



Rochester Hills

Minutes - Draft

City Council Regular Meeting

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
(248) 656-4600
Home Page:
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*J. Martin Brennan, Greg Hooper, Nathan Klomp, Vern Pixley, James Rosen,
351cael Webber and Ravi Yalamanchi*

Vision Statement: The Community of Choice for Families and Business

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

Monday, May 2, 2011

7:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

*President Hooper called the Regular Rochester Hills City Council Meeting to order
at 7:09 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
Scott Cope, Building/Ordinance Compliance
Bob Grace, Director of MIS
Kelsey Jackson, Rochester Hills Government Youth Council Representative
Kevin Krajewski, Network Administrator/Deputy Director of MIS
Pam Lee, City Accountant
Jane Leslie, City Clerk
Keith Sawdon, Finance Director
Allan Schneck, Director of DPS/Engineering
Leanne Scott, City Council Coordinator
John Staran, City Attorney
Michelle Thorpe, Rochester Hills Government Youth Council Representative
Kelly Winters, Deputy Director of Building/Ordinance Compliance*

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

**A motion was made by Pixley, seconded by Klomp, 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

Jeff Matis, Oakland County Commissioner for District 12, reported that a number of summer job openings are posted on the County's website at www.oakgov.com. He noted that there are several County Board and Commission openings and interested individuals should contact the Board of Commissioners' office at 248-858-0100. He mentioned that a position is available on the Senior Advisory Council and invited interested individuals to contact him.

Jim Donnelly, 3260 Tamarron, expressed concern that the Fire Department provides patient transport services for additional revenue, thereby creating a situation wherein their ambulance may not be available to respond to medical emergencies. He stated that a mutual aid agreement is not intended to provide aid from another community when City crews are busy transporting patients to facilities.

Dee Hilbert, 3234 Quail Ridge Circle, stated that rough drafts of ballot proposals to fund Police Services and Parks were presented for review at the April 13th Police and Road Funding Technical Review Committee (PRTRC). She commented that the PRTRC should come before Council before presenting information to homeowners associations and questioned why the committee is discussing funding for Parks. She mentioned that discussions should not occur via email and questioned what the PRTRC's next step will be.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

President Hooper responded to public comment, stating that the City's Fire Chief/Emergency Management Director, Ron Crowell, runs an excellent department. He mentioned that the Police and Road Funding Technical Review Committee (PRTRC) has been active for several years now and have assembled a number of different proposals, suggestions and ideas. He noted that some of these ideas were recommended for implementation, while others were not. He commented that part of the committee's process is to seek public input and pointed out that PRTRC minutes are available on the web. He stated that the May 11th PRTRC meeting has been cancelled and not yet rescheduled by the chairperson.

Mr. Brennan reported that Brookwood Subdivision's Make a Difference Day flea market fund raiser has been very successful each year, and recently received national recognition, including a \$10,000 donation which was presented to the Baldwin Center in Pontiac. He mentioned that the group will be in attendance at the June 6th Regular City Council meeting.

Mr. Klomp reported that the Green Space Advisory Board (GSAB) held its Green Space Discovery Hike on April 23rd and acknowledged the terrific efforts of the Rochester Hills Government Youth Council members serving on the GSAB in planning the event. He noted that a few hundred people took part in

the walk, which showcased the City's green spaces. He mentioned that Mayor Barnett is one of ten U.S. elected officials selected to attend a forum in Germany to review sustainable development for communities.

Mr. Webber noted that the events that have taken place over the past 24 hours in Pakistan have been historic for the nation. He announced Memorial Day Weekend events including the Heritage Days at the Rochester Municipal Park and the Memorial Day Parade. He mentioned that an April 27th meeting of the PRTRC was held to review information to be assembled for the Spring Homeowners Association meeting and resulted in a fact-based presentation. He commented that the PRTRC is comprised of committed citizens who have given a lot of time to the City. He pointed out that recommendations made to Council by the PRTRC in May of 2009 were not all implemented and commented that he would expect that future recommendations would also be considered, but not all implemented. He stated that the PRTRC requested that draft ballot language be prepared for review and discussion.

Mr. Yalamanchi referred to the disastrous weather events occurring throughout the center and southeast portions of the country and questioned whether a presentation could be made to Council regarding the City's emergency response plans.

