



Rochester Hills

Minutes - Draft

City Council Regular Meeting

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

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

Vision Statement: The Community of Choice for Families and Business

*Mission Statement: "Our mission is to sustain the City of Rochester Hills as the premier
community of choice to live, work and raise a family by enhancing our vibrant residential
character complemented by an attractive business community."*

Monday, February 28, 2011

7:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

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

ROLL CALL

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

Others Present:

*Ed Anzek, Director of Planning/Economic Development
Bryan Barnett, Mayor
Tara Beatty, Chief Assistant
Scott Cope, Director of Building/Ordinance Compliance
Paul Davis, Acting Director of DPS/Engineering
Gerry Lee, Forestry Operations Manager
Jane Leslie, City Clerk
Keith Sawdon, Director of Finance
Scott Schlagel, Rochester Hills Government Youth Council Representative
John Staran, City Attorney
Bob White, Supervisor of Ordinance Services*

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

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

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

PUBLIC COMMENT

Lee Zendel, 1575 Dutton, commented that an Environmental Protection Agency publication issued instructions on how to dispose of Compact Fluorescent Light (CFL) bulbs listing specific steps to be taken in handling the toxic chemicals released when a CFL bulb breaks. He commented that individuals should contact their Congressional representatives to request their support to repeal the 2007 Federal Act that mandates the switch to these bulbs.

Jim Donnelly, 3260 Tamarron, stated that in the time period following the relocation of Dispatch Services to Oakland County response times grew from three to five minutes, to over six minutes. He noted that the Shift Captain now remains at the Fire Station to reroute vehicles if necessary. He reported mishandled calls and stated that Dispatch should be brought back to the City.

Dee Hilbert, 3234 Quail Ridge Circle, commented that the vote taken on the proposed retirement package at the December Older Persons' Commission (OPC) meeting was flawed as a majority vote of all commissioners is required for approval. She stated that the proposal is excessive and will impact services. She mentioned that interested individuals should attend the upcoming OPC meeting on Thursday.

Lorraine McGoldrick, 709 Essex, expressed concern that appointments to the City's Boards and Commissions are not undertaken in a transparent and open manner. She commented that her concerns of transparency carry over to the OPC Board and mentioned that the OPC's Code of Ethics states that decisions cannot be made to favor one person or one group. She stated that the OPC votes should require the support of five commissioners for passage.

Alice Benbow, 1582 Northumberland, mentioned a letter written by Ms. McGoldrick to The Rochester Citizen website and stated that individuals should attend the upcoming OPC Board Meeting. She commented that the Court system does not favor women during the process of divorce and penalizes them by withholding custody of their children and leaving them financially destitute.

Harper West, 155 Arizona Avenue, listed reported coyote attacks across the country and noted that the City's coyote population is growing. She mentioned that a woman and her dog were recently trailed by two coyotes while walking in Spring Hill Park. She requested that the City undertake an educational campaign to encourage residents to keep trash inside, watch their pets while outdoors, not leave food out for coyotes to feed on, and collect any dead deer as quickly as possible.

Melinda Hill, 1481 Mill Race, noted that it was announced at the biennial meeting recently held between the City and the Road Commission for Oakland County (RCOC) that the Environmental Assessment for the Tienken Road Widening Project was approved by the Federal agencies involved and the project would move forward. She expressed concerns about the allocation in the upcoming First Quarter Budget Amendment for the project's right-of-way acquisition and stated that the project plans should be presented to Council before proceeding.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

Scott Schlagel, Rochester Hills Government Youth Council (RHGYC) Representative, reported that the RHGYC has been busy fund raising and planning a 5K Run/Walk for June 18, 2011 to benefit the Rochester Area Neighborhood House. Efforts have included a returnable bottle-and-can drive that raised approximately \$200 and the sale of coupon books for Parisian's Community Day. He mentioned that a fund raiser will be held later in March at Buffalo Wild Wings. He noted that work continues on the RHGYC's promotional video.

Mayor Barnett responded to public comment noting that City Attorney John Staran has opined on the December Older Persons Commission vote. He encouraged interested residents to view an informational video that is available on the City's website regarding living with coyotes in the community. He mentioned that current scheduling for the Tienken Road Widening Project has now moved the project to some time in 2013. He announced the following:

- A Public Hearing on the proposed Five-Year Parks and Recreation Plan for the City will be held at tomorrow's Planning Commission Meeting at 7:00 p.m. The proposed Plan will most likely be presented for Council's review in March.
- An Informational Meeting is set for Wednesday, March 3rd, at City Hall from 2:00 p.m. to 4:00 p.m. and 6:00 p.m. to 8:00 p.m. to review the Crooks Road/M-59 Interchange Project. Representatives of the Michigan Department of Transportation (MDOT) will be available to answer questions on the project's schedule.
- The 2011 Community Outlook Luncheon was held at Oakland University on February 22nd. The City was proud to report an excellent year in seeking economic growth, with the following successes:
 - * Twenty-seven high-tech companies moved into Rochester Hills last year.
 - * \$60 million in added investment helped to offset revenue reductions due to losses in assessment values.
 - * The unemployment rate in the City of Rochester Hills is the second lowest in Michigan, at just 5.6 percent.
 - * Over 1,300 high-tech jobs were created in the City last year.
 - * A Job Fair held at Oakland University included 76 companies hiring for 2,200 positions in the area. The job fair was attended by over 2,500 applicants.

Mayor Barnett noted that a priority of his administration has been to focus on job creation, and he noted that the results to date are impressive.

Mr. Yalamanchi questioned whether the City has reviewed plans for the Tienken Road Widening Project. He requested that the Road Commission for Oakland County (RCOC) be asked to present plans to Council.

Mayor Barnett requested Paul Davis provide an update on the Project.

Paul Davis, Acting Director of DPS/Engineering, responded that design plans for the Tienken Road Widening Project have not been completed and noted that when they are, the RCOC will be asked to present them to Council. He commented that the Environmental Assessment included a conceptual design which identified proposed right-of-way acquisitions of approximately \$4 million. He mentioned that the City will have a ten percent share of the right-of-way acquisition costs. He explained that the First Quarter Budget Amendment contains \$200,000 carried over from 2010 to be added to \$200,000 already allocated in the 2011 Budget for right-of-way acquisition for the project.

Mr. Webber reported that the Older Persons' Commission (OPC) Governing Board will next meet on Thursday, March 3rd at 7:30 a.m. He stated that Rochester's City Attorney presented his opinion at the OPC Board's February meeting that five votes are necessary for a majority. He stated that City Attorney Staran's opinion also concurs that five votes constitute a majority. The matter will be discussed further at the upcoming meeting. He commented that the discussion will come back to Council after the OPC Board has had the opportunity to review their vote.

Mr. Rosen expressed his appreciation to the DPS staff for their efforts to clear roads following the snowstorm on President's Day.

Mr. Klomp responded to public comments regarding citizen appointments to Boards, Commissions and Committees, noting that Candidate Questionnaires for all interested individuals are available on the City's website in the meeting packet. He stated that anyone with questions or comments on appointments are welcome to contact him. He mentioned that coyotes are a concern for the community and stated that it is everyone's responsibility to keep trash and food secure. He noted that City Staff can also provide professional advice to residents.

Mr. Brennan expressed his appreciation for the individuals providing public comments tonight.

Mr. Pixley introduced Stephanie Fodell, a Government Student in attendance to observe Council.

President Hooper stated that all of Council's appointments to Boards, Commissions and Committees are transparent and anyone who wants to be considered for an opening can submit a Candidate Questionnaire to the Clerk's Office. He explained that Council makes nominations from the list of interested individuals and appoints them by majority vote. He commented that the Administration should strive to make the public aware of the City's educational efforts on living with coyotes.

ATTORNEY MATTERS

City Attorney John Staran had nothing to report.

PRESENTATIONS

2011-0091 Status update on the Avon and Livernois Road Bridges, Road Commission for Oakland County, presenter

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

Mayor Barnett stated that in the time since the most recent inspections identified additional deterioration of both the Avon Road and Livernois Road bridges, the Administration has been working at a fevered pace contacting local, State and Federal officials to secure funding for this emergency. He commented that the failure happened at one of the most critical intersections in the City.

Eric Wilson, Chairperson, Road Commission for Oakland County (RCOC), stated that the RCOC understands that these bridges are vital to the City and have been talking to State Representatives and Senators to try to secure funding.

Tom Blust, Director of Engineering, RCOC, commented that the RCOC is well aware of the inconveniences that lane closures create; however, the RCOC must watch out for public safety. He displayed charts and photographs which highlight how the bridges have deteriorated, describing how water has intruded and degraded the prestressed concrete box beams, breaking the metal strands. He stated that the bridges have received a rating of 17 out of 100 points and 21 out of 100 points, noting that the deterioration is now critical. He explained that this type of deterioration is also the reason that the Silverbell Bridge in Orion Township was recently closed to traffic.

Mr. Wilson stated that safety is the main concern of the RCOC. He pointed out that the bridges are now inspected every three months and there is no hesitation to close the bridges if safety becomes a concern.

Mr. Blust highlighted the deterioration of the Livernois Road Bridge and mentioned that a proposed limitation to only 13 tons of gross vehicle weight would prohibit fire trucks and school buses from using the bridge. In reviewing the deterioration, it was determined that traffic could be shifted to the east side of the bridge raising the allowable gross vehicle weight to 21 tons.

