



Rochester Hills Minutes City Council Work Session

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*Melinda Hill, Bryan K. Barnett, John L. Dalton, Jim Duistermars,
Barbara L. Holder, Linda Raschke, Gerald Robbins*

Wednesday, February 23, 2005

7:30 PM

1000 Rochester Hills Drive

DRAFT

CALL TO ORDER

President Hill called the Regular Rochester Hills City Council Work Session Meeting to order at 7:40 p.m. Michigan Time.

ROLL CALL

Present: Melinda Hill, Bryan Barnett, John Dalton, Jim Duistermars, Barbara Holder, Linda Raschke and Gerald Robbins

Others Present:

*Bev Jasinski, City Clerk
Paul Davis, City Engineer
Julie Jenuwine, Director of Finance*

PUBLIC COMMENTS

Mr. Lee Zendel, 1575 Dutton Road, citing the email sent by a City parks worker suggesting that Council may be contemplating closing City parks, called for Parks & Forestry Director Mike Hartner's dismissal. Mr. Zendel stressed that he considers public safety more "critical" than parks operations.

ADMINISTRATION

2005-0031

Water & Sewer Fund Structure & Financial Discussion.

Attachments: Agenda Summary.pdf; W&S - Funding Picture.pdf; Memo Jenuwine 011305.pdf; Min FS Mtg 021705.pdf

Ms. Julie Jenuwine, Director of Finance, came before Council to suggest changes to the Water & Sewer Fund process and the ordinance governing the process. Ms. Jenuwine described the current process, what is dictated by the current ordinance and her suggested changes:

Current Process

All Water / Sewer operating and capital is deposited into the following fund:

Water & Sewer Fund

Current City Ordinance

All Water / Sewer operating and capital is deposited into the following funds:

Receiving Fund

Operation & Maintenance Fund
Replacement Fund
Bond Interest & Redemption Fund
Improvement Fund
Surplus Fund

Recommended Structure (would require changes to City Ordinance)

Water / Sewer operating only is deposited into the following funds:

Operation & Maintenance Fund
Bond Interest & Redemption Fund

Note: Any leftover/remaining funds will be contributed to the Capital Improvement & Replacement Fund

Water / Sewer capital only is deposited into the following fund:

Capital Improvement & Replacement Fund

Rationale/Impact of Proposed Changes:

- * The recommendation is a consolidation of what the ordinance dictates.
- * The elimination of the Receiving Fund would eliminate the redundancy of a manual monthly transfer of money.
- * The Operation & Maintenance Fund will operate as the Water & Sewer Fund operates currently.
- * Debt would be paid out of the Debt Redemption Fund.
- * Would separate funds for infrastructure replacement into a Capital Improvement & Replacement Fund.
- * Only the Operating Revenues will go into the Operations & Maintenance Fund.
- * Operating Revenues will offset the Operating Expenditures.
- * Capital Revenues will go into the Capital Improvement & Replacement Fund.
- * Currently Capital Revenues are subsidizing the Operating Expenditures.

Council Concerns:

- * The Black & Veatch model was not followed as closely as it should have been.
- * The approximately \$3 million depreciation is being taken "on the books" but that money is not being "tucked" away, thus, depleting the system without saving.
- * The Black & Veatch model calls for a fund balance for Operations & Maintenance Fund of approximately 50% of Operating Expenses.
- * Need to have the breakdown of all the funds spelled out plainly in the budget rather than having to request separate reports for that information.

Council Consensus:

- Operation & Maintenance Fund
- Replacement Fund
- Bond Interest & Redemption Fund
- Improvement Fund

Ms. Jenuwine, while stressing that this is an estimate, noted the impact the following changes would have on the billing rates:

- * Removing Capital & Lateral Charges.
- * Placing annual depreciation in the Capital Improvement Fund.
- * The recently announced 7% increase from the Detroit Water & Sewerage Department (DWSD).

The monthly bill would increase by 17.6% to be phased in over two years. Ms. Jenuwine stressed that this estimate does not include Capital Improvement projects such as the radio read system and reservoirs.

It was noted that the Financial Services Committee would examine the rates in greater detail taking into account the various Capital Improvement projects not included in Ms. Jenuwine's previously discussed estimate.