Michelle Thorpe, Rochester Hills Government Youth Council (RHGYC) Representative, thanked Mr. Klomp for acknowledging the RHGYC members' work on the GSAB Discovery Hike, noting that the GSAB was able to show the public what it works so hard to accomplish. She announced that the RHGYC will hold its annual 5k Run/Walk, this year benefitting the Rochester Area Neighborhood House on Saturday, June 18, 2011 at Bloomer Park and encouraged interested individuals to register for the event.

Mayor Barnett noted that a presentation on the City's emergency plans would be scheduled for an upcoming meeting. In response to Public Comment, he stated that responding to emergencies is the number one priority of the Fire Department. He commented that while the Department has added patient transfers to its services, these transfers are always prioritized to put emergencies first. He made the following announcements:

- Road Construction Projects:
 - * Work began April 18th on the Walton Boulevard Rehabilitation Project. Crews are currently working on drainage along the roadway edges.
 - * Work is progressing on the Crooks Road Overpass at M-59. The second span is taking shape.
 - * Design is moving forward on the Avon and Livernois Road bridges. The Road Commission for Oakland County recently announced that the Avon Road Bridge has officially been placed on the schedule for 2012 construction.
- The Mayor attended the Detroit Economic and Oakland County Economic Outlook Luncheons. Both events highlighted job growth; 8,000 to 10,000 new jobs are projected each year in Oakland County for 2011, 2012 and 2013. The unemployment rate for Oakland County is expected to drop into the low eight

- percentile range next year, down from the current rate of over nine percent.
- The Rochester Area Prayer Breakfast is Thursday, May 5th, at the Shotwell Gustafson Pavilion at Oakland University.
 - The Greater Rochester Area Memorial Day Parade is set for Monday, May 30th.
 - Paddlepalooza on the Clinton River is set for Saturday, June 4th.
 - The Fire Department will sponsor the Ride for a Cause motorcycle ride to benefit the American Cancer Society Relay for Life on Sunday, June 5th.
 - The Fiscal Department received the GFOA (Government Finance Officers Association) Distinguished Budget Presentation Award for the 15th year in a row.
 - Community members have the opportunity to partner with the City in sponsorship of the upcoming Festival of the Hills Fireworks Display. Information is included with each water bill on how to become a sponsor. The event is fully funded each year by donations.
 - The Rochester Hills Museum at Van Hoosen Farm announced plans to build the Broomfield Center for Leadership to house the congressional archives of former Congressman William S. Broomfield. Broomfield's family roots are tied to the Van Hoosen Farm and the former Congressman donated his archives along with \$100,000 toward the Calf Barn Refurbishing Project. The initiative was announced on April 30th at a fund raiser at the Royal Park Hotel. Donations can be made through the Community Foundation of Greater Rochester. A short video was played regarding the project.
 - Mayor Barnett will travel to Germany in June to represent the City and the nation at the Transatlantic Climate Bridge, "Sustainable Planning, Sustainable Communities". Participation in the forum is funded completely by the German Embassy.

ATTORNEY MATTERS

City Attorney John Staran had nothing to report.

PRESENTATIONS

2011-0249 Proclamation in Recognition of John Anderson

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

Mayor Barnett stated that John Anderson, recently-retired after his years as Executive Director of the Rochester Avon Recreation Authority (RARA), has been a fantastic supporter of and a treasure to the community.

Mr. Klomp commented that he has served first as a Citizen Representative and now as Council Representative to RARA for several years and noted that it has been a great pleasure to work with Mr. Anderson. He read the proclamation.

John Anderson commented that his wife, Carol, retired the same day he did. He introduced his family in attendance and mentioned that he will be devoting

his time to his children and grandchildren. He acknowledged incoming Executive Director Ron Jewell and RARA Citizen Representative Tim Brown, in attendance. He commented that RARA has a dedicated staff, several of whom were there when he began with the organization 19 years ago. He thanked the City for its support in providing good Citizen and Council Representatives, and stated that the RARA Board has the task to provide the best recreation services for the dollars it receives.

Mayor Barnett mentioned that Mr. Brown has been a Citizen Representative on the RARA Board for many years and is stepping aside as his appointment expires.

Presented.

