

2022-2024 Proposed Budget
City Council Questions / Administrative Responses

Q: Inflation - what inflation factors are built into the budget?

A: *2.0% inflation is built into the long-term budget. Current operational expenditures as well as capital project costs built into the FY 2022-2024 consider current and projected market costs. [Snyder]*

Q: Foreclosures - as a primarily residential community, and with the changes to eviction laws, have we considered the impact of foreclosures on the budget? Or people asking for tax relief or home valuation adjusted?

A: *Funding for the FY 2022 Budget is based on the Winter 2021 taxable value which was established as of 12/31/2020, next year (FY 2022) tax revenues are largely known. FY 2023 and beyond taxable values are projected to increase by +2.5% per year which is currently considered a very conservative projection based on the baseline Consumer Price Index (CPI) forecast over the next several years. Annual taxable value changes for existing properties can increase by no more than the annual CPI change or 5% whichever is less. With CPI currently at 3.1% and looking to come in at +3% for the foreseeable future (based on 24-month rolling average), a +2.5% taxable value growth forecast is very conservative and considers some level of potential economic challenges (including Foreclosures, etc...). [Snyder]*

The Board of Review appeals are at a historical low of just 24 in 2021, we have no residential Tribunal appeals for 2021. [Taylor]

Q: Evictions - does this have any impact on our budget? I realize landlords pay the taxes whether the dwelling is occupied or not.

A: *Evictions have little significant impact on the City's budget as the property owner is responsible for property tax. [Snyder]*

The rental market is very strong. Occupancy levels are near or at capacity. Landlords and owners of multi-tenant apartments have not contacted the City looking for tax relief. [Taylor]

Q: Do we have any late property tax payments from residential properties that are out of the ordinary? Might this change?

A: *The City has experienced nothing out of the ordinary related to late property tax payments. Summer 2019 & 2020 both had 99.1% overall collections. Winter 2019 was 98.0% & Winter 2020 was 97.8%. All delinquent property taxes are transferred to Oakland County. [Snyder]*

Q: How many outstanding MTT requests is the city dealing with? From 2020 and 2021.

A: *We have no outstanding residential appeals for 2020 or 2021. We have two (2) commercial and one (1) industrial appeal outstanding for 2020. We have six (6)*

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commercial and one (1) industrial appeal outstanding for 2021. The volume is nothing like what we saw during the last recession. [Taylor]

Q: Supply chain issues - with DPS requesting an extension for the contract on the water meters, have we looked at the other contracts we have and are we able to get the items? RARA was just told the HVAC units we want are 1.5 times higher than originally projected. What exposure does the city have for items we purchased/contracted? Can we extend contracts to keep the current contracts and price in place?

A: *The City has contracts/blanket purchases orders in place with vendors for most items/services that are required to support on-going City services. These contracts/blanket purchase orders are typically written to have anywhere from a 1-year to 3-year initial contract term with the option to renew for up to two additional years for a total contract term not to exceed 5-years. The City for the most part has not had any problems with pricing issues. We are seeing some delays, or longer lead times on some items but overall the impact has been minimal and has not impacted our ability to provide ongoing services to the community.*

Purchasing continually monitors the market to watch for price increases coming (ppi/cpi index), as well as for supply chain issues (consumer appliances, resin, steel, lumber, lack of labor, etc.) and works to communicate this to Fiscal, as well as the departments, so they are aware of any potential roadblocks when planning for future capital projects. For items the City has contracted for, we have no exposure related to pricing increases, except in extreme cases where the pricing has risen dramatically due to circumstances beyond the vendor's control. The only area we are really seeing that in is related to steel. There have been increases up to 115% on some metals. The City though, if their order is already placed, has no risk or exposure, and based on our relationships with vendors, we typically know if something is coming and they will give us plenty of lead-time in order to get our commitments in prior to the price increases taking affect. As well, Purchasing does conduct market research and requires substantiating documentation to support any price increases requested on our longer term, higher dollar contracts (e.g. tandem axle dump trucks, fire apparatus, etc.) prior to accepting any price increases. If Purchasing can't deem the increase request fair and reasonable the contract will be terminated and the contract is re-bid in those cases.

In regards to extending contracts, based on contract terms, the City does extend contracts where they can and there is agreement that all terms and conditions remain firm through the extension, but in some cases where labor, or material prices are impacting contracts, most vendors are choosing not to renew and the contracts are re-bid. In saying that though, this has not been the case for the City with their contracts, and almost all vendors are holding to their contracts and extending. The only market area we are seeing we can't secure long term pricing is with anything related to steel, but in those cases the City is spot bidding for those needs (sign blanks, posts, etc.). [Lisa Cummins]

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Q: Why are we budgeting for a cricket pitch when no agreement has been reached?

A: *Last week a cricket group indicated their sponsors will commit about \$25k. We will formalize an agreement after we do design work for a better cost estimate. [Elwert]*

Q: When is our trash hauling contract up for bid?

A: *The first 5-year term of the contract will expire March 31, 2024. The contract includes the option to renew for an additional 5-year term or re-solicit. [Lisa Cummins]*

Q: I see \$500,000 in the budget for major road rehabilitation (MR-01A) which included storm water. Is that the only funding available for storm water rehabilitation and repair?

A: *The \$500,000 annually budgeted for the Major Road Rehabilitation Program (MR-01B) is to provide funding for segments of the City's Major Road network that are to be rehabilitated in conjunction with the City's \$5.0M Local Street Program, as some neighborhoods will have both Major Roads and Local Streets rehabilitated together in the same project. The Major Road and Local Street Rehabilitation Programs both include some level of storm water rehabilitation in their respective rehabilitation programs. Some level of storm water maintenance is performed both by City crews as well by the Oakland County Water Resources Commission (OCWRC) on Chapter 20 Drains throughout the City which is budgeted in the City's Water Resources Fund (244) Maintenance (.931000) account at \$200,000 per year. [Snyder]*

Q: What is the useful life of a tandem axle dump truck? We have several on the fleet purchase list in the coming years.