He explained that bridge projects are submitted and rated against other bridges in the region in the hopes of securing funding from the Local Bridge Program. He stated that the Avon Road Bridge is funded for reconstruction in 2013, with design budgeted for 2012. The Livernois Road Bridge will be submitted again for funding in May; and, if approved, slated for 2014 reconstruction. He commented that while there are no guarantees that the Livernois Road Bridge will receive funding, it is in poor condition and has a good chance. He stated that the RCOC is striving to move construction up on these bridges; one way is to move the design of both bridges up to this year, and request that the City split the cost of preliminary engineering and design while continuing to search for funding.

Mr. Wilson pointed out that whenever you have a river that has natural game fish, such as trout in the Clinton River, the Department of Natural Resources can mandate that construction be delayed for several months as activities cannot occur during spawning season. Completing design this year would be a plus.

Mr. Blust added that having the design ready to go would allow flexibility in the event that an earmark comes forward. He noted that while the RCOC is asking for help with design costs, the RCOC will be paying all construction matching costs, construction engineering, right-of-way acquisition and force account work. He commented additional right-of-way is not expected to be necessary.

Paul Davis, Acting Director of DPS/Engineering, stated that these bridges are foremost on the Mayor's agenda and he has been persistent in following the project's progress.

Council Discussion:

Mr. Klomp commented that Council has been updated daily by the Administration regarding these bridges and questioned how conservative the weight limitations are. He pointed out that traffic often sits at a standstill on the bridges and questioned whether there is a possibility of collapse.

Mr. Blust responded that the weight limits may seem conservative. He mentioned that when the concrete beams are loaded, the loads are carried and transferred through the members and an infinitesimal deflection of the beams occurs when a car travels over them. A truck creates a larger deflection of the beam. He explained that one truck traveling over the bridge is equal to approximately 10,000 cycles of an automobile. While the bridges could handle more weight, allowing additional weight could lead to faster deterioration. The bridges are not in imminent danger of caving in, but the degradation is occurring very fast.

Mr. Wilson noted that the RCOC has contracted with an engineering company certified to inspect the bridges.

Mr. Klomp questioned why the bridges appear to deteriorate from the outside lanes in.

Mr. Blust responded that the bridge is constructed with rectangular concrete box beams with joints in between. He noted that the road is crowned to direct water to the sides and asphalt cracking on the roadway surface allows more leaching of water at those points. He commented that the beams work together and all deflect slightly, and noted that the center beams have more collective strength than those on either end.

Mr. Wilson noted that plow trucks push snow and road chemicals to the sides, which adds to the deterioration.

Mr. Klomp questioned whether the RCOC has any idea as to what to expect. He noted that emergency responders must travel that route toward Crittenton's Trauma Center.

Mr. Wilson commented that communities all over the state are seeking infrastructure funding for bridges and roads.

Mr. Klomp questioned whether the City could front the money for construction and be repaid.

Mr. Blust responded that advance constructing is one possible scenario that could be approved by the Michigan Department of Transportation (MDOT) for the Avon Road Bridge; however, as the Livernois Road Bridge has not yet been approved for funding, that is not an option for that bridge.

Mr. Davis noted that the design process must be completed before advance construction could be explored. He stated that work must be done on soil borings, topography surveys and coordination with utilities. He pointed out that the permitting and plan review process would most likely take more than this year to complete, and there is not currently enough information available to undertake a design/build project. He commented that the Avon Road Bridge was built in 1963 and widened in 1972, and was supposed to last for fifty years, but it did not.

Mr. Blust commented that it would be catastrophic to Crittenton Hospital, the Fire Department and City Hall to have to close one or both of those roadways.

Mr. Webber distributed a resolution that the Advisory Traffic and Safety Board passed at its February 8, 2011 meeting supporting an expeditious conclusion to get the Avon Road Bridge to a design and build in 2011, and questioned why a design/build process is not feasible.

Mr. Wilson responded that while design/build is possible, there is a question of additional cost incurred when a construction project is pushed. He commented that the Local Bridge Funding might not agree to provide additional funds to push construction.

Mr. Blust noted that MDOT and the Federal agencies do not allow local agencies to undertake design/build projects. He mentioned that the design/build process for the Crooks Road Interchange is not actually saving much time.

Mr. Davis commented that while design/build can save time, it takes a certain amount of effort. He noted that with all the constraints on this project, including the river, fish, and likely additional paving work associated with the bridges being so close to the intersection, it is not desirable to have the project carry over into next spring. He stated that while the City will continue to look into the possibility of design/build, it must have a realistic schedule that will be acceptable.

Mr. Webber questioned whether these bridges were considered in prior years on a more proactive basis.

Mr. Wilson noted that most bridges were constructed in the same manner in

the 1970s. Once it became apparent how deterioration was occurring, the RCOC has taken an active role in inspecting bridges to determine whether they are all failing in the same manner.

Mr. Blust noted that the State and MDOT is still using box beam construction for bridges; however, the beams are being sealed better. He pointed out that deterioration is not evident until the concrete starts to spall.

Mayor Barnett noted that the RCOC submits the top five bridges for funding. He noted that the Avon Road Bridge only received funding last November.

Mr. Blust commented that the RCOC is lucky if even one bridge is funded each year.

Mr. Webber stated that hopefully the Livernois Road Bridge will receive funding. He commented that he would support a plan to assist with design in order to be ready if funding becomes available.

Mr. Yalamanchi questioned how quickly the Avon Road Bridge could be reconstructed and what plan exists for the roadways in the event of full closure.

Mr. Blust responded that if design commences, any money left over in the program may allow construction to move up to 2012. He mentioned that in the event of full closure, detours and truck routes would be posted. A massive public education campaign would be undertaken.

Mr. Rosen questioned whether the weight and lane restrictions serve to reduce the weight on the good beams to extend the stress cycle. He inquired whether emergency vehicles can still use the two center lanes.

Mr. Blust confirmed that the restrictions attempt to extend the stress cycle. He explained that Fire Chief Ron Crowell is checking the gross vehicle weight of all of the City's fire engines and will try to avoid going across Livernois as much as possible to extend the bridge life. The trucks will travel the bridge only in a dire emergency.

Mr. Davis commented that the Rochester Community School Transportation Officials are cooperating as well by limiting all bus traffic over the Livernois Bridge.

Mr. Rosen questioned the ownership of the Bridges.

Mr. Wilson responded that the RCOC has jurisdiction over the bridges.

Mr. Rosen questioned how matching funding would be apportioned if this were not a critical project, whether the City could advance funds for repayment later, and how much engineering costs are for one bridge.

Mr. Blust responded that the RCOC typically handles the entire local match for bridge programs. The RCOC is requesting that the design costs be split to get the design in this year. He noted that design, construction engineering and

right-of-way costs are not a part of State and Federal funding. He explained that the estimated cost for the design of both bridges, including intersection reconstruction, is \$545,000; with \$290,000 allocated for the Avon Road Bridge, \$170,000 for the Livernois Road Bridge, and \$85,000 for intersection redesign. He pointed out that the first bridge is more expensive because the hydraulic modeling required for design can be used for the whole corridor including the second bridge.

Mr. Davis displayed photos of flooding from 2004 noting that a hydraulic analysis is critical to the design. He mentioned that based on the analysis, the new bridges may have to be raised higher.

Mr. Rosen questioned if the Avon Road Bridge Project were moved up to 2012 and funding became available for the Livernois Road Bridge, could that bridge then be advance-constructed as well.

Mr. Wilson stated that it could, as long as funding became available.

Mr. Rosen commented that the City should then spend the money for design.

Mayor Barnett distributed a draft Cost Participation Agreement and commented that there were various possible funding sources for advance construction. He mentioned that the City could use its own funds or possibly access the State Infrastructure Bank. He noted that Congressional Representative Gary Peters has attempted to secure monies attached to the Omnibus Bill currently in the House of Representatives, and commented that he has been working with the Lieutenant Governor to seek funds. He stated that he is pushing to talk to MDOT about shrinking the standard times for approvals without compromising safety.

President Hooper commented that he could not approve a cost participation agreement without time for review and public distribution. He questioned whether the normal procedure would be to contribute half of the design costs and be reimbursed by the RCOC.

Mr. Wilson responded that the RCOC's budget is committed for the year and no additional funding is available for reimbursement.

President Hooper questioned whether the possibility of a temporary bridge was explored.

Mr. Blust responded that a great deal of money would be spent purchasing or leasing a temporary bridge and noted that the temporary bridges he has seen raise the road grade dramatically and would affect the intersection.

President Hooper commented that if deterioration progresses to the point where the road must be closed, temporary bridges should be investigated.

Mr. Wilson cautioned that a temporary fix could cause funding to be pushed back further.

Mr. Rosen stated that he would like to get public feedback and encouraged residents to contact the Administration with their opinion.

President Hooper commented that the RCOC's funding model is not sustainable.

Mr. Wilson concurred, noting that this has been brought to the attention of the Governor and the State Representatives.

Presented.

(Mr. Rosen exited at 9:00 p.m. and re-entered at 9:06 p.m.)

2011-0098 Presentation on the Paint Creek Trail; Kristen Myers, Trail Manager, presenter

Attachments: [Agenda Summary.pdf](#)
[PCTC Community Presentation.pdf](#)

Kristen Myers, Trail Manager, Paint Creek Trailways Commission, introduced Commission Chair **Rock Blanchard** and Rochester Hills Alternate Representative to the Trailways Commission **Paul Miller**. She noted that Mr. Yalamanchi is City Council Representative to the Commission and Mr. Klomp is the Council Alternate.

