.pdf](#)
[050712 Amended and Restated Interlocal Agreement.pdf](#)

Mr. Webber noted that the Older Persons Commission (OPC) Board is requesting feedback on the proposed changes to the Interlocal Agreement. He commented

that City Attorney John Staran has reviewed the proposed changes and has clarified some of the language.

Public Comment:

Judy Watson, 3190 Fallen Oaks Court, stated that as a member of the OPC and a concerned citizen, she is angry and outraged that the Rochester City Council has requested an audit of the OPC's Travel Program and its need for travel escorts. She commented that it is an ongoing attempt to find wrongdoing by Executive Director Marye Miller and constitutes a personal vendetta against her. She questioned why Rochester's City Council finds a need to micromanage the OPC when it is not within their purview to do so.

Dick Manasseri, 150 Foxboro Drive, commented that he is glad that the Rochester Hills City Council is acting responsibly in taking a second look at the proposal. He noted that at the OPC Board's meeting on June 7th, the two individuals representing Rochester abstained on paying the OPC's bills. He pointed out that the OPC Board has an approved budget because the current Interlocal Agreement requires that the City of Rochester take action before October 1, which it did not do last year. He stated that while repeated remarks are made that there is no wish to close the OPC, Rochester's actions are moving forward to potentially shut the OPC down.

Council Discussion:

Mr. Rosen stated that he has come to the conclusion that the original Interlocal Agreement was drafted to balance three different communities and was carefully put together so that no one community can dominate the OPC Board without the agreement of another community. He commented that should one community pull out of the entity, the entire entity would fold. He stated that this "nuclear option" was intentional, to make the hurdle of the three communities not working together well so high that no one wants to invoke this option. He commented that one community obviously has, and he believes that they do not know the significance of their actions. He stated that he does not concur with the proposed changes to the Interlocal Agreement, as they would make it very easy for one community to leave the OPC. He mentioned that while there are some procedural changes that should be considered to prevent a budget confrontation, the proposed changes take the elected officials out of the equation. He stated that the penalty for the three communities not cooperating must remain very high so that the impetus force behind getting the communities to work together is strong. He commented that he does not concur with changing voting requirements to a majority of members present, as this could allow action on a day when two representatives from a community are not present. He noted that the current budget language should stay. He mentioned the proposed language to terminate participation in the OPC would work for a smaller participant; however, if Rochester Hills wished to terminate its participation, the other two communities could not buy out its participation. He commented that this option would lead to unintended consequences. He stated that the Interlocal Agreement should not be changed in any significant manner that would change its structure.

Mr. Webber stated that the OPC has evolved from an organization with an \$80,000 budget to one with a budget over \$4.5 million. He noted that the proposed changes would give the OPC Board a little more autonomy than when it was originally crafted. He commented that he favored the termination language proposed; and

pointed out that this option could only be invoked by a community 180 days before a millage would expire. He mentioned that he tends to agree with the idea of requiring five votes as this would mean that at least one other community would have to agree in order for a vote to be successful. He commented that this would protect the communities.

Mr. Klomp concurred that the OPC is an evolving organization and commented that the Interlocal Agreement is similar to that which governs the Rochester Avon Recreation Authority (RARA). He mentioned the proposed change to the paragraph regarding community approval of expenditures of \$3,000; and stated that while this is a very low number, he would question why the entire paragraph is being struck.

Mr. Yalamanchi stated that when the OPC was formed, its initial budget was \$56,000. He commented that the OPC is more of an enterprise now. He noted that the OPC is going through reviewing and replacing its computer infrastructure and is expected to spend in excess of \$250,000. He commented that an individual has come forward to donate the money to complete the upgrade. He stated that in order for the OPC to continue to grow, it should have the authority and responsibility to receive and expend money as approved by the governing board. He pointed out that nothing would be done without the governing board's approval and the three communities should not put a cap to a dollar amount. He commented that should the OPC Board be required to come in front of the communities any time an expenditure is undertaken, donors would be discouraged.

Mr. Klomp questioned whether items included in an approved budget must go before the communities for approval.

Mr. Staran responded that the approved budget constitutes an approval of an expenditure.

Mr. Klomp stated that while it is not the case today that the OPC has a large fund balance where they might make a large acquisition, it could be in the future. He commented that from his experience on the RARA Board, he finds it appropriate to include the cities in that process. He questioned why a community's withdrawal is recommended to be 180 days instead of 90 days.

Mr. Yalamanchi noted that a resident suggested that the timeframe be one year. He stated that the OPC Board felt that three months was a very short time.

Mr. Klomp questioned changes recommended in Article 3, changing wording from "Chairperson" and "Vice Chairperson" to "Chairman" and "Vice Chairman".

Mr. Yalamanchi responded that this change is recommended by OPC's attorney to keep the language consistent throughout the document.

Mr. Staran concurred, noting that while that language could be considered politically incorrect, the document uses "Chairman" throughout except in this one instance. He stated that he forwarded his comments to Mr. Yalamanchi and Mr. Webber and commented that by deleting the entire paragraph referring to the \$3,000 expenditure cap, the power of the OPC Board to contract is eliminated. He stated that he would suggest that the entire second line and part of the third line be left in, deleting everything except the words "contract with any other governmental units, public agencies or organizations as appropriate to carry out Commission

functions or fulfill Commission obligations". He commented that care must be taken as there are no implied powers; they must be expressly stated in the agreement language.

Mr. Tisdell pointed out that Page 3 includes the wording "The Older Persons' Commission was created and is established as a separate public corporation pursuant to the statutory authority cited herein." He stated that for Mr. Yalamanchi and Mr. Webber to try to add specificity to that statutory authority is commendable and is necessary.

Mr. Yalamanchi stated that he would suggest that Council's recommendations be given to the OPC Board directly, along with comments from each participating community.

Mr. Webber mentioned that Oakland Township will be reviewing the proposed changes at their next meeting and stated that it is hoped that a consensus can be reached and proposed revisions brought back to Council later this year.

Discussed.

COUNCIL COMMITTEE REPORTS

None.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Regular Meeting - Monday, July 16, 2012 - 7:00 p.m.

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 9:36 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.