A: *Its useful life can vary based upon use but the average useful life is 12-years. The 12-year figure was 7-years prior to the new DPS facility being constructed due to the vehicles/equipment be stored outside being exposed to the elements. As I understand it, the approval to expend funds & construct a new DPS facility was debated but the ROI on extending the service life our vehicles & equipment has been realized and that is one of many benefits of the facility. [Schneck]*

Q: In 2024 we have 3 Freightliners in the fleet purchase plan. What is a Freightliner?

A: *Freightliner is the specific brand/model of Tandem-Axle Dump Truck that the City currently utilizes. Administration will update the Budget Plan Book to replace the specific brand/model term 'Freightliner' with the common term 'Tandem-Axle Dump Truck' as we have the tandem-axle dump trucks scheduled for replacement but it is not known which specific brand/model will be chosen through the RFP process. [Snyder]*
We have standardized our cab & chassis to Freightliner from International and the new Rescue Trucks are Freightliner also. The Freightliner brand is strong, their fit, finish & durability have been above average. [Schneck]

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- Q:** Budget, page 65. I'm hoping you can explain to me why the revenues in this table are lower than the expenditures. I realize we tend to come in under budget and maintain a structural surplus, so I'm scratching my head trying to interpret this difference.
- A:** *Expenditures in this table also include the annual amount of capital outlay. The City of Rochester Hills has in the past and is projected to continue operating with a structural operating surplus, where on-going operating revenues exceed on-going operating expenditures. Capital investments are considered non-operating expenditures as the amount of capital outlay fluctuates from year-to-year. The past several years the City has put a focus on infrastructure capital investments to a level that some use of fund balance is projected over the next few years to fund the capital projects. [Snyder]*
- Q:** Some of the 2020 Census information is available. Can the budget be updated to include what is available and relevant?
- A:** *The City is in the process of reviewing the 2020 Census information that is currently available and will update as much that is published as part of the FY 2022-2024 Final Budget Document. As more 2020 Census information is published, the City will update its documents accordingly. [Snyder]*
- Q:** CIP WS-43 involves the replacement of an asbestos cement (AC) watermain. Do we have other AC watermains in the City, and if so what is the plan and potential cost for replacement, and how is this accounted for in the budget? B. p. 76.
- A:** *Yes, we have other AC water mains in the City as well as cast iron, ductile iron, & HDPE. We are currently replacing the AC water main with our Tienken Manor Estates / Grosse Pines water main replacement project. No special provisions are needed in regards to budgeting as the replacement method is consistent. If and when we see an increase in the replacement costs of AC water main, we will adjust the budget accordingly. [Schneck]*
- Q:** CIP PK-13 - Please provide the figures for how much of the \$17,172,134 has been spent to date, and how much has been fundraised to date. B. p. 79.
- A:** *To date, just over \$11,630,108 has either been expended or has been approved to be expended for the development of Innovation Hills. The City has already received or has available with the Community Foundation of Greater Rochester (CFGR) and the Michigan Economic Development Corporation (MEDC) \$3,413,223 in private donations and State and Federal grants for Innovation Hills. [Snyder]*
- Q:** Where are we on the park ranger's building?
- A:** *We are close to finalizing design on the ranger building. Council will see bids this winter. [Elwert]*
- Q:** CIP PK-26 - Do really want/need a "cricket pitch"? If not, why are we spending \$50k to explore that? Where did this idea come from? Have our residents indicated that this is

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something they need or desire? Let's put that money toward offsetting PK-13 expenses instead. B. p. 79.

A: *A cricket field currently exists at Bloomer Park, but it has very poor drainage and a degrading pitch. It is very well utilized, with cricket teams often participating in a lottery yearly for its use, as it is booked for just about all the weekend times it is available. Many users come from our area. We are currently working with a representative (from Rochester Hills) from the Michigan Cricket Association on a possible donation to assist with developing this field, with the possibility to eventually use this area for a minor league cricket team coming to the State of Michigan. [Elwert]*

Q: The Museum Farmhouse needs security cameras. How do we get this into the budget?

A: *City Council members are welcome to suggest any additions or deletions from the proposed budget as part of the Straw Poll process. If a majority of City Council members approve the proposed Straw Poll change, Administration will include the approved change as part of the Final Budget. If it was approved to include security cameras at the Museum Farmhouse, Administration would likely seek a Risk Avoidance Project (RAP) grant through the MMRMA to offset a portion of the cost. [Snyder]*

Q: 171 - Mayor's Department - Please explain why we need a new part-time procurement analyst. B, p. 124-125.

A: *The proposed Part-Time Procurement Analyst position would assist in alleviating some of the greatly increased workload of three (3) existing Procurement staff members to allow them more time in providing consultation, planning, and facilitating larger more complicated projects so their expertise can be better utilized to garner impactful cost savings and provide best value procurements to the City. [Snyder]*

Q: 802 Museum Division - Please double check the chart on p. 182, it shows an additional seasonal laborer being added as opposed to a part-time museum program associate.

A: *Administration will update the Budget Plan Book chart to correctly list the proposed Part-Time Museum Program Associate. [Snyder]*

Q: 804 HDC - Why are we keeping professional services at \$8,050?

A: *Primarily due to maintaining a budget of \$7,500 per year for Historic District Study Consulting services [Snyder]*

In 2021, we started a study of Winkler Mill District to remove any non-historic resources and properties. Our consultant has completed the site visit work and has begun writing the initial report. We plan to continue this study in 2022 and move onto evaluating other districts in future years. This is in addition to the regular requests we get from applicants to do work on private properties in the various historic districts that our consultant reviews. [Roediger]

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Q: 207 - Special Police Fund / Please provide the financial analysis for the additional cost of the two additional deputies requested by the Sheriff, and what that would do to fund balance.