Mr. Blanchard stated that the Trailways Commission understands the tough economic times and appreciates the support that Council has given over the years.

Ms. Myers noted that the Paint Creek Trail was Michigan's first Rail to Trail conversion in 1983. She gave the following presentation about the Trail:

FAST FACTS:

- The Paint Creek Trail is located in northeastern Oakland County and traverses through the communities of Rochester, Rochester Hills, Oakland Township, Orion Township and the Village of Lake Orion.
 - * 8.9 miles of developed Trail; formerly the Penn Central Railroad.
 - * Eight feet wide; crushed limestone surface on 98 percent of the trail.
 - * 10.5 miles acquired in 1983 for \$450,000: 50 percent Land Trust Funds; 50 percent Local Prorated Match.

MILEAGE INFORMATION:

- Rochester: 0.6 mile
- Rochester Hills: 1.4 miles
- Oakland Township: 5.3 miles
- Orion Township: 1.2 miles
- Lake Orion: 0.4 mile

ORGANIZATION/MANAGEMENT:

- Paint Creek Trailways Commission is an intergovernmental agency.

- Formed under the Urban Cooperation Act of 1967 in December of 1981.
- Two Commissioners, two Alternates from each of the four member communities; one non-voting Commissioner from Lake Orion.
- Annual Operating Budget: \$88,871
- Staff: Part-Time Manager; part time seasonal Bike Patroller.
- Maintenance: By each community.

BUDGET:

- 2011 Operational Budget: \$88,871
- Revenue: \$16,549 from each member community (\$66,196) (4% reduction).
- Approximately \$10,000 in utility and property rental license fees.
- Temporary Permit Fees, interest, event sponsorships, donations and merchandise sales.
- In-Kind Services from each community.

GRANT FUNDING/RECENT GRANT PROJECTS:

- 2008-2009: Paint Creek Trail Sign Project - Meijer Corporation - \$5,000
- 2006-2007: Rochester Historical Art Project - \$15,000 - Preede Foundation, Local Organization match
- 2007: Atwater Paving Project - \$10,000 - DALMAC Grant
- 2004-2005: Prairie Restoration Art and Video Project:
 - * Bordine Beautification Fund, Shellenbarger Fund
 - * National Endowment for the Arts - \$11,000
 - * Michigan Council for Arts and Cultural Affairs - \$15,000

DIRECTIONAL MAP:

- Funded by Meijer Corporation; design courtesy of HomeLogic Housewares in Troy as a corporate community service project.
- Located at nine Trailheads along the Trail.

GRANT FUNDING - STATE:

- Michigan Natural Resources Trust Fund Grant
 - * Paint Creek Trail Enhancement Project - 2002-2005.
 - Rochester Hills: ADA Picnic Area - \$5,000 - at Tienken Trailhead
 - Oakland Township: ADA Picnic Area and Drinking Fountain - \$10,000 (south of Gallagher Crossing)
 - Orion Township: Foley Pond Observation Deck - \$60,000
 - Orion Township: Vault Toilet at Clarkston/Kern - \$15,000

UNIFORM TRAILWAYS ORDINANCES:

- 20 Ordinances adopted by each community.
- Protects natural features.
 - * Bans removal; No fires, camping, littering
- Limits commercial activity.
- Horses/Dogs.
- No trespassing to adjacent lands.
- No motorized vehicles.

PAINT CREEK PATROL PROGRAM:

- \$12,600 Annual Budget.
 - * Funded by each member community based on mileage
 - Rochester- \$991; Rochester Hills - \$2,124; Oakland Township - \$7,647; Orion Township - \$1,838
- Part-Time Bike Patroller (David Moutrie).
- Oakland County Sheriff's Office Mounted Patrol (May through October).

TRAIL USER DEMOGRAPHICS (2004 MSU Study):

- May through September: \$67,000 users.
- 56 percent bicyclists.
- 44 percent walkers/runners.
- 90 percent Oakland County Residents or Workers.
- 53 percent male; 47 percent female.
- 51 percent lived within two miles of the Trail.
- 3 percent disabled.
- Improvements wanted: Connection to Polly Ann Trail and Bathrooms.

CHALLENGES:

- User conflicts - Trail courtesy.
- Parking.
- Ordinance Enforcement.
- Encroachments.
- Connectivity to Polly Ann Trail.
- Funding.
- Maintenance.
- Road Crossings.
- Bathroom facilities.
- Adequate shelter.

NATIONAL TRAILS DAY:

- Started by the American Hiking Society.
- First Saturday in June.
- Each year, new focus:
 - * Historical Bike Tours
 - * Hiking & Geocaching
 - * Native Plant Sale/Garlic Mustard Pull
 - * Family Friendly Events and Crafts
 - * Ribbon Cuttings/Recognition Ceremonies

LABOR DAY VIRTUAL BRIDGE WALK AND RUN:

- Governor's Council on Physical Fitness - Community Walks Program.
- Sixth Annual Walk.
- Fudge! Freebies! Fun!
- Local Health Organization Sponsorship.
- Grown from 35 to 235 participants.
- Two mile walk or 10K run.

ROCHESTER HILLS:

- \$84,110 of \$450,000 price.
- 1.4 miles - maintained by Rochester Hills Parks and Forestry.
- Three bridges.
- Number One most utilized section of the Trail.

FUTURE ROCHESTER HILLS PROJECT:

- Bridge 33.7 Overlook Replacement Project.
- Start date estimate: 2012-2013.
- Grant funding/Friends project.

Mr. Miller noted that the overlook was originally constructed by the Trout Fishers Federation and was not constructed using any City funds. He stated that the current construction is not structural in terms of providing safety for anyone using the overlook.

Ms. Myers continued:

ROCHESTER HILLS - PHASE THREE ART PROJECT:

- Millenium Legacy Trail Strategic Plan.
- Enhancement of trail interpreting local riverine flora/fauna near Tienken Road.
- Completely funded by grants and local partners.

CURRENT PROJECTS:

- Scouting Program - Hostelling International.
- Building Friends Group.
- Community outreach programs: Weekly walks; Cycling.
- Native Plant interpretative sites.
- Orion Township - Bald Mountain Connector.
- Phase Three Art Project - Rochester Hills.

Mr. Miller stressed the importance of education about native plants.

Ms. Myers continued:

FRIENDS OF THE PAINT CREEK TRAIL:

- Launched in July 2010 as a 501(c)(3).
- Mission: Promote the usage, maintenance, and improvements of the Paint Creek Trail.
- As a non-profit, access to grants and additional funding sources, lessening burden on our communities.
- First Event: Paint Creek Crawl Cycling Event, May 21, 2011.

FUTURE PROJECTS/RECREATION MASTER PLAN 2009-2013:

- Polly Ann Trail - Orion Township Connection.
- Atwater Site Development - Lake Orion.
- Development of property in Southeast Rochester.
- Phase Four Art Project - Orion Township.
- Recycle Bin Project - All communities.
- Overlook replacement in Rochester Hills.

- *Pedestrian Bridge over Paint Creek - Oakland Township.*

OAKLAND COUNTY TRAIL NETWORK:

- *Oakland County Trails Advisory Council.*
- *95 miles completed trails.*
- *13 miles in the planning stages.*
- *152 miles under consideration.*

TRAIL CONNECTIONS/CLINTON RIVER TRAIL:

- *Downtown Rochester River Walk.*
 - * *0.7 miles*
 - * *Urban connector - business district*
 - * *Funded in part by ISTE A grant*
 - * *Rochester Hills Public Library, Royal Park Hotel*

TRAIL CONNECTIONS/POLLY ANN TRAIL:

- *Most popular request from Trail users.*
- *Oakland County Trails Advisory Council.*
- *Four possible routes:*
 - * *Orion Township Residential Connection - 4.33 miles*
 - * *Oxford Township Commercial Connection - 3.65 miles*
 - * *Bald Mountain State Recreation Area Connection - 6.0 miles*
 - * *Oakland and Addison Townships Connection - 6.81 miles*

FUN FACTS:

- *Elevation: Low - 750 feet above sea level; High - 980 feet above sea level.*
- *Paint Creek is a Designated Trout Stream.*
- *109.37 Total Acres.*
- *Famous Trail Users: Paul McCartney, Willie Nelson, the Beach Boys.*

Mr. Miller mentioned that since the opening of the Royal Park Hotel, there have been many requests for both directions and the Trail Map. He noted the work of the subcommittees in selecting locations for and constructing the art project.

Ms. Myers continued:

HONORS, AWARDS AND RECOGNITION:

- *Michigan Society of Planning Officials: Honor Award.*
- *U.S. Department of Interior: Take Pride America Award.*
- *U.S. Department of Interior: Enjoy Outdoors America Award (one of six trails nationwide).*
- *White House: Millennium Legacy Trail Award.*
- *MRPA: Community Service Award.*
- *U.S. Department of Interior: National Recreation Trail Designation.*
- *National Press Coverage.*
 - * *Wall Street Journal - 2005*
 - * *Better Homes & Gardens - 2006.*

Ms. Myers invited interested individuals to visit the Commission's website at www.paintcreektrail.org.

Council Discussion:

Mr. Klomp expressed his appreciation for the contribution of the Commission members and stated that it is a pleasure to be a part of the Commission. He noted that the Commission's focus is on preservation, historical value and keeping the Trail a fun place for communities.