Whereas John Anderson served as the Executive Director of the Rochester Avon Recreation Authority (RARA) for 19 years; and

Whereas, under his excellent leadership, RARA expanded from one shared office and two dance rooms to four dance rooms, one preschool room, five offices and a welcome area; and

Whereas, John has always been able to interact with a variety of individuals, and greatly improved the working relationship with Rochester, Rochester Hills, the Rochester Youth Soccer League, Rochester Redskins Football, North Oakland Baseball Federation and the Rochester Hills Little League; and

Whereas, John formed the adult soccer league, which has expanded to five leagues, and he is very proud of the creation of SCAMP, the day camp for special needs participants; and

Whereas, John and his wife Carol both retired on February 24, 2011 and have wonderful plans for traveling, enjoying their grandchildren and their condo in northern Michigan.

Now, Therefore, Be It Resolved, that the Mayor and City Council of Rochester Hills, hereby recognize and congratulate John Anderson on the occasion of his retirement as Executive Director of RARA.

2011-0225 Proclamation in Recognition of Public Service Recognition Week, May 1-7,

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

Mayor Barnett read the proclamation.

Presented.

Whereas, celebrated the first week of May since 1985, Public Service Recognition Week (PSRW) is a nationwide public education campaign honoring the men and women who serve our nation as federal, state, county and local government employees and ensure that our government is the best in the world.

Whereas, many public servants, including military personnel, police officers, firefighters, border patrol officers, embassy employees, health care professionals and others, risk their lives each day in service to the City of Rochester Hills; and

Whereas, as cities and states throughout the country face tough budget cuts and difficult spending decisions, our nation's public servants are increasingly asked to do more with less. Without these public servants at every level, continuity would be impossible in a democracy that regularly changes its leaders and elected officials.

Now, Therefore, Be It Resolved, that the Rochester Hills Mayor and City Council hereby recognize May 1-7, 2011, as Public Service Recognition Week in our community.

2011-0226 Proclamation in Recognition of National Public Works Week, May 15-21, 2011

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

Mayor Barnett read the proclamation.

Allan Schneck, Director of DPS/Engineering, accepted the proclamation on behalf of his Department.

Presented.

Whereas, National Public Works Week (NPWW) was first held in 1960 to honor and salute the men and women who work tirelessly year-round to revitalize, reinvest and renew communities across North America; and

Whereas, NPWW calls attention to the importance of public works in community life. NPWW seeks to enhance the prestige of the often-unsung heroes of our society - the professionals who serve the public good every day with quiet dedication; and

Whereas, it is through NPWW that the American Public Works Association highlights the dedication of those employees who work hard to make our communities greater for each generation; and

Whereas, this year, the 2011 theme for the NPWW is "Public Works: Serving You and Your Community."

Now, Therefore, Be It Resolved, that the Mayor and City Council of Rochester Hills hereby designate May 15-21, 2011 to be the "NATIONAL DEPARTMENT OF PUBLIC WORKS WEEK" in the City of Rochester Hills.

2011-0227 Proclamation in Recognition of Building Safety Month, May 2011

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

Mayor Barnett mentioned that displays featuring information useful to residents and businesses are available at the Older Persons Commission, Home Depot and upstairs at City Hall throughout Building Safety Month. He read the proclamation.

Scott Cope, Director, and **Kelly Winters**, Deputy Director, Building/Ordinance Compliance, accepted the proclamation on behalf of their Department.

Presented.

Whereas, through our continuing attention to building safety, we enjoy the comfort and peace of mind of structures that are safe and sound; and

Whereas the dedicated members of the International Code Council, including building safety and fire prevention officials, architects, engineers and others in the construction industry, develop and enforce codes to safeguard Americans in the buildings where we live, work, play and learn; and

Whereas, the International Codes, used by the City of Rochester Hills, include safeguards to protect the public from natural disasters that can occur, such as snowstorms, hurricanes, tornadoes, wild land fires and earthquakes; and

Whereas, Building Safety Month is an excellent opportunity to educate the public by increasing public awareness about building safety and the role fire prevention officials, local and state building departments and federal agencies have in protecting lives and property; and

Whereas, we ask all Americans to consider projects to improve building safety at home and in the community, and to recognize all building safety and fire prevention officials for the important part that they play in protecting the health, safety and welfare of our citizens.

Therefore, Be It Known, that May 2011 will be designated Building Safety Month in the City of Rochester Hills. Accordingly, our citizens are encouraged to join their fellow Americans in participating in Building Safety Month awareness by assisting in efforts to improve building safety.