A: The cost of two (2) additional deputies would depend upon the position of OCSO officers selected, as all positions have different base rates. For FY 2022 it is estimated that most non-command staff will cost between \$140,000 - \$150,000 per position per year. It is estimated that two (2) additional deputies would cost approximately \$300,000 per year.

The cost of the additional officers would speed up the reduction of the Special Police Fund balance to the target balance of 25% of annual operations. When the Special Police Fund is drawn down to 25% of annual operations, the Special Police millage will then increase to fund the entirety of Special Police Fund annual expenditures with no additional use of fund balance.

The net impact of any additional Special Police millage increase is an equal and offsetting decrease to the General Fund millage rate, per the 2015 Resolution of Intent approved by City Council to keep the City's overall millage rate unchanged.

In summary, another \$300,000 for two (2) additional officers would equate to \$300,000 less generated for the General Fund and ultimately \$300,000 less per year contributed into the Capital Improvement Fund. [Snyder]

Q: 207 - Special Police Fund / Please explain whether the AARPA (285) funds can or cannot be used to pay for the two additional deputies and justified due to increased Covid related medical and crime issues?

A: Per the Interim Final Guidance published by the US Department of Treasury, the use of the American Rescue Act Program (ARPA) funds can only be used to pay for the portion of time the officers are directly addressing COVID related medical and crime issues. ARPA funds cannot cover 100% of the cost of an OCSO deputy, only up to the amount of time the community can document they are spending directly addressing COVID related matters.

Another item to consider with the ARPA funds is that they are one (1) time funds which must be expended by December 31, 2024. In the vast amount of webinars and educational sessions on ARPA City staff has attended, it is generally not recommended to use the ARPA funds for additional long-term on-going costs as the ARPA funds are short-term and only available to support costs through 2024. [Snyder]

Q: 207 - Special Police Fund / Has the Sheriff's department provided any analysis to us which would support the use of AARPA funds to pay for increased staffing?

A: To date, the City has received no analysis from the OCSO supporting the use of ARPA funds to pay for increased staffing. [Snyder]

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Q: 244 - Water Resources Fund / Fund balance will be substantially depleted by 2024. Will the City's "evaluation of its role in storm water management" be complete by then?

A: *We have stayed actively involved with the pending legislation that would allow the City to create a storm water utility. We continue to consult with Midwest Strategies as well as our State Representatives on the status of said legislation and will reengage the Public Safety & Infrastructure committee to revisit this matter. Regardless of the outcome of pending legislation, we will have a plan to address. [Schneck]*

There are a few discussions taking place right now both on a larger framework for local governments and infrastructure funding.

Senator Rosemary Bayer (D-Beverly Hills) introduced Senate Bill 593 back in July. This is a reintroduction from language last session that would essentially codify the Michigan Supreme Court's Bolt V Lansing's findings on what constitutes a stormwater utility.

MWSG has been working closely with MML to update language based on new court proceedings and suggestions by stakeholders. Rep. Mark Tisdell (R-Rochester Hills) has a draft back from the Legislative Service Bureau (drafts all state legislation) that we are currently reviewing. It will likely need some further updates before he officially introduces the legislation, but we're looking at late fall with that.

We have been working with leadership on making sure these bills are referred to favorable committees, such as the House and Senate committees that usually discuss local government issues. Both Rep. Julie Calley (R-Portland) and Sen. Dale Zorn (R-Ida), who chair these committees, support the legislation. Sen. Bayer's bill was referred to Senate Local Government on July 15th.

Senator Bayer is also helping lead conversations around a \$5 billion Democrat Climate Resiliency Plan proposal that was first discussed a couple weeks ago (see Appendix A). Several things here mirror discussions Republican Leadership is considering in budget discussions. Some highlights there include:

- \$1.5 billion into storm and wastewater infrastructure*
- \$1.2 billion for providing local grants to replace lead pipes and update other drinking water infrastructure*
- \$900 million into dam safety*
- \$700 to address contaminated sites*
- \$450 million for shoreline protection and restoration projects*

Let me know if you need anything else—happy to jump on a call! [Dave Hodgkins / Midwest Strategies]

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Q: 244 - Water Resources Fund / Who are we paying roughly \$75k/year (TA p. 107) for professional services, exactly what are they doing, and will a report be issued and when?

A: *The \$74,500 budgeted annually in the Water Resources Fund / Professional Services account (244.801000) is primarily due to Engineering Construction Inspection and Survey Services for development projects. Many of these outside engineering consulting expenses incurred are passed-through to the developer who repays the City via the Charge for Services: Engineering Consultant revenue account (244.610005). [Snyder]*

Additional Storm Water professional service expenditures include Clinton River Watershed: Public Education as required by our Municipal Separated Storm Sewer System (MS4) permit through the State Department of Environment, Great Lakes & Energy (EGLE); and BS&A/PZE Training, which is the technology to advance online permitting & deliver services more efficiently & effectively. [Schneck]

Q: 285 - AARPA Fund / What's the plan for these funds?

A: *Administration plans to bring forward a proposed plan for the use of the American Rescue Plan Act (ARPA) funds later this year (likely in the 4th Quarter). ARPA Funds must be expended in full by December 31, 2024, so the City does have some time in determining the most effective uses of the funds.*

The City is attempting to coordinate its ARPA program with that of Oakland County and the State of Michigan, which both received far greater ARPA funding levels. The City intends to use some level of its ARPA funds to coordinate with State and County programs in an effort to compliment and not compete with their programs.

The City is also awaiting Final Guidance from the US Treasury as to the authorized uses of the ARPA funds. Currently the only guidance from US Treasury is contained in the Interim Final Guidance, and as the name 'Interim' suggests there will be a final version issued in the near term.

Q: 285 - AARPA Fund / Where is the \$75k being transferred to (which accounts and for what)?