Mr. Miller stated that Rochester Hills is a desirable place to live and the Paint Creek Trail is an inherent part of that attraction. He mentioned that one of the proposed routes for a "shore to shore" trail network is through the Rochester/Rochester Hills area and includes the Clinton River Trail. He stated that promotion of the Trail can bring an incredible amount of ecotourism to the City.

Mr. Yalamanchi stated that it has been a pleasure to serve on the Paint Creek Trailways Commission and commented that it is a great example on how communities can come together and collaborate. He stated that the amount of work Ms. Myers accomplishes as a part-time manager is impressive.

Mr. Brennan expressed appreciation for Mr. Miller's comments regarding what attracts businesses to the community, noting that these businesses look for the intrinsic qualities that make Rochester Hills a great place to live. The Trail and the City's parks are part of the quality of life aspects of the community.

Ms. Myers mentioned that data shows that properties located near trails have values approximately 15 to 20 percent higher than those that are not near these amenities.

Mayor Barnett thanked Ms. Myers for her work.

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.

2011-0065 Approval of Minutes - City Council Regular Meeting - January 24, 2011

Attachments: [CC Min 012411.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0026-2011

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on January 24, 2011 be approved as presented.

2011-0066 Approval of Minutes - City Council Special Meeting - January 31, 2011

Attachments: [CC Spec Mtg Min 013111.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0027-2011

Resolved, that the Minutes of a Rochester Hills City Council Special Meeting held on January 31, 2011 be approved as presented.

2011-0067 Approval of Minutes - City Council Regular Meeting - February 7, 2011

Attachments: [CC Min 020711.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0028-2011

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on February 7, 2011 be approved as presented.

2011-0075 Request for Acceptance of a Watermain Easement from George A. Fetsco and Cynthia L. Fetsco, husband and wife, for the Rochester Hills Chrysler Jeep Watermain Relocation

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0029-2011

Resolved, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a watermain easement granted by George A. Fetsco and Cynthia L. Fetsco, husband and wife, 5566 Orchard Ridge Drive, Rochester, Michigan 48306, for the construction, operation, maintenance, repair and/or replacement of a watermain, over, on, under, through and across land more particularly described as Parcel No. #15-23-151-037.

Further Resolved, that the City Clerk is directed to record the easement with the Oakland County Register of Deeds.

2011-0064 Request for Purchase Authorization - DPS/FLEET/FORESTRY: Purchase of one (1) new Vermeer BC1500 towable wood chipper in the amount of \$31,260.00; Vermeer of Michigan, Jackson, MI

Attachments: [Agenda Summary.pdf](#)
[Cost Proposal.pdf](#)
[Vendor Questionnaire.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0030-2011

Resolved, that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order for one (1) new Vermeer BC1500 towable wood chipper to Vermeer of Michigan, Jackson, Michigan in the amount of \$31,260.00.

2011-0092 Request for Purchase Authorization - DPS/ENG: Payment for Right-of-Way Acquisition on Crooks Road, South Blvd to Auburn Road (MR-01B) in the amount of \$75,576.48; Road Commission for Oakland County, Beverly Hills, MI

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0031-2011

Resolved, that the Rochester Hills City Council hereby authorizes the payment to the Road Commission for Oakland County, Beverly Hills, Michigan for Right-of-Way Acquisition on Crooks Road, South Blvd to Auburn Road (MR-01B) in the amount of \$75,576.48.

Passed the Consent Agenda

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

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

The following Items were discussed and adopted by separate motion.

(Mr. Klomp exited at 9:26 p.m.)

Present 6 - J. Martin Brennan, Greg Hooper, Vern Pixley, James Rosen, Michael Webber and Ravi Yalamanchi

Absent 1 - Nathan Klomp

2010-0447 Request to Consider Adoption of the restated resolution, to replace RES0266-2010, adopted at the November 22, 2010 Regular Meeting regarding the Request for Approval of an Exemption of Personal Property for Bright Automotive

Attachments: [Agenda Summary.pdf](#)
[121310 Agenda Summary.pdf](#)
[Development Agreement Draft.pdf](#)
[Suppl Development Agreement \(Revised\).pdf](#)
[112210 Agenda Summary.pdf](#)
[Application.pdf](#)
[5 Year Analysis.pdf](#)
[Public Hearing Notice.pdf](#)
[110810 Agenda Summary.pdf](#)
[110810 Resolution.pdf](#)
[112210 Resolution.pdf](#)
[121310 Resolution.pdf](#)
[Resolution.pdf](#)

Mr. Yalamanchi questioned how Bright Automotive's relocation to Rochester Hills was coming along.

Ed Anzek, Director of Planning and Economic Development, responded that he was told that Bright Automotive is in the process of being awarded a substantial grant; once the grant funding is secured, they will be moving forward.

Mayor Barnett noted that Bright Automotive was one of the companies accepting resumes at last week's Job Fair.

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

Aye 6 - Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Absent 1 - Klomp

Enactment No: RES0034-2011

Whereas, Bright Automotive has submitted an application under Public Act 328 of 1998, as amended, and is requesting a personal property exemption for new personal property to be located at 3851 Hamlin Road in Rochester Hills (the "Property"), also known as Parcel Number 70-15-30-103-002 and further described as:

T3N, R11E, SEC 30 PART OF NW 1/4 BEG AT PT DIST N 00-02-21 E 316 FT & N 00-10-40 W 687.43 FT & N 84-49-37 E 228.56 FT FROM W 1/4 COR, TH ALG CURVE CONCAVE ELY, RAD 849.12 FT, CHORD BEARS N 37-38-05 E 730.68 FT, DIST OF 755.34 FT, TH N 26-52-52 W 30 FT, TH ALG CURVE CONCAVE SELY, RAD 879.12 FT, CHORD BEARS N 76-31-46 E 408.24 FT, DIST OF 412 FT, TH N 89-58-13 E 285.85 FT, TH S 45-00-59 E 176.82 FT, TH S 00-01-47 E 45.51 FT, TH S 20-33-07 W 295.77 FT, TH S 61-42-54 W 295.77 FT, TH S 82-38-57 W 883.55 FT TO BEG EXC BEG AT PT DIST N 00-02-21 E 316 FT & N 00-10-40 W 687.43 FT & N 84-49-37 E 228.56 FT & N 82-38-57 E 883.55 FT & N 61-42-54 E 295.77 FT & N 20-33-07 E 295.77 FT & N 00-01-47 W 45.51 FT & N 44-01-47 W 126.97 FT FROM W 1/4 COR, TH ALG CURVE TO LEFT, RAD 1963 FT, CHORD BEARS S 84-33-37 W 182.29 FT, DIST OF 182.35 FT, TH S 81-55-56 W 67.73 FT, TH N 80-47-39 E 162.39 FT, TH ALG CURVE RIGHT, RAD 917.93 FT, CHORD BEARS N 83-19-29 E 80.52 FT, DIST OF 80.55 FT, TH S 44-01-47 E 11.87 FT TO BEG 13.06 A 7-27-09 FT 001; and

Whereas, the Property is located in the Rochester Hills Local Development Finance Authority District, an eligible district under PA 328 of 1998, as amended, and the district was established on March 2, 2005; and

Whereas, Bright Automotive is an eligible business and engaged in research and development of electric vehicles; and

Whereas, City Council held a Public Hearing to consider this request on November 22, 2010; and

Whereas, it was determined by the State Tax Commission that the Exemption would begin on December 30, 2010 because it was approved in 2010; and

Whereas, the application requested the Exemption to begin on December 30, 2011 for which the approval must be done in 2011.

Resolved, that the Rochester Hills City Council hereby authorizes an exemption of new personal property for Bright Automotive, to be located at the facility identified above, for a period of two years, to begin on December 30, 2011 and expire on December 30, 2013; and

Be It Further Resolved, that the City Council's prior Resolution RES0266-2010, adopted on November 22, 2010, is hereby rescinded, superseded and replaced by this Resolution.

Be It Finally Resolved, to authorize the City Clerk's Office to forward the application and this resolution to the State Tax Commission no later than March 31, 2011.

(Mr. Klomp re-entered at 9:27 p.m.)

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

2010-0495 Request to Consider Adoption of the Restated Resolution, to replace RES0299-2010 adopted at the December 13, 2010 Regular Meeting, regarding the request for approval of an Industrial Facilities Exemption Certificate for Otto Bock

Attachments: [Agenda Summary.pdf](#)
[121310 Agenda Summary.pdf](#)
[Development Agreement Draft.pdf](#)
[Suppl Development Agreement \(Revised\).pdf](#)
[Suppl Presentation.pdf](#)
[Exhibit A 2008 Tax Exemption Chart.pdf](#)
[Application.pdf](#)
[Application Question 6a.pdf](#)
[Application Section 6b.pdf](#)
[Otto Bock Brief History.pdf](#)
[5 Year Analysis.pdf](#)
[112210 Agenda Summary.pdf](#)
[112210 Resolution.pdf](#)
[121310 Resolution.pdf](#)
[Resolution.pdf](#)

Mr. Yalamanchi questioned why the restated resolution is required.

Ed Anzek, Director of Planning and Economic Development, explained that upon submission to the State Tax Commission of the single resolution that both approved the exemption for Otto Bock and rescinded the exemption for

ThyssenKrupp, the Commission requested that each action be separated into two distinct resolutions and resubmitted.

Mr. Yalamanchi questioned whether Otto Bock has been able to begin operations in Rochester Hills.