Discussed**2005-0160**

Update on Rochester/Tienken Road Intersection

Attachments: Agenda Summary.pdf

Mr. Paul Davis, City Engineer, provided an update of the intersection improvements at Rochester Road and Tienken Road in conjunction with and paid for by the Papa Joe's and City Walk developments. Mr. Davis explained that the PUD agreement was approved contingent on the developers paying the entire cost of these improvements. He informed Council that, following the findings of the developers' traffic engineer, he would not approve the agreement unless the developers paid for a traffic engineer of his choice to repeat the process. The developers agreed and Traffic Engineer Steve Dearing returned very similar findings. Mr. Dearing's study, while correcting some errors in the model, arrived at the same level of improvements to the intersection:

- * There is a need for dual left-turn lanes in all four directions.
- * The north, south and west legs will be seven lanes wide, and the east leg will be six lanes wide. This is necessary to accommodate traffic and not make conditions worse.
- * Papa Joe's insisted on a full-access entrance on Rochester Road. This condition was "a deal breaker."

Mr. Barnett, stressing that the project would cost the City nothing, noted that the only question to be answered is, "can you build a road too big?"

Council discussion raised the following questions, concerns and issues:

- * What level of danger does the width of this intersection pose to pedestrians?
- * The 70-foot height of traffic light poles is too high.
- * There will still be a "choke section" beyond the new intersection when it narrows back to one lane.
- * These changes are only to accommodate rush-hour traffic.

- * *These changes will negatively impact North Hill Shopping Center, possibly resulting in legal action on their part against the City.*
- * *There is nothing like this proposed intersection in the entire City.*
- * *If the City delays the project longer, the applicants may "back out and haul us into court."*
- * *These intersection changes will benefit Oakland Township.*
- * *It is only one more lane than is found at the Avon/Rochester Road intersection.*
- * *This plan would improve the level of service at the intersection to a "D" rating, the minimal acceptable level per traffic engineers.*
- * *Boulevards and roundabouts are difficult for emergency vehicles to maneuver through.*
- * *The timing of the traffic lights was taken into consideration with regards to pedestrian crossing.*
- * *The intersection will be worse if the developments are built and there are no changes to the intersection.*

Council members suggested the following alternative improvements:

- * *A boulevard.*
- * *A dual-lane roundabout.*
- * *Using grant money or tax increment financing to increase the level of intersection improvements.*

Mr. Davis explained that boulevarding or a roundabout would be prohibitively expensive for the developers. They are already nearing the ceiling of their budgeted amount for the intersection improvements. Mr. Davis noted that, because it was a condition of the PUD agreement approval that the City pay none of the costs of the intersection improvements, other financing by the City was never considered.

Council Members Hill and Robbins expressed their belief that Council was not kept appropriately informed during this process.

Mr. Davis contended that the plan had not changed substantially since Council approved the draft agreement more than a year earlier and authorized the City Administration to finalize the agreement when satisfied with the plan.

At the suggestion of **Mr. Barnett**, Council agreed to request an opinion from **City Attorney John Staran** regarding the following two issues:

- 1) *If the road improvement agreement is not signed, what are the City's responsibilities to the two developers?*
- 2) *Could North Hill Shopping Center take legal action against the City as a result of a perceived negative impact resulting from the proposed intersection changes?*

Discussed

COMMENTS & ANNOUNCEMENTS

Mr. Barnett noted that a Rochester Hills resident had been killed while serving in the military in Iraq. He questioned what Council should do to honor his service and suggested donating a brick in the soldier's name at Veteran's Memorial Pointe, or possibly passing a resolution honoring him.

Mr. Dalton suggested an honor roll be installed at Veteran's Memorial Pointe.

Ms. Raschke indicated that another community was "naming unnamed streets after their fallen heroes."

President Hill stated she would discuss the matter with Mayor Somerville so as to coordinate Council and Administration efforts to honor this soldier.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Regular Meeting - Wednesday, March 2, 2005 at 7:30 p.m.

ADJOURNMENT

There being no further business before Council, President Hill adjourned the meeting at 9:52 p.m.

*MELINDA HILL, President
Rochester Hills City Council*

*BEVERLY A. JASINSKI, Clerk
City of Rochester Hills*

*MARGARET A. STRATE
Administrative Secretary
City Clerk's Office*

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