A: *The \$75,000 proposed to be transferred in 2022-2024 from the newly established ARPA Fund to the General Fund is to fund the City's Economic Development Strategy for the years 2022-2024. The Economic Development Strategy is allocated in the General Fund / Planning Department / Professional Services account (401.801000) at the same \$75,000 from 2022-2024. [Snyder]*

Q: 285 - AARPA Fund / Can we use these funds to pay for the roughly \$1.5 million we plan to spend on ambulances (B, p. 255) based upon increased use and deterioration (from sanitizing) due to Covid?

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A: *No and Yes.*

No = Current guidance does not allow for ARPA funds to directly pay for the replacement of ambulances.

Yes = The City can recognize an eligible use of the ARPA funds as 'Revenue Replacement' via an established formula provided in the Interim Final Guidance. Funds that are recognized as 'Revenue Replacement' may be received into the General Fund and may then be re-directed citywide to fund pay-go projects including infrastructure and asset purchases.

Revenue Replacement is the most flexible of all of the eligible ARPA uses. The City has not presented its proposed uses of the ARPA funds (awaiting information from the State of Michigan, Oakland County, and Final Guidance first), but Revenue Replacement re-directed towards capital projects is anticipated as a major component of our plan. [Snyder]

Q: 285 - AARPA Fund / Why are these funds not being transferred back to the funds (MIS, Facilities, Fire, etc) that have actually incurred COVID related increased costs such as: sanitizing, PPE, provision of equipment/computers to allow people to work from home, increased fuel costs due to increased medical runs, etc?

A: *The funds that actually incurred COVID related costs in 2020 have all been reimbursed for any and all expenses related to COVID via funding from the CARES Act, FEMA, and other agencies last year.*

The City is still continuing to track COVID related costs, but the COVID mitigation costs have decreased significantly since last year, as much of the PPE and sanitization equipment was purchased last year. FY 2021 COVID costs will be able to be reimbursed via funding from ARPA, as COVID mitigation efforts are an eligible use of those funds. [Snyder]

Q: 285 - AARPA Fund / Can we use the funds to pay for two additional deputies (no. 9 above)?

A: *Per the Interim Final Guidance published by the US Department of Treasury, the use of the American Rescue Act Program (ARPA) funds can only be used to pay for the portion of time the officers are directly addressing COVID related medical and crime issues. ARPA funds cannot cover 100% of the cost of an OCSO deputy, only up to the amount of time the community can document they are spending directly addressing COVID related matters.*

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funds for additional long-term on-going costs as the ARPA funds are short-term and only available to support costs through 2024. [Snyder]

Q: It looks like COVID did not impact our revenues over the past 18 months.

A: *Overall COVID did not have nearly the impact initially anticipated at the onset of the pandemic.*

In 2020 taxable values remained very strong, State-Shared Revenue came in nearly flat, Act 51 Gasoline tax revenue came in slightly higher, and most other City Charges for Services including Building Permits were solid. Certain revenues including many Park related revenues were lower due to safety mandates, and investment earnings trended lower due to ultra-low interest rates.

Current year FY 2021 revenue trends are very strong in all areas, including Parks revenue, with the exception of investment earnings, which are still low due to ultra-low interest rates. [Snyder]

Q: What is the ARPA revenue replacement?

A: *American Rescue Plan Act = ARPA. Revenue Replacement pertains to one of the major eligible components for use of the ARPA funds.*

The Revenue Replacement calculation considers FY 2019 actual revenue (pre-COVID) as the base year. The calculation takes the 2019 base year revenue amount (less any federal revenue) and multiplies that amount by 4.1% for a FY 2020 'calculated' revenue target. Communities compare their FY 2020 'actual' revenue amount (less any federal revenue) against the FY 2020 'calculated' revenue target and are eligible to recognize that net difference as FY 2020's Revenue Replacement. This process is repeated for FY 2021, 2022, and 2023.

For FY 2020, the City calculated its eligible revenue replacement as \$2.8M. In total, the City is in line to receive \$6.2M, so nearly ½ of the City's total ARPA allocation is eligible for revenue replacement in the first year (FY 2020). It looks very likely that the full \$6.2M of ARPA funding allocated to the City will be able to be recognized as Revenue Replacement. [Snyder]

Q: Where is the increase of projected funding in 2022+ for the special police fund: revenues coming from?

A: *Most Special Police Fund revenues are largely consistent for FY 2022+ with slight increases in City property tax due to anticipated higher taxable values. It is proposed to utilize a portion of the current Special Police Fund balance over the next 4-years (2021-2024) to 'smooth' the Special Police Fund balance to closer to the 25% of annual operating*

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expenditures target balance as called for by the City's adopted Governmental Fund Balance Policy.

After FY 2024, when the Special Police Fund level is anticipated to be lowered to the target 25% of annual operating expenditures level, the Special Police millage will be increased to fund all annual operating expenditures (no more use of fund balance). Any increase to the Special Police millage will be offset by an equal reduction to the General Fund millage levy so that there is no change in the overall City millage rate. [Snyder]

Q: Are there any foreseeable SAD projects coming forward in the next 3 years?

A: *There have been two inquiries about SAD paving in the last couple of years:*

- 1) April 2021 – sent the SAD policy to Ms. Dilworth after her inquiry about a paving request for Donley Avenue between Auburn and Alsdorf;*
- 2) June 2020 – sent the SAD policy to Dolly Griffith about a paving request for Michelson east of John R. Staff hasn't heard from either of them since sending the information for their review.*

Not necessarily a gravel to pavement SAD request but Brad Taube from Rosewood Lane has asked the City to utilize an SAD to assist them with reconstructing their private concrete roadway. We have offered to work with Mr. Taube under the condition that all the expenses be recovered, including design, construction, and construction engineering. The latest communication from Mr. Taube was that he was having difficulty finding an engineering company that would prepare the design plans (July 2021).