2011-0251 Presentation on the Rochester Area Neighborhood House (RANH); Linda Riggs, Executive Director, and Kelsey Jackson, RANH Junior Ambassador and Rochester Hills Government Youth Council (RHGYC) member, presenters

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

Linda Riggs, Executive Director of Rochester Area Neighborhood House, Inc., (RANH) stated that she started working with RANH last November. She gave the following presentation on RANH's programs:

MISSION:

- We are a non-profit human service organization that was first formed in 1968 in order to assist our neighbors during times of hardship.
- We partner with the community and other social service providers/organizations to help those neighbors move toward self-sufficiency.

Ms. Riggs noted that the RANH's motto is "Neighbors Helping Neighbors" and the goal of the organization is for individuals to help each other.

OUR NEIGHBORHOOD:

- We serve our neighbors in Rochester, Rochester Hills, Auburn Hills (east of I-75), Oakland Township and Addison Township.

RANH CURRENT PROGRAMS:

- Clothes Closet (44 Mill Street).
- Food Pantry (at First Congregational Church of Rochester).
- Direct Client Financial Assistance.
- Counseling.
- Transportation.

CLOTHES CLOSET:

- Families and individuals receive new and gently-used clothing, coats, blankets and linens.
- Small household items, books and toys are also available.
- New socks and underwear are available for adults and children.
- Birthday Room has new toys and games.
- Local families made over 2,194 visits in 2010.
- Public Sale Days every Wednesday and "Attic Sales" twice a year.

Ms. Riggs pointed out that those requesting assistance are screened and must demonstrate a need to qualify. She noted that all items in the Birthday Room are donated and parents can choose one new toy as a gift for their child. She stated that the public sale days at the Clothes Closet are open to the public and the monies raised help the service to be self-sustaining.

FOOD PANTRY:

- Provides emergency food for families struggling to feed themselves.
- Personal and sanitary products available.
- Immediate benefit to clients.
- State-of-the-art facility and efficient operation.
- Filled over 1,091 food orders (9,238 bags of food) to 2,503 individuals in 2010.

She explained that the Food Pantry is run by an all-volunteer staff, and noted that those in need can receive up to two weeks of food. Cash donations to allow the RANH to purchase food for the Pantry are welcome, along with direct donations. She commented that most are surprised that there are that many individuals in the community who need assistance; and pointed out that the RANH has seen a difference in the types of people who have found it necessary to ask for help.

DIRECT CLIENT ASSISTANCE:

- RANH provides direct financial assistance to clients, and acts as a conduit for THAW (The Heat and Warmth Fund).
- Satisfies a wide range of needs:
 - * Rent (prevents evictions)
 - * Utilities
 - * Car repairs
 - * Medical Bills
 - * Education
- Direct Client Assistance in 2010 totaled over \$150,000.
- Intake and case work is individualized for each person or family seeking assistance.

- * Client interviews and budget reviews
- * Documentation collection and verification
- We use a holistic approach.
- Confidentiality is strictly protected.
- Success stories are very affirming for RANH, our consumers and our supporters.

Ms. Riggs explained that the RANH has a unique setup, with an intake case worker who works very closely with everyone who comes in. The RANH takes a holistic approach, often providing job-coaching and helping families form budgets to move toward self-sufficiency. She commented that the Case Study Team is comprised of RANH staff, board and community members.

COUNSELING:

- Confidential counseling is offered to low income individuals and families by experienced professionals:
 - * Crisis intervention
 - * Marriage, family, separation and divorce
 - * Depression, anxiety and stress
 - * Grief and loss
 - * Other
- 243 hours of counseling were conducted for RANH clients in 2010.
- Benefits are long-term and counselor makes referrals as needed.

TRANSPORTATION:

- Provides critical transportation for needy clients in a handicapped accessible van.
- Allows clients who are unable to drive themselves to attend medical or social service appointments.
- Provided 450 rides (over 16,200 miles) for qualified clients in 2010.
- Coordinate with other local transportation services (OPC).

She noted that most of the RANH drivers are retired individuals.

OTHER PROGRAMS:

- Employment Assistance/Budget Counseling/Job Coaching (in-house or networked programs).
- Special Events/Holiday Assistance.
- Gift Cards.
- Volunteer Networking: Connecting skilled volunteers with opportunities in the community.
- Junior Ambassador and Youth Programs.