Mr. Anzek responded that the company indicates that they have been doing very well and are moving forward. He stated that Otto Bock's representative Thomas Matwiczuk mentioned that in conversation with one of Otto Bock's industrial neighbors, they found that the two firms might actually be able to do business together as the neighboring firm provides a product that Otto Bock needs.

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

Enactment No: RES0035-2011

Whereas, an Industrial Development District was established on September 6, 2006 at 2923 Technology Drive, also known as Parcel Number 15-30-477-012, and further described as:

THE SOUTH 133 FEET OF LOT 33 AND THE NORTH 142 FEET OF LOT 34, "ROCHESTER HILLS EXECUTIVE PARK" AS RECORDED IN LIBER 199, PAGES 26-30, OAKLAND COUNTY PUBLIC RECORDS. LYING IN THE SOUTHWEST 1/4 OF SECTION 29, AND THE SOUTHEAST 1/4 OF SECTION 30, TOWN 3 NORTH, RANGE 11 EAST, CITY OF ROCHESTER HILLS, OAKLAND COUNTY, MICHIGAN. CONTAINING 132,000 SQUARE FEET, OR 3.03 ACRES; and

Whereas, IFT #2006-428 was transferred to ThyssenKrupp Materials NA, Inc. on September 15, 2008 for real property only located at the same facility; and

Whereas, ThyssenKrupp Materials NA, Inc. has vacated the building as of November 1, 2010; and

Whereas, Otto Bock Polyurethane Technologies, Inc. is proposing to lease the building at 2923 Technology Dr., and has applied for a State of Michigan MEGA tax credit which requires a local match, and the match is a proposed tax abatement of real and personal property; and

Whereas, the MEGA Board is proposed to act on the MEGA request on December 14, 2010; and

Whereas, Otto Bock Polyurethane Technologies Inc. filed an application for an Industrial Facilities Exemption Certificate for real and personal property on November 4, 2010; and

Whereas, in its application, Otto Bock Polyurethane Technologies, Inc. has indicated that it plans to significantly alter and reconstruct the portion of real property that is subject to Industrial Facilities Exemption Certificate #2006-428; and

Whereas, a Public Hearing regarding this request was held at City Council's Regular Meeting of December 13, 2010 in which the taxing authorities, applicant and public were given an opportunity to be heard; and

Whereas, the Rochester Hills City Council has reviewed the application and made the following findings:

- a. The granting of the Industrial Facilities Exemption Certificate, considered together with the aggregate amount of Industrial Facilities Exemption Certificates previously granted and currently in force, does not have the effect of substantially impeding the operation of the City of Rochester Hills or impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Rochester Hills in which the facility is located.
- b. Completion of the facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to create employment.
- c. Completion of the facility does not constitute merely the addition of machinery and equipment for the purpose of increasing productive capacity, but rather is primarily for the purpose and will primarily have the effect of providing a new facility on industrial property.
- d. The construction of the industrial facility meets the objectives of job creation within the established industrial corridor of the City of Rochester Hills; and

Whereas, RES0299-2010 was adopted approving the request for an IFT for Otto Bock and requesting that the State Tax Commission revoke IFT #2006-428 for ThyssenKrupp; and

Whereas, the State Tax Commission informed the City that the above actions above must be done in separate Resolutions.

Resolved, that pursuant to Section 9, (1) and (2) of Act 198 of Public Acts of 1974, as amended, the City Council of the City of Rochester Hills hereby approves the request of Otto Bock Polyurethane Technologies, Inc. for an Industrial Facilities Exemption Certificate for a period of five (5) years for real and personal property; and

Be It Further Resolved, that the City Council's prior Resolution RES0299-2010, adopted on December 13, 2010, is hereby rescinded, superseded and replaced by this Resolution

Be It Finally Resolved, that this Resolution is to be sent to the Department of Treasury and the State Tax Commission no later than March 31, 2011.

2011-0070 Request to Consider Adoption of the Restated Resolution, to replace RES0299-2010 adopted at the December 13, 2010 Regular Meeting, regarding the request to revoke IFT #2006-428 for ThyssenKrupp

Attachments: [Agenda Summary.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 - Brennan, Hooper, Klomp, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0036-2011

Whereas, Industrial Facilities Exemption Certificate (IFT) #2006-428 was approved by City Council on September 6, 2006 for 2923 Technology Drive for Energy Conversion Devices;

and

Whereas, IFT #2006-428 was transferred to ThyssenKrupp Materials NA, Inc. for 2923 Technology Drive by City Council on September 15, 2008 for a period of up to six (6) remaining years for real property; and

Whereas, ThyssenKrupp Materials NA, Inc. has vacated the building as of November 1, 2010; and

Whereas, at its December 13, 2010 meeting, the Rochester Hills City Council approved an Industrial Facilities Exemption Certificate for Otto Bock Polyurethane Technologies, Inc. for the property located at 2923 Technology Dr. and requested that the State Tax Commission revoke IFT #2006-428 for ThyssenKrupp in one Resolution; and

Whereas, the State Tax Commission has requested that the two actions above be adopted in separate Resolutions.

Resolved, that the City Council requests that the State Tax Commission terminate Industrial Facility Exemption Certificate #2006-428 for the reasons stated above and requests that City Administration submit this request in writing along with a copy of this resolution to the State Tax Commission no later than March 31, 2011.

Be It Further Resolved, that the City Council's prior Resolution RES0299-2010, adopted on December 13, 2010, is hereby rescinded, superseded and replaced by this Resolution.

PUBLIC HEARINGS

2009-0092 Request to approve a Tax Abatement Transfer of IFT #2009-143 from Magna Electronics to Magna eCar USA, LP

Attachments: [Agenda Summary.pdf](#)
[Application Transfer.pdf](#)
[Public Hearing Notice.pdf](#)
[020711 Agenda Summary.pdf](#)
[Application.pdf](#)
[031610 Agenda Summary.pdf](#)
[Analysis.pdf](#)
[Development Agreement.pdf](#)
[Application.pdf](#)
[Suppl Presentation.pdf](#)
[030209 Agenda Summary.pdf](#)
[030209 Resolution.pdf](#)
[031610 Resolution.pdf](#)
[020711 Resolution.pdf](#)
[Resolution.pdf](#)

Ed Anzek, Director of Planning and Economic Development, stated that this request is to address the name change from Magna Electronics to Magna eCar USA, LP. He stated that the State Tax Commission indicated that a formal transfer is required.

Frank Ervin, Magna eCar representative, explained that in August of 2010, Magna International underwent a restructuring of part of its business, including the electric car component manufacturing contained within Magna Electronics.

The restructuring created a new company, Magna eCar USA, LP. He noted that while the restructuring resulted in 120 employees being moved out of the Rochester Hills facility, 160 have moved in. He commented that Rochester Hills will continue to be the corporate technical headquarters for Magna eCar USA, LP.

President Hooper Opened the Public Hearing at 9:31 p.m. Seeing no public input, President Hooper Closed the Public Hearing at 9:32 p.m.

Mr. Yalamanchi stated that the Administration should make sure it has the changes to the company's corporate papers on file.

Mr. Anzek indicated he would make sure the City has a copy of these papers.

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

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

Enactment No: RES0032-2011

Whereas, on March 16, 2009, the Rochester Hills City Council established an Industrial Development District identified as 1935-1955 Enterprise Dr., further identified as:

Lots 1, 2 and the west 96' of Lot 3 of "T.A.N. Industrial Park" a subdivision of part of the North 1/4 of the Southwest 1/4 of Section 28, Town 3 North, Range 11 East, City of Rochester Hills, Oakland County, Michigan, according to the Plat thereof as recorded in Liber 184 of Plats, Pages 16 through 18 of the Oakland County Records; and

Whereas, the Rochester Hills City Council approved an Industrial Facilities Exemption Certificate, IFT #2009-143 on March 16, 2009 for Magna Electronics for a period of eight (8) years, to be located at the Industrial Development District described above; and

Whereas, Public Act 198, 207.571, Sec. 21 (1) states that the holder of an IFT may transfer it to another entity with the approval of the local government unit and the commission after application by the new owner and notice and hearing in the same manner as provided in section 5 for the application for a certificate; and

Whereas, the City received an application from Magna eCar USA, LP, the new company name of Magna Electronics on January 20, 2011 requesting the transfer of IFT #2009-143; and

Whereas, the application further states that this request is the result of a name change only from Magna Electronics to Magna eCar USA, LP, the latter of which will assume all rights and obligations under existing agreements; and

Whereas, the Rochester Hills City Council held a Public Hearing regarding this request at its regular meeting of February 28, 2011 in which the applicant, taxing authorities and all interested parties were given the opportunity to be heard; and

Resolved, that pursuant to Section 21, (1) of Act 198 of Public Acts of 1974, as amended, the City Council of the City of Rochester Hills hereby approves the transfer of Industrial Facilities Exemption Certificate #2009-143 for the remaining period of 7 years for real and personal property; and

Be It Further Resolved, that the application shall be sent to the State Tax Commission no later than March 31, 2011.

2011-0087 FY 2011 1st Quarter Budget Amendments

Attachments: [Agenda Summary.pdf](#)
[2011 - 1st Qtr BA Overview.pdf](#)
[2011 - 1st Qtr Budget Amendment Detail.pdf](#)
[2011 - 1st Qtr Budget Adjustments & Reclassifications.pdf](#)
[Public Hearing Notice.pdf](#)
[Resolution.pdf](#)

Keith Sawdon, Finance Manager, highlighted several items contained in the First Quarter Budget Amendment including funds for Green Space Property Acquisition through the National Resources Grant, the Avon Creek Phase I project brought forward from 2010, and funds removed for the termination of the Engineering portion of the Water Reservoir Project. He noted that after Council terminated the Water Reservoir Project on January 31st, only \$30,000 was needed to complete the engineering costs.