Also not a gravel to pavement SAD request is the inquiry from Ryan Deel to possibly utilize an SAD method for constructing sidewalk. Not sure if this will move forward. [Schneck]

Q: Page 55 revenues from fines and forfeitures was very large compared to last year and the projected 3 years. Where did this revenue come from?

A: *This is a forfeiture of employee retirement accounts as they left the City prior to their 5-year vesting period. If an employee leaves before completing 5-years (or 60-months) of service, their City contributed retirement balances are forfeited back to the City. [Snyder]*

Q: CIP projects map on page 69 indicates that 13 projects are in district 4, 6 in district 1, 3 in district 2 and 1 in district 3. Who decides the equitable distribution of projects across the city?

A: *Capital projects selected each year are primarily drawn from the City's Capital Improvement Plan (CIP). Many times Administration will try to 'bundle' similar projects to achieve greater economies of scale when soliciting proposals.*

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As well, the City is proposing an increased level of investment in the City's Parks system for FY 2022, particularly to Borden, Bloomer, and Spencer Parks which all happen to be located along John R Road in District #4. [Snyder]

Q: Parks are getting restroom upgrades and pavilion work, but I do not see the ranger buildings?

A: The Borden Park Office Relocation and Innovation Hills Ranger Station buildings are both already included in the current FY 2021 Adopted Budget, so they are not listed as FY 2022 Proposed Budget projects. [Snyder]

Q: It is great that we will be adding in the Electric charging stations in 2023 at city parking lots. Will City Hall be a planned location?

A: Yes, it is planned to offer Electronic Charging Stations at all City parking lots including City Hall.

There are many factors for the City to consider regarding offering electric charging stations regarding the type of charging stations to standardize and install as well as if the City will consider charging customers for EV charging or offer the service for free.

The City will attempt to utilize any and all outside funding sources for the installation of EV charging stations. [Snyder]

Q: Do we have any city owned electric cars? Will future replacement vehicles be hybrid? If so can they be included in IS-05A.

A: We have discussed this opportunity & have been monitoring the EV industry, we are proposing to purchase three (3) EV vehicles (Chevy Bolts) as a pilot project next year, two (2) in DPS & one (1) in Assessing. [Schneck]

Q: Cost of the new positions in the budget? The incremental increase for 2021 (from part time to full time) and the full cost in 2022. With justification for the positions.

A: Administrative Associate II / Clerks [Part-Time to Full Time]

- *Incremental increase from 2021 = \$64,130*
- *Full cost in 2022 = \$100,850*
- *Justification:*
- *BACKGROUND (Clerk Scott):*

- *From 2007 to 2013, I was in the position of City Council Coordinator. Part of my responsibility was to oversee and run the Rochester Hills Government Youth Council (RHGYC). It took a lot of time and effort (many hours outside of my regular 40-hr workweek) to develop, grow and take this group from simply attending monthly meetings to hosting Youth Summits, 5k's, leading youth dialogues at MML's Legislative Day, and much, much more.*

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- *In 2013 when Tina Barton became City Clerk she combined the full-time position of City Council Coordinator and the full-time position of Deputy Clerk. She also created the part-time position of Adult Advisor for the Youth Council.*
- *Since that time, the turnover in the RHGYC Adult Advisor position has been significant. To date, there have been five different people in that position. As such, I feel the RHGYC program has suffered; the lack of continuity has caused the program to start-and-stop (requires training and bringing each new individual up-to-speed which has halted progress and caused frustration/disappointment on the part of the student members). If we keep this position part-time, we can maintain the “status-quo” but I really do not feel that would meet your direction to grow and be innovative.*
- **RATIONALE:**
 - *The individual in this part-time position cannot work more than 24 hours per week. Passport processing alone consumes 15 of those 24 hours. Currently we process passports three (3) days a week from 10 a.m. to 2:00 p.m. Council Vice-President Bowyer has expressed her desire for us to expand the days/hours of this to accommodate more people. The general public has also expressed a need for this expansion. The remaining nine (9) hours per week are allocated to the RHGYC program, as well as filling in with customer service needs (front counter and phones).*
- **RESULTS:**
 - *(Adding the full-time position):*
 - *This position will be able to dedicate more time to growing and enriching the RHGYC program by providing a consistent, supportive learning environment that offers opportunities for these students to have access to policy makers and youth constituents. A more in-depth educational programming aspect will enhance students’ abilities to engage in policy change, create exposure to a career in local government and have an overall understanding of local and state government. This would fulfill both City Council’s and the Administration’s desire for us to run a model program in which other organizations want to follow.*
 - *The Clerk’s Office is a main hub for its customers; residents and customers tend to call or visit the Clerk’s office prior to being directed to any other department within City Hall. We are currently comprised of newer staff members. This is an opportune time for us to shape the culture of this department and encourage professional development, improve/enhance our processes and implement succession planning. Making this position full-time will also allow us to recruit (and retain) an individual who can offer the skills/time/resources/stability needed to move forward in not only developing the Youth Council program in the above-mentioned ways; it will*

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also help us be able to have an additional employee available to assist as needed in the following ways:

- *Be available to assist with counter traffic and answering the phones when Vital Stats/Cemetery employee is out marketing/working at the Cemetery.*
- *Be available to assist the Elections Specialist with duties associated with the increase in Qualified Voter File (QVF) inbox activity. This increase has resulted in the need for more processing time for voter registrations and various voter-related changes/documentation/follow-up.*
- *Provide additional staffing/resources to accommodate the increased workload associated with running elections (processes have changed and new legislation is being introduced at an alarming pace and scale).*
- *The ability to certify an additional Notary to offer these services for city business, as well as to the general public.*
- *(Maintaining the part-time position):*
 - *Customer service response time decreases, as well as quality. The Clerk’s Office takes a “soft hand-off” approach to ensure customers are directed to the proper department and obtain the information requested. Large senior population takes more time to assist.*
 - *Employee availability - fewer employees in the office or individuals assigned to a project (elections, FOIA, records) must work faster and handle a higher volume of work, which leads to an increase in errors and employee burn-out.*
 - *Staff reduction has led to an increase in workload and stress. Turnover rates increase, employees feel overwhelmed, which can lead to a decrease in morale.*
 - *Lack of coverage/ability to offer services when other team members are out on VC, AL, FMLA, STD, etc.*
 - *The Clerk’s Office does not have the capacity to increase passport hours/days offered to the public, as well as not have the ability to provide additional back up if staff is out of the office.*
 - *Management cannot focus on improving the systems/procedures within the office, attend trainings, and participate in outreach/engagement opportunities on behalf of the Department and City due to managing day-to-day rather than working on overall strategic planning and outcomes.*

Passports processed (2013 to current):

<i>Year</i>	<i># of Passport</i>	<i>Revenue</i>	<i>Comments:</i>
<i>2013</i>	<i>1,375</i>	<i>\$34,375</i>	
<i>2014</i>	<i>1,274</i>	<i>\$31,850</i>	
<i>2015</i>	<i>1,394</i>	<i>\$34,850</i>	

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2016	1,470	\$36,750	
2017	1,363	\$34,075	
2018	1,304	495 x \$25 = \$12,375 809 x \$35 = \$28,315 = \$40,690	4/2/18 fee increased from \$25 to \$35 per passport
2019	1,257	\$43,995	
2020	400	\$14,000	COVID - stopped services 3/13/20
2021	485 (as of 7/7/21)	\$16,975	Resumed services 3/1/21

Department Associate / Mayor’s Office [Part-Time to Full-Time]

- Incremental increase from 2021 = \$65,400
- Full cost in 2022 = \$110,490
- Justification:
- *The Department Associate is the manager of first impressions both in person and on the phone. They are the main point of contact for both the Rochester Hills main line and the Mayor’s Office. As you can see from the chart below, the calls coming into the main line have almost doubled over the past two years. In addition, this position has been working with our front desk team across departments to improve our customer service. This has included “warm transfers” where they collect information for the department prior to transferring the call, so that the resident does not have to repeat themselves and the department can confirm they are the appropriate team to receive that call.*



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- *Having a full-time Department Associate also allows the City to provide improved continuity and efficiency. For example, if the Department Associate calls and leaves a voicemail on Tuesday, and the resident calls back on Wednesday, the Department Associate can't return the call until Thursday.*
- *The Department Associate has also taken the majority of the solid waste liaison duties from the Ordinance Division to provide residents with the quickest turnaround time. It is very important to our residents and customer service program to have a knowledgeable staff member available to assist in this regard. The Department Associate also helps residents handle issues from missed trash pick-up, enrolling residents in senior discounts, and answering any questions regarding SOCCRA and recycling rewards.*
- *Other new duties include the electronic sign programming for the Fire Stations and billboard design liaison. Both of these responsibilities are new and take extra hours for the Departmental Associate. It is completely separate from the City Hall electronic sign, so message creation and scheduling is all additional time. The Department Associate also works with the Media Team and billboard representatives to coordinate City messages throughout the year.*
- *The Mayor's Office has a high output for the 4.5 person team. Over the past few years, there has been a significant progression of responsibilities. Any major City projects, programs, or initiatives involve the Mayor's Office team. This includes Innovation Hills, the Auburn Road Corridor, COVID-19 Operations, and more.*
- *Moving the Department Associate position to full-time will help increase the capacity to ensure that all of the City's priorities are addressed, and that all resident concerns and questions are responded to in an expedited fashion as we continue to make excellent customer service our number one priority.*

Procurement Analyst / Finance-Purchasing [Part-Time]

- *Incremental increase from 2021 = \$52,660*
- *Full cost in 2022 = \$52,660*
- *Justification: The Finance / Procurement Division is requesting to add a new 28 hour/week, part-time Procurement Analyst to assist in alleviating some of the workload of three (3) existing Procurement staff members. A level of part-time support would allow the existing Procurement staff more time in providing consultation, planning, and in facilitating larger, more complicated projects so their expertise can be better utilized to garner impactful cost savings and provide best value procurements to the City (e.g. tandem-axle dump trucks, various facilities projects, firefighter turnout gear, thermal imaging cameras, etc.). The level of capital improvements, maintenance, and overall City activity has increased significantly over the past several years and is anticipated to continue well into the future, which has pushed the Procurement Division to operate at maximum capacity year-round leading to increased stress on the existing three (3) staff members. [Snyder]*

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Museum Interpreter / Parks-Museum [Part-Time]

- *Incremental increase from 2021 = \$44,750*
- *Full cost in 2022 = \$44,750*
- *Justification: The Rochester Hills Museum is requesting to add a new 28 hour/week, part-time Museum Interpreter to assist with existing and to expand broad educational programs, tours to school groups, drop in tours on weekends, staff support for summer camps and support for private rentals. A part-time position previously supported private rentals, but was eliminated prior to the COVID-19 pandemic as we looked at analyzing our future needs. The Museum is seeking additional program staff support as barn construction is completed to support additional buildings, exhibits, and programs as well as replace lost volunteers that helped support our school and Museum programs (school programs are approximately 4,000 children for half-day or full-day programs). Because we have not been able to replace the lost volunteers we have no staff backup for regular school programs in the event our full-time program coordinator is unavailable. [Elwert]*

Administrative Associate II / Fire-CRR [Part-Time]

- *Incremental increase from 2021 = \$38,930*
- *Full cost in 2022 = \$38,930*
- *Justification: The Rochester Hills Fire Department is requesting to add a new 24 hour/week, part-time Administrative Associate II / Community Risk Reduction (CRR) as prior to 2010 the fire department had two (2) full-time administrative positions and one (1) part-time position. One (1) full-time position was reduced to part-time in 2011. The department has been staffed with one (1) full-time position and two (2) part-time positions since that time. The administrative aspect of the department has continued to increase including:
 - *EMS accounts*
 - *Employee associated administrative tasks (payroll, etc.)*
 - *Inspections (filing, billing, correspondence)*
 - *Other administrative duties (phones, filing, correspondence, burn permits, inquiries, etc.)**
- *In the last 10 years the department has grown requiring additional administrative support. This one (1) new part-time position will allow the department to improve administrative productivity. [Canto]*

Q: DTE Energy recommendations coming for savings. Is there room in the budget to accept the cost increase? If not, how will we afford the increase?