Ms. Riggs introduced Kelsey Jackson, RANH's Youth Ambassador for this year.

Kelsey Jackson, also a member of the Rochester Hills Government Youth Council (RHGYC), stated that this year's RHGYC Annual 5K Run/Walk set for June 18th at Bloomer Park will benefit the RANH. She invited those interested in participating to visit the RHGYC's website and the RANH Facebook page for information and goracego.com to register for the 5K online.

Ms. Riggs invited interested individuals to contact the RANH for more information and mentioned that tours of the facility are also available for groups.

Council Discussion:

Mr. Pixley thanked Ms. Riggs and Ms. Jackson for their presentation, noting that he is tremendously supportive of the organization.

Presented.

2011-0248 Request for Acceptance of Fiscal Year 2010 Comprehensive Annual Financial Report (CAFR) presented by the audit firm of Plante & Moran, PLLC

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

Joseph Heffernan, Partner, Plante & Moran PLLC, stated that the Audit of the City's financial statements shows good financial results for the year and statements were found to be reliable and fairly-stated. He explained that in prior years, Plante & Moran prepared the year-end documents; however, this year, City staff completed the reports and did an excellent job. He gave the following Audit Presentation for the year ended December 31, 2010.

Fund Balances, December 31:

	2006	2007	2008	2009	2010	2011 (Budget)
Restricted	\$49,850,613	\$49,470,439	\$45,970,926	\$45,404,810	\$47,181,091	\$47,160,555
Nonspendable	\$60,563	\$60,151	\$107,532	\$108,824	\$130,100	\$115,485
Committed	\$6,267,969	\$4,602,963	\$4,947,103	\$4,810,494	\$4,922,640	\$4,981,274
Assigned	-	-	-	-	-	-
Unassigned	\$10,136,148	\$12,885,787	\$14,429,937	\$14,153,056	\$18,175,688	\$16,761,686

Mr. Heffernan stated that these Fund Balances include all activities of the City other than the Water and Sewer Fund. He noted that 2010 was the second year of what is expected to be a three-year downturn. He explained that the Restricted portion of Fund Balances are designated for specific purposes such as for Roads, Act 51, Fire and Drains and are not open to Council to spend on anything they are not allocated for. Committed funds are not legally-restricted, but are committed to specific projects found in the Capital Improvement Plan. Unassigned Fund Balances are those funds that Council can make decisions to spend. He commented that overall, the City has a very healthy level of Fund Balance.

Revenues, Expenditures and Fund Balance, Years Ended December 31:

(In Thousands)	2,008	2,009	2,010	2011 (Budget)
Total Revenues	\$57,870	\$54,952	\$53,499	\$46,467
Total Expenses	\$59,102	\$55,603	\$47,334	\$47,829
Total Fund Balance	\$65,455	\$64,477	\$70,410	\$69,019

Mr. Heffernan noted that the City's major revenue sources are property taxes and revenue sharing, and pointed out that revenue sharing has declined every year since 2001. Currently made up of Constitutional and Statutory sources, the State will most likely take all remaining Statutory revenue sharing away from the City by the end of 2011. Once Statutory revenue sharing to the City is decreased to zero, the further decline to Statutory revenue by the State expected next year will not affect the City. He pointed out that property taxes experienced inflationary increases from 1994 to 2008, not allowing an expansion of services, but allowing cities to keep up with costs. He likened the decline of taxable values since 2008 to a structural resetting of values and commented that even if home values increase, taxable values will be limited in their ability to recover. He commented that while the City has experienced a 20 percent drop in taxable value, the percentage has decreased far more in other cities; for instance, Wayne County's taxable values have dropped 30 to 35 percent. He stated that Council has reduced expenses to reflect the reductions in revenues.

Lisa Manetta, CPA, Associate, Plante & Moran PLLC, provided information on revenue distribution:

Governmental Revenues, Years Ended December 31:

(In Thousands)	Property Tax	State Sources	Charges for Services	Licenses and Fees	Other	Interest
2008	\$32,792	\$9,448	\$6,771	\$2,284	\$3,399	\$3,176
2009	\$32,898	\$8,700	\$7,306	\$2,064	\$3,029	\$955
2010	\$31,668	\$8,466	\$7,558	\$2,718	\$2,296	\$793
2011 (Budget)	\$27,973	\$8,089	\$7,217	\$1,965	\$646	\$577

She pointed out that Property Tax is the most significant source of Governmental Revenues, at 60 percent. State Sources include Shared Revenues and Act 51. She mentioned the trending decline of property taxes, noting a 3.8 percent decrease from 2009 to 2010. The decrease expected for 2011 is 11.5 percent.