President Hooper pointed out that Council has not yet had a resolution to purchase the Sheldon/Mead Green Space property.

Mr. Sawdon responded that including the amount in the Budget Amendment gives a mechanism for the expenditure side of the acquisition; however, Council approval is still required prior to purchase.

President Hooper mentioned that the amounts indicated for right-of-way acquisition for the Tienken Road Widening Project are included to bring the funds forward from 2010.

President Hooper Opened the Public Hearing at 9:36 p.m.

Public Comment:

Melinda Hill, 1481 Mill Race, commented that while she understands the carryover of funds for the right-of-way acquisition, she requested Council remove the carryover as the project is now postponed. She stated that she would hope that the City will review the plans to see what properties are being acquired and which homes will be taken, pointing out that the road is going to be designed for a 50 mile per hour speed limit. She also mentioned that she would like to see a review of final costs for some of the City's projects as they are finished off noting that these amounts directly relate to the City's Capital Improvement Plan.

President Hooper announced that citizen requests for projects for the Capital Improvement Plan must be submitted by March 11, 2011.

President Hooper Closed the Public Hearing at 9:39 p.m.

Council Discussion:

Mr. Yalamanchi requested information on the following:

- What the total reimbursement will be from the Road Commission for Oakland County (RCOC) from the completion of the Hamlin Road Project.
- When the engineering costs would be included for the Avon Road Bridge.
- What fund balances are for the General Fund, Water and Sewer Capital Fund and the Facilities Fund.

Mr. Sawdon responded with the following:

- He did not yet have the final reimbursement amount due from the RCOC for Hamlin Road.
- Once Council approves a cost participation agreement for engineering design for the Avon Road Bridge, the funds would be included in the following Budget Amendment.
- He can provide the following preliminary fund balances, as the Auditors only arrived today. He noted these figures are approximate.
 - * General Fund: \$19 million
 - * Water and Sewer Operating: \$7.5 million
 - * Water and Sewer Capital: \$13 million
 - * Water and Sewer Debt: No balance
 - * Facilities Fund: \$8.2 million
 - * Major Roads Fund: Just over \$16 million.

He cautioned that the some of the Fund Balances, particularly the Major Road Fund, contain monies that are committed to future projects.

Mr. Yalamanchi stated that he has expressed concern in the past that Local Road Reconstruction is not being done, noting that the 2011 Budget contains only \$800,000 for Local Roads Reconstruction. He introduced a motion to move \$1.2 million from the General Fund Fund Balance to Local Roads in this Budget Amendment for a total of \$2 million for reconstruction activities.

The motion died for lack of support.

Mr. Yalamanchi expressed disappointment that fund balances are being built up while there is no plan for Local Road Reconstruction.

Mr. Pixley questioned the Vactor Truck purchase included under the Fleet Fund. He suggested deferring the purchase of the Vactor Truck until there is further investigation into shared services between communities.

Mr. Sawdon pointed out that the Vactor Truck is utilized every day and most likely would not be available to share between communities. He noted that with the purchase, the City will go from three trucks to two. He mentioned that the Request for Proposal (RFP) for the Vactor Truck was recognized and will be used nationally. He commented that being able to show that the City has equipment to maintain its sewer lines and prevent backups will put the City into a better position with risk management. He noted that Council will have the opportunity to approve the purchase before it is made.

Mr. Pixley responded that he does not wish for his questions to be seen as a challenge to the Purchasing Department regarding the RFP; however, he does want to make sure that the Administration explores any joint or interlocal agreement to share the equipment.

Mayor Barnett responded that the Administration has investigated consolidating various vehicles between communities; however, this particular piece of equipment is out on the streets eight hours a day.

Mr. Yalamanchi questioned what the estimated decrease is in property assessments and requested that Kurt Dawson, the City Assessor, provide an update on assessments at the next regular Council meeting.

Mayor Barnett responded that while the Administration used a ten-percent dip in assessments in previous estimations, the actual assessment decreases are coming in at around eight percent.

Mr. Sawdon added that when the three-year Budget was brought forward, Fiscal Year 2011 included the exact assessment amounts. The 2012 Estimated Budget included a 10.5 percent estimated drop. The eight percent drop actually puts the City in a more favorable position. He suggested that an update in the assessment rolls could be provided along with the Five-Year Fiscal Forecast in May as the Assessor would be done with any adjustments by then.

President Hooper suggested that Mr. Dawson could provide an update by e-mail.

Mr. Yalamanchi stated that while he has no problems with the presentation of the Budget Amendments, he cannot support them until the City incorporates funds to address Local Roads.

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

Aye 6 - Brennan, Hooper, Klomp, Pixley, Rosen and Webber

Nay 1 - Yalamanchi

Enactment No: RES0033-2011

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 2011 1st Quarter Budget Amendments was noticed on February 3, 2011; and

Whereas, the proposed 2011 1st Quarter Budget Amendments were available for public viewing beginning on February 18, 2011; and

Whereas, at its February 28, 2011 meeting City Council held a Public Hearing on the proposed 1st Quarter Budget Amendments.

Now, Therefore, Be It Resolved that the Rochester Hills City Council hereby approves the following 2011 fund totals as amended:

101 - General Fund	\$	23,379,160
202 - Major Road Fund		6,943,980
244 - Water Resources Fund		1,062,180
299 - Green Space Millage Fund		1,471,670
403 - Pathway Construction Fund		627,250
420 - Capital Improvement Fund		193,970
592 - W&S Operating Fund		30,500,500
593 - W&S Capital Fund		5,711,860
595 - Water & Sewer Debt Service Fund		308,180
631 - Facilities Fund		4,949,880
636 - MIS Fund		2,061,380
661 - Fleet Equipment Fund		4,061,860
848 - LDFA Fund		674,400

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 INTRODUCTION

2010-0427 Acceptance for First Reading - An Ordinance to amend Articles I and II of Chapter 14, Animals, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to add and modify definitions, amend regulations concerning the control and care of animals and dogs, adopt regulations governing dangerous dogs, repeal conflicting Ordinances and prescribe a penalty for violations

Attachments: [Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[101810 Agenda Summary.pdf](#)
[Memo from Bldg Dept 100410.pdf](#)
[Suppl Presentation 101810.pdf](#)
[Resolution.pdf](#)

Scott Cope, Director of Building and Ordinance Compliance, stated that the proposed Ordinance Amendment was developed in response to Council's request.

Bob White, Supervisor of Ordinance Services, noted that while the current Ordinance prohibits behavior, this Amendment will help law enforcement and Ordinance Officers deal with these dangerous or vicious dogs at the time of the complaint and allow removal of the dog from the setting. He explained that Oakland County Animal Control is charged with enforcement actions resulting

from dog bites and dog attacks. Under the State Dog Law, the attacking dog is mandated to be euthanized. A Court hearing could be held for the owner to show why that should not be carried out. If the dog owner can prove that the dog should not be euthanized, the Magistrate can then use the Ordinance to impose stricter restrictions on owners of the dogs.

He noted the following changes to the Ordinance to meet Council's goals:

- The proposed Ordinance defines what constitutes a vicious or dangerous dog.
- The proposed Ordinance requires registration of dangerous dogs. If the Magistrate does not mandate euthanization, the owner of a dog deemed dangerous must apply for registration to the Clerk's Office within 30 days and pay a \$200 fee. The owner must provide proof of compliance with the Ordinance requirements, including current Rabies Vaccination, proof of neutering or spaying, a proper physical enclosure, posting of the property, permanent identification of the dog with a tattoo or electronic chip and proof of liability insurance with limits up to at least \$250,000. The dog and owner must also complete the American Kennel Club's K-9 Good Citizen program.

Mr. White noted that the above registration is not intended to address a typical dog-bite situation; however, it applies to dogs that have attacked and are deemed dangerous by the Court. He pointed out that owners would have to complete this registration process each year by March 1, noting that once a dog is deemed dangerous, it is always deemed dangerous. The dog must be confined indoors or in a properly-constructed enclosure. Off its property, the dog must be leashed and muzzled. Owners must also notify Oakland County Animal Control immediately if the dog gets loose, bites again, is sold or is given away. If the owner fails to obey the Ordinance or fails to register a dangerous dog, it is deemed a Misdemeanor with a \$500 fine and/or 90 days in jail.

President Hooper questioned whether sketches for proper enclosures would be included.

Mr. White read the specifications for enclosure construction to be included.

John Staran, City Attorney, noted that the additional specifications for enclosures will be added for the Ordinance's Second Reading.

Mr. Webber stated that the proposed Ordinance fits his goals of putting the onus on the dog owner, without being breed-specific. He questioned whether the Ordinance was patterned after any other community's Ordinance.

Mr. Staran responded that various Ordinances and state laws adopted around the country were reviewed to determine what would best suit the City's needs given the direction and guidance from Council. Some of the language and procedures are also modeled after the Michigan Dog Laws to provide a streamlined and expeditious process.

Mr. Pixley commented that the Second Reading should also address invisible fencing along with specific containment language.

Mr. Rosen expressed concern that the proposed Ordinance is reactive as a Magistrate must rule that the dog is dangerous and does not address how to prevent incidents.