A: *The DTE Energy manager has completed approximately 80% of the work related to the assessment of each of our City buildings. The next step is to evaluate, identify and prioritize potential energy saving projects. We anticipate receiving the completed report and*

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recommendations by late October. At this point several LED lighting projects have been identified with an anticipated 1.5 year pay back. This will enable the City to realize significant energy savings. We expect several other project recommendations when the report is completed. [Cope]

Q: Define short time and on-going goals. How often are the goals updated given they are the same as last year?

A: Goals and Objectives are reviewed and updated by the City Council Strategic Planning and Policy Technical Review Committee on an annual basis. Goals are long-term in focus, whereas objectives to achieve those long-term goals may be on-going objectives to support the long-term goal or short-term objectives that can be accomplished within a more near term 1-3 years. [Snyder]

Q: Millages - when do the millages expire? Are there options to consolidate millages?

<i>A: General Levy</i>	<i>/ Charter Levy</i>	<i>= No Expiration</i>
<i>Fire</i>	<i>/ Charter Levy</i>	<i>= No Expiration</i>
<i>Library</i>	<i>/ Charter Levy</i>	<i>= No Expiration</i>
<i>Local Street</i>	<i>/ Voter Approved</i>	<i>= Expires in 2029 for FY 2030 Budget</i>
<i>Special Police I</i>	<i>/ Voter Approved</i>	<i>= Expires in 2023 for FY 2024 Budget</i>
<i>Special Police II</i>	<i>/ Voter Approved</i>	<i>= Expires in 2023 for FY 2024 Budget</i>
<i>Pathways</i>	<i>/ Voter Approved</i>	<i>= Expires in 2025 for FY 2026 Budget</i>
<i>RARA Operating</i>	<i>/ Voter Approved</i>	<i>= Expires in 2025 for FY 2026 Budget</i>
<i>OPC Operating</i>	<i>/ Voter Approved</i>	<i>= Expires in 2029 for FY 2030 Budget</i>
<i>OPC Transportation</i>	<i>/ Voter Approved</i>	<i>= Expires in 2025 for FY 2026 Budget</i>
<i>Drain Debt Millage</i>	<i>/ Drain Code</i>	<i>= Last needed in FY 2025 for remaining debt</i>

It is anticipated that Special Police I and Special Police II will be combined/consolidated via a renewal when they both expire together in Winter 2023 for FY 2024. This will be presented to voters prior to their expiration to have in place prior to FY 2025+.

The OPC 'could' decide to renew their Transportation millage expiring with the FY 2026 Budget for a 4-year renewal to coincide with the expiration of their Operating millage and then attempt to combine/consolidate those two (2) millages into one (1) single OPC millage encompassing both OPC Operations and Transportation. This would be up to the OPC Board to decide how to handle.

The Drain Debt millage will last need to be levied in Winter 2024 for FY 2025, as FY 2025 is the final year of debt service to service the last remaining City of Rochester Hills Governmental Debt Obligation. The Drain Debt levy is proposed at 0.0353 mill to annually generate an amount of revenue in the range of \$140K-\$150K per year to utilize that fund's remaining fund balance and to pay off the final years of debt service. In the future, the City will have a choice to re-purpose the expiring Drain Debt millage to another activity

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(and keep the bottom line millage the same) or to simply let the Drain Debt millage fall off and in turn reduce the overall City millage rate. [Snyder]

Note: The only City of Rochester Hills debt remaining in 2026+ is for the City's share of debt incurred by the Oakland County Water Resources Commission (OCWRC) for Oakland-Macomb Interceptor District (OMID) sanitary sewer projects, which is due through FY 2034.

Q: Number of employees - page 9 (241) and page 28 (319) have different numbers and they are different from 2020. Please let me know the correct number of staff.

A: The figure of 241 on page #9 represents only full-time employees, whereas the figure of 319 on page #28 also includes part-time employees in that calculation. [Snyder]

Q: Mr. Blair had a question at the Budget Workshop regarding inbound phone call metrics to the City Hall Office of the Parks Department.

A: The figure was an administrative error, which has now been fixed. [Snyder]

OPC / The budget looks good with fiscally responsible decisions on what to improve this coming year.

Q: OPC / Page 6 looks like a duplicate of page 4? And page 7 looks like a duplicate of page 5? How is schedule A different from B?

A: Schedule A (pages 4 and 5) presents revenues AND expenditures by cost category for the total organization. Schedule B (pages 6 and 7) also presents revenues by category, however expenditures are presented by division/department (chain of command if you will). [Soave]

Q: OPC / It would be nice to have the actual numbers for FY 2018, FY 2019 as well as FY2020 listed in the print out. Also, my request again to have a percent change from the 2021 to 2022 budget would make looking at the numbers easier to see where the changes are.

A: Adding additional actual columns has been done in the past, however it crowds the presentation to the point that readers have a difficult time seeing any of the numbers. Also the number of organizational changes made in the last few years lessens the meaning of the comparison. Regarding the percentage change, my apologies, with all the issues faced in the last year and a half, that request was lost. [Soave]

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RARA / The budget looks good. They have made fiscally responsible decisions for the coming year. Especially after losing so much income for not being able to have most of the programs due to COVID restrictions. They have done well to be able to add to their general fund in 2021. I like reading the past actual budget numbers for the past 3 years as well as the projected for the coming 3 years along with the percent change to the previous year.