Mr. Cope responded that the Ordinance specifically mandates that a dangerous dog is not allowed to be out in the public and gives a Law Enforcement Officer the ability to remove the dog. He noted that the registration process addresses restrictions placed on owners which can be enforced by Ordinance staff. If an owner is not in compliance, the City will issue a ticket that requires the owner to go to Court and indicate why.

Mr. Rosen questioned whether complaints would go through the 911 system.

Mr. Cope responded that they could.

Mr. White stated that the Oakland County Sheriff's Department enforces the State Dog Law.

President Hooper questioned whether penalties could be higher.

John Staran, City Attorney, noted that the penalty of \$500 is the limitation for any Ordinance Violation under the Home Rule Cities Act. He mentioned that the Second Reading will include Misdemeanor penalty language, noting that Municipal Civil Infraction language was included by mistake for First Reading.

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

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

Resolved, that an Ordinance to amend Articles I and II of Chapter 14, Animals, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to add and modify definitions, amend regulations concerning the control and care of animals and dogs, adopt regulations governing dangerous dogs, repeal conflicting Ordinances and prescribe a penalty for violations is hereby accepted for First Reading, with information to be incorporated regarding containment and invisible fencing.

NOMINATIONS/APPOINTMENTS

2011-0068 Acceptance of Resignation from Laura Douglas from the Green Space Advisory Board

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

Public Comment:

Paul Miller, 1021 Harding, stated that the Green Space Advisory Board (GSAB) was created out of a citizen-driven initiative. He commented that even though they expressed an interest in continuing, many of the original members of the GSAB were not reappointed. He mentioned that there has been much discussion recently on the protection of green space properties and noted that he had strongly advocated for conservation easements when language was being developed for

millage proposals. He stated that there has been a history of parkland being looked at for other uses and mentioned that the Velodrome is located in a City park. He commented that Council should look for the type of individual that brings history and knowledge to the Board.

President Hooper requested Mr. Staran explain what can and cannot be done with property purchased with Green Space Millage monies.

John Staran, City Attorney, stated that this will be the topic of an upcoming GSAB meeting, along with a discussion of additional measures for protection that the City might consider for those properties to permanently restrict their use to the intended purpose.

Mr. Klomp noted that the next GSAB meeting will be on March 22nd. He stated that it has been brought to the attention of the GSAB that there is a distinction between Parks and Green Space property. He stated that the GSAB intends to sit down with City Attorney Staran to review the resolution that enables the GSAB's various functions; and the GSAB will consider what could be brought to Council to tighten those functions. He mentioned that the three new GSAB members include very qualified individuals and stated that they have been doing a terrific job.

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

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

Enactment No: RES0037-2011

Resolved, that the Rochester Hills City Council hereby accepts the resignation of Laura Douglas as a member of the Green Space Advisory Board effective February 8, 2011 and requests a letter of appreciation be sent thanking Ms. Douglas for her service and dedication to the community.

2011-0088 Request to Confirm the Mayor's appointment of Ed Anzek to the Economic Development Corporation to fill the vacancy of Dan Casey, term to expire March 31, 2015

Attachments: [Agenda Summary.pdf](#)
[Anzek CQ.pdf](#)
[Casey Resignation.pdf](#)
[Resolution.pdf](#)

Public Comment:

Paul Miller, 1021 Harding Avenue, stated that he has noticed in the last couple of years that there has been an exodus of the younger and brighter employees of the City. He expressed his concern that top management is kept and others are asked to do more with less while incurring pay cuts and eliminations.

President Hooper responded that the City has qualified and competent professional individuals that are attracted by other communities in advancement of their careers.

Mayor Barnett responded that there is no mass exodus of employees and stated that no individuals are receiving either pay cuts or increased pay. He commented that there is no additional pay noted with this appointment and the intention is to have a staff member on this Commission to speak for the Administration on the direction of the City. He noted that a variety of citizen members round out the composition of the committee.

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

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

Enactment No: RES0038-2011

Resolved, that the Rochester Hills City Council hereby confirms the Mayor's appointment of Ed Anzek to fill the vacancy of Dan Casey on the Economic Development Corporation for a term to expire March 31, 2015.

2011-0074 Nomination Appointment of one (1) Citizen Representative to the Zoning/Sign Board of Appeals for a three-year term to expire March 31, 2014

Attachments: [Agenda Summary.pdf](#)
[Suppl Agenda Summary \(Revised\).pdf](#)
[Suppl Memo.pdf](#)
[Nomination Form.pdf](#)
[Suppl Booth CQ.pdf](#)
[Cobb CQ.pdf](#)
[Colling, Jr., CQ.pdf](#)
[Deel CQ.pdf](#)
[Foster CQ.pdf](#)
[Hill CQ.pdf](#)
[Hurst CQ.pdf](#)
[Koluch CQ.pdf](#)
[Koziarz CQ.pdf](#)
[Kusk CQ.pdf](#)
[McGuire CQ.pdf](#)
[Monaghan CQ.pdf](#)
[Olson CQ.pdf](#)
[Pathenos CQ.pdf](#)
[Pullukat CQ.pdf](#)
[Tischer CQ.pdf](#)
[Waller CQ.pdf](#)
[Winters CQ.pdf](#)
[Notice of Vacancy.pdf](#)
[Resolution.pdf](#)

Public Comment:

Jens Kusk, 145 Randolph, stated that he is a retired Architect and has been a member of the community since 1969. He commented that he is familiar with Rochester Hills and knew Earl Borden. He requested consideration for the vacancy on the Zoning/Sign Board of Appeals.

Chip Tischer, 3141 Bathurst Avenue, stated that he is a six-year resident of the city and works for Oakland County as a Community Liaison for Water Resources Commissioner John McCullough. He requested consideration for the vacancy.

Alexios Pathenos, 430 West Hamlin, mentioned that he has a Doctorate in Law and stated that he would be thrilled with the opportunity to serve the community.

President Hooper Opened the Floor for Nominations.

Mr. Yalamanchi nominated Ernest Colling Jr.

Seeing no further nominations, President Hooper Closed the Floor for Nominations.

Mr. Yalamanchi thanked those individuals expressing interest and stated that he wished to see them be appointed to a Board, Commission or Committee in the future.

A motion was made by Brennan, seconded by Yalamanchi, that this matter be Adopted by Resolution to Appoint Ernest Colling Jr. to the Zoning/Sign Board of Appeals for a three-year term to expire March 31, 2014. The motion carried by the following vote.

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

Enactment No: RES0039-2011

Resolved, that the Rochester Hills City Council appoints Ernest Colling Jr. to the Zoning/Sign Board of Appeals to serve a term to expire March 31, 2014.

NEW BUSINESS

2011-0093 Request for Approval of a Mechanical and Electronic Amusement Device License for Emagine, Rochester Hills, located at 200 Barclay Circle, pursuant to Chapter 10, Article IV of the City of Rochester Hills Code of Ordinances

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

Jane Leslie, City Clerk, stated that Emagine has requested a Mechanical Amusement Device License, noting that the Star Theater previously had a license for that location. She explained that the City's Ordinance requires that any changes must be approved by Council.

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

Enactment No: RES0040-2011

Whereas, the applicant known as Emagine, Rochester Hills (Paul Glantz, Owner/Manager) has applied for a Mechanical Amusement Device License, has met the criteria for the license pursuant to Chapter 10, Amusement/Entertainment, and is in compliance with Chapter 138, Zoning Ordinance of the City of Rochester Hills Code of Ordinances.

Resolved, that the Rochester Hills City Council hereby approves the Mechanical Amusement Device License as requested by Mr. Paul Glantz, Owner/Manager, Emagine, Rochester Hills, located at 200 Barclay Circle, Rochester Hills, Michigan 48307, in accordance with Chapter 138, Zoning Ordinance of the Code of Ordinances of the City of Rochester Hills.

Be It Further Resolved, that the City Clerk is authorized to issue the license.

2011-0042 Request to Consider to Opt In or Opt Out of an Alternative Energy Tax Exemption for Ovonic Battery Company

Attachments: [Agenda Summary.pdf](#)
[MNEA Packet 011311.pdf](#)
[Memo Dawson 012011.pdf](#)
[Taxes Paid 2010.pdf](#)
[Tax Analysis 2010.pdf](#)
[Resolution.pdf](#)

Ed Anzek, Director of Planning and Development, explained that this request is an annual consideration for Energy Conversion Devices and the subsidiaries and other companies associated with them. He noted a correction to the Agenda Summary provided, pointing out that this is the eighth time Council has had the opportunity to consider this request, dating back to 2003. He stated that in the prior seven years, Council voted to Opt Out (denying the exemption) three times and Opt In (granting the exemption) four times. He explained that this is considered a minor purchase which would generate \$1,400 in tax revenues to the City over the life of the exemption. He pointed out that the program sunsets on January 1, 2013.

Mr. Anzek mentioned that the clawback of the Ovonyx tax abatement that Council previously mandated was complete and Ovonyx paid the taxes due in full.

A motion was made by Yalamanchi, seconded by Pixley, that this matter be Adopted by Resolution to Opt In of an Alternative Energy Tax Exemption for Ovonic Battery Company. The motion carried by the following vote.