Q: Applied Fitness is a tenant, how do the taxes work?

A: *Applied Fitness Solutions is operating under a shared space agreement with RARA and has moved the majority of their equipment into our Group X studio. During the build of the 480 E. 2nd St, we created three (3) office spaces with the expectation that future use would be for athletic trainers. The space that is being utilized specifically for AFS staff will be assessed. The other spaces are open to the public and the shared use agreement allows RARA to offer a different range of fitness programming that we did not have in the building. [Dave Word]*

Q: As RARA is nonprofit. Does Applied Fitness run the fitness center that you established several years ago?

A: *Applied Fitness Solutions is helping us reach two of the revenue stream goals we projected during the visioning of the 480 E. 2nd Street property. Personal Training and Workshops/Challenges are an important part of successful operations and finding a partner like AFS to operate these revenue segments is essential to member growth and revenue stability. RARA and AFS operate two different registration systems. All AFS members are required to purchase a membership to Four80 Fitness (the branded name for the recreation complex element of RARA). [Dave Word]*

Q: Is the increase in the membership fees (page 221) due to a projected increase in the number of people joining or an increase in the membership fee?

A: *The projected increase is a combination of expected return to pre-COVID participation along with the enrollment of AFS clients in the system. AFS and RARA have both felt the reduction in participation in the fitness industry due to state mandated closure along with masking requirements and community concern to participate in a group setting. RARA membership dipped from 2,000 members to 400 and AFS has decreased from over 400 to around 100. Anticipated growth is based on a steady increase for both AFS and RARA, slowly gaining participation over the next year. AFS initial membership volume adds 140 clients to the RARA membership creating about \$1,400/month in new members for RARA and the shared use agreement adds \$5,000/month in shared space lease which is being added to the "memberships" line item. [Dave Word]*

Q: I thought the idea of leasing part of a non profit building to a for profit company was not supported by council several years ago? When did this change?

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A: *The addition of a medical provider to offer physical therapy services was not accepted by City Council. AFS offers the true scope of services that the RARA spaces were intended for and also presented in the drawings of the building. Operating a fitness center with a single revenue stream is very difficult without subsidy. Our goal at RARA to ensure we can operate the 480 E. 2nd St facility is to create seven (7) types of revenue: memberships, rentals, personal training, group training, classes/programs/challenges, merchandise, and vending. The expertise AFS offers in personal training, group training, and classes/programs/challenges puts RARA in an optimal position moving into the future. AFS needed support to get through the pandemic and as one of the leading providers of classes and personal training in the greater Rochester area it was a win, win for both organizations. [Dave Word]*

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Dems Propose \$5B For Water Systems On Heels Of Detroit Area Flooding

Democrat legislators are proposing \$5 billion in water system improvements on the heels of a new report, that zooms into what heavy rainfall over a short period of time means for Michigan. During the final days of June, a cloudburst dumped six inches of rain on Metro Detroit's drainage system. Vehicles were abandoned and left floating across flooded freeways.

Interstate 94 (I-94), known as a cramped highway for those commuting in-and-out of the Motor City, appeared like a river. More than a week later, Sen. Rosemary **BAYER** (D-Beverly Hills) watched the rain from her Southeast Michigan home. As the droplets thumped against the concrete, she worried about basement backups and more flooding.

Embodying the hundreds of basements damaged by the drastic Metro Detroit flooding, "State at Risk" -- the Climate Central project -- reported nearly 340,000 Michigan residents reside in areas with an elevated risk of inland flooding.

Additionally, from 1964 to 2013, the annual frequency of Michigan storms with a single-day precipitation of two inches or more increased by 89%.

"We cannot continue to be blind to what future climate changes will bring to our state. We must plan and prepare now in order to protect our residents tomorrow and for generations to come," said Bayer about the \$5 billion investment Democratic lawmakers are proposing.

Senate Minority Floor Leader Stephanie **CHANG** (D-Detroit) said the problem of severe storms and their related catastrophes "will only get worse unless we act with urgency."

"The need for climate infrastructure resilience policies that support Michiganders, create jobs and prevent the disastrous effects of climate changes has never been greater. This plan will make a dramatic difference for our neighborhoods," Chang said, with the plan being introduced this afternoon at the Community Treehouse Center in Detroit.

The proposal, which already received a thumbs up from groups like the Michigan League of Conservation Voters, the Michigan Environmental Council and the Michigan Climate Action Network, would infuse:

- \$1.5 billion into storm and wastewater infrastructure
- \$1.2 billion for providing local grants to replace lead pipes and update other drinking water infrastructure
- \$900 million into dam safety
- \$700 to address contaminated sites
- \$450 million for shoreline protection and restoration projects

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"Floods are to Michigan and other states in the Midwest what hurricanes are to the Atlantic coast areas -- the most destructive type of regularly occurring natural disaster in the region," the Rocky Mountain Climate Organization shared in a December 2014 report.

By 2013, the annual frequency of extreme storms in southern Michigan experienced a 128% skyrocket over a 50-year period. The aforementioned report from the Intergovernmental Panel on Climate Change's (IPCC) described a "particular vulnerability" for Michigan against extreme storms was its reliance on combined sewer systems, holding both storm water and sewage.

As of December 2014, there were 46 combined sewer systems in the state -- meaning Michigan held the third-largest total of these pipes in the country.

"(These) aged water and sewage systems across the state are failing, both inadequate to meet the need and in terrible disrepair," the report reads. "Many systems have been built 100 years ago, so in addition to providing \$25 million for immediate flood relief for those who are impacted by storms now, this \$5 billion proposal includes funds to upgrade, repair (and) even separate our stormwater and wastewater systems."