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

Enactment No: RES0041-2011

Whereas, on December 16, 2003, the Michigan NextEnergy Authority (MNEA) certified Ovonic Battery Company as an Alternative Energy Technology Business as permitted by Public Act 549 of 2002; and

Whereas, on December 14, 2010, the MNEA certified a list of equipment (See Packet for list of equipment) as Alternative Energy Personal Property (the "property") making it exempt from taxes levied before January 1, 2013 as permitted by Public Act 549 of 2002; and

Whereas, notice of this action was received by the City of Rochester Hills Assessing Department on January 20, 2011; and

Whereas, the City Assessor has made the following determinations regarding the certified property (See memo from K. Dawson dated January 20, 2011):

1. It is property classified as personal rather than real property
2. It has not been previously subject to taxation under the general property tax act, and
3. It has not previously been exempted from taxes under the general property tax act; and

Whereas, exemption of the property will not impede the City's ability to provide service or have a detrimental impact on its fiscal stability.

Resolved, that the City of Rochester Hills is **opting in (not opting out)** of the exemption of the alternative energy personal property from local personal property taxes of Ovonic Battery Company, a certified Alternative Energy Technology Business, as permitted by Public Act 549 of 2002; and

Be It Further Resolved, that the City Clerk should forward a certified copy of this Resolution to the Michigan NextEnergy Authority no later than Friday, March 15, 2011.

2011-0069 Request to Schedule a Public Hearing regarding the Request for Approval of an Industrial Facilities Exemption Certificate for WABCO North America, LLC

Attachments: [Agenda Summary.pdf](#)
[Commitment Letter.pdf](#)
[WABCO TB Analysis 2 Years.pdf](#)
[WABCO Depreciation Schedule.pdf](#)
[Resolution.pdf](#)

Ed Anzek, Director of Planning and Economic Development, explained that details of WABCO's expansion will be brought to Council during the public hearing on March 21st, if approved. He reported that the Michigan Economic Growth Authority (MEGA) Board considered the request at its February 13th meeting, noting that WABCO's intent is to start a product development center in Rochester Hills and co-locate with its other division, which began here in 2009. He mentioned that the application includes a proposal of 40 new jobs and \$700,000 in investment in the first two years. Over the duration of the abatement, over 100 engineering jobs and \$2.1 million in investment is proposed.

Mr. Yalamanchi questioned how Michigan Governor Rick Snyder's proposed budget might affect MEGA Tax Credits.

Mr. Webber responded that any changes in the program would not occur until October 1, 2011, when the proposed budget begins.

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

Enactment No: RES0042-2011

Whereas, WABCO North America, LLC has requested an Industrial Facilities Exemption Certificate for a property that has an existing Industrial Development District, located at 2770 Research Dr., also known as Tax Parcel No. 15-29-352-003, and further described as:

T3N, R11E, SEC 29 & 30 ROCHESTER HILLS EXECUTIVE PARK LOT 29 11-18-87 FR 300-005 & 15-30-476-007; and

Whereas, the Industrial Development District was established on October 18, 2006; and

Whereas, WABCO North America LLC filed an application for an Industrial Facilities Exemption Certificate on February 18, 2011 for personal property to be acquired and installed at the facility; and

Whereas, Public Act 198, of 1974, as amended, requires that City Council must render a decision within 60 days of receipt of the application and must afford the applicant, City Assessor and taxing jurisdictions the opportunity to hold a public hearing.

Resolved, that the Rochester Hills City Council hereby schedules a Public Hearing for City Council's Regular Meeting of March 21, 2011; and

Be It Further Resolved, to authorize the City Clerk's office to publish notice of the Public Hearing in a paper of general circulation no later than Thursday, March 10, 2011; and

Be It Further Resolved, to send a certified copy of the notice to WABCO North America, LLC, attention E. Frank Impson, Jr., Controller, located at 2770 Research Dr., Rochester Hills, MI 48309 and Netanel Israel, Multi Tax Services, Deloitte Tax LLP no later than Thursday, March 10, 2011; and

Be It Finally Resolved, to send a certified copy of the notice to all taxing jurisdictions and the City's Assessor no later than Thursday, March 10, 2011.

2011-0086 Request to Combine the Investment Provider for the City Sponsored Pension, 457 and Retirement Health Reimbursement Account Plans

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

Keith Sawdon, Director of Finance, stated that the City currently has one provider for its Pension Plan group members and another provider for its 457 and Retiree Health Savings and Roth IRA participants. He explained that over the last year or so, the Pension and 457 groups have been considering combining their plans under one provider as a better means to control retirement assets. Combining these plans would allow all participants to access their information through one website, receive one statement, have one set of investment options to better manage their assets and coordinate investments and would lower costs to the City to administer both plans.

He stated that proposals were requested and received from the City's two current providers in November of 2010 and were evaluated in December and January. Elements of the proposals included the cost reduction to participants, a review of the documents the groups would use, how assets would move from one provider to another and how well the different investment categories would map from one provider to another. Based on a review of the process, the Committee felt that there would be advantages to the combination. Employee representatives on the Committee took the proposal and discussed it with the members they represent and received positive feedback.

Mr. Sawdon stated that the Pension Planning Group recommends Diversified Investment Advisors. He pointed out that the City has been working with Diversified for the last two years and feels very comfortable with them. He noted that Diversified provides the best relief on the management fee and the

best transition plan to ensure that the group is not out of the market at any time during the transition. He requested Council approve the development of documents for the transition, noting that they will be brought to Council for final approval.

Mr. Yalamanchi *questioned whether employees would lose opportunities to choose between different funds in moving to one provider and if this request has the unanimous support of the employees.*

Mr. Sawdon *responded that providers should be considered warehouses of mutual fund products and diversification is gained by the products selected inside the offerings. He mentioned how different investments are categorized within style boxes and noted that many participants are actually not diversified if they merely select different products within the same style boxes. He stated that the participants will actually have the ability to diversify their portfolio. He explained that there was no group meeting of employees; however, the individuals on the Committee who represent their different groups of employees returned with positive feedback.*

Mr. Yalamanchi *questioned whether moving to one provider increases risk and what Council's liability would be if something goes wrong.*

Mr. Sawdon *responded that there is always risk as a fiduciary selects good performers within investment styles. He stated that in the current 457 Plan offering, many participants actually have all their funds in only one investment style. He stated that the Pension Trustees go through a process of due diligence to ensure that the Plan acts in the best interests of the participants. He explained that personal liability exposure risk is with the fiduciary.*

Mr. Brennan *mentioned that he is impressed that there is unanimous support from the employees and commented that there appears to be no downside to the transition.*

Mr. Sawdon *noted that many steps still remain in the transition and stated that the change will not satisfy everyone. He stated that the majority of the participants will be happy this change was made and commented that in the end, the participants will be better off with the allocation of their assets.*

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

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

Enactment No: RES0043-2011

Whereas, the City Council of the City of Rochester Hills recognizes the effort the Pension Plan Group has put into finding a method for making the City's Retirement related plans more efficient and effective for plan participants;

Now, Therefore, Be It Resolved, that the City Council, after hearing the reasoning used in selecting the provider as recommended by the Pension Plan Group, hereby approves Diversified Investment Advisors as its single investment provider and authorizes the Pension Plan Trustees to work with Diversified Investment Advisors in structuring documents for the 457 Plan, VEBA (Retiree Health Reimbursement Account) Plan and a ROTH IRA Plan;

Be It Further Resolved, that once the Plan Trustees have completed the review and preparation of the documents with Diversified Investment Advisors that those documents be brought back to City Council for their review and adoption.

COUNCIL COMMITTEE REPORTS

Police and Road Funding Technical Review Committee (PRTRC):

Mr. Webber reported that the PRTRC continues to meet. At the Committee's last meeting, Keith Sawdon, Finance Director, provided long-term funding information to the Committee. The Committee will next review the list of recommendations developed in May of 2009 and will provide an update to Council later this spring.

Advisory Traffic and Safety Board (AT&SB):

Mr. Webber reported that the AT&SB met recently and voted to keep the same leadership for 2011.

ANY OTHER BUSINESS

Mr. Yalamanchi requested that the Mayor provide recommendations for the allocation of \$2 million to \$2.5 million for Local Roads Reconstruction.

Mayor Barnett mentioned that an invitation would be forthcoming to an event at the Paint Creek Center of the Arts to recognize one of the City's own staff. He distributed Administrative Policy #001-2011, Public Access Administrative Reimbursement Policy Guidelines, noting that the Policy addresses Council's directive for Public Access Scholarships, capped at \$250 per resident per year.

Mr. Webber questioned how the scholarship opportunities will be promoted to residents.

Mayor Barnett noted that the City has received one inquiry to date for scholarship reimbursement.

Mr. Yalamanchi questioned whether residents will have to wait until December each year for reimbursement.

Mayor Barnett responded that this date was chosen at the suggestion of the Fiscal Department in an effort to minimize the paperwork necessary to administer the scholarships.

Mr. Yalamanchi noted that many individuals who would request these scholarship do not have the financial capacity to wait until December for reimbursement.

Mayor Barnett responded that the Administration has no idea of the level of use that this program will have. He explained that the Administration did not

want to end up with a great number of small accounting issues; however, if usage is not that great for the program, it can be flexible and sensitive to specific needs.

President Hooper questioned whether this is adopted policy.

Mayor Barnett responded that the guidelines were issued as Administrative Policy, based on direction from Council.

Mr. Pixley thanked Mayor Barnett and the Administration for following up on the scholarship program. He questioned how the dollar amounts were estimated for allocation in the budget.

Mayor Barnett responded that the Administration reviewed the total number of users last year and doubled that figure to arrive at an amount.

NEXT MEETING DATE

Regular Meeting - Monday, March 7, 2011 - Cancelled; Regular Meeting - Monday, March 21, 2011 - 7:00 p.m.

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 11:10 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.