Governmental Expenditures, Years Ended December 31:

(In Thousands)	General Government	Public Service	Public Safety	Planning & Zoning	Parks & Museum	Capital Outlay	Debt Service
2008	\$7,367	\$6,821	\$18,419	\$1,199	\$5,147	\$13,763	\$6,386
2009	\$7,327	\$7,187	\$18,306	\$1,061	\$4,802	\$8,880	\$6,579
2010	\$7,076	\$7,162	\$18,038	\$887	\$4,606	\$3,262	\$6,303
2011 (Budget)	\$7,227	\$8,247	\$17,885	\$898	\$4,296	\$4,883	\$4,423

Ms. Manetta stated that Public Safety continues to be the largest expenditure. The largest decrease is noted in Capital Outlay.

Water and Sewer Fund Activity, Years Ended December 31:

<i>(In Thousands)</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011 (Budget)</i>
<i>Total Operating Revenue</i>	<i>\$24,910</i>	<i>\$25,904</i>	<i>\$29,011</i>	<i>\$30,500</i>
<i>Total Operating Expenses</i>	<i>\$26,179</i>	<i>\$26,731</i>	<i>\$26,953</i>	<i>\$29,837</i>
<i>Unrestricted Net Assets</i>	<i>\$16,350</i>	<i>\$18,894</i>	<i>\$24,608</i>	<i>\$25,271</i>

She explained that Unrestricted Net Assets represent the available equity in the Water and Sewer Fund and are not invested in infrastructure. She pointed out that the amount of Unrestricted Net Assets at the end of 2010 indicates the Fund's strong financial condition.

Council Discussion:

Mr. Yalamanchi questioned whether Charges for Services represent Inter Fund charges and if revenues from Lateral Fees also increased.

Pam Lee, City Accountant, responded that these Charges represent fees charged such as Building Department Permits, Planning and Engineering Fees.

Scott Cope, Director of Building and Ordinance Compliance, noted that revenues from Permits came in much higher than expected for 2010. He explained that he could not answer questions on Lateral Fees; however, the Building Department increased its fee structure for the first time in over ten years.

Mr. Yalamanchi questioned what other revenues are included in State Sources.

Mr. Heffernan responded that State Sources include Act 51 monies as well; however, he pointed out that Act 51 monies have been declining statewide since 2001.

Mr. Yalamanchi questioned whether the expectation of a 20 percent decrease in Property Taxes was accurate.

Mr. Heffernan explained that the City experienced a 3.8 percent decline last year and approximately an 11 percent decline this year. He stated that expectations for 2012, based on assessment notices, are for a 6 percent decline. The total of these decreases are approximately 20 percent. He mentioned that should assessments begin to rise for 2013, the City Assessor will be required to move back from a one-year study to a two-year study, retaining lower values.

Mr. Brennan thanked the Plante & Moran representatives for their presentation, commenting that he was pleased to know that as a Council, they are doing everything they can to control their expenses.

Ms. Manetta noted that the City received a clean opinion after evaluation of the City's requirements for compliance with grants and auditing standards and no new or unusual applications of accounting practices were noted. She pointed out that two adjustments were made which were not material to the statements and these adjustments were posted and corrected in the financial report presented to Council.

Mr. Heffernan commented that the City's efforts to begin budgeting on a three-year cycle have been very important, along with its reductions in capital improvements and staffing. He cautioned that these reductions are not sustainable for a ten-year period and the need for capital improvements is deferred, but not eliminated. He stated that the City is in excellent shape, particularly when considering the decline in revenues. He highlighted several State initiatives proposed by Michigan Governor Rick Snyder and noted their potential effect on the City:

- Statutory Revenue Sharing is being eliminated and replaced with an Economic Vitality Incentive Program, inducing local governments to use best practices, share services and make changes to employee benefit packages. He noted that Rochester Hills has been working toward service sharing and consolidation for some time, citing the Older Persons Commission, Rochester Avon Recreation Authority and the move to County Dispatch Services as examples. Governor Snyder wants to see the public sector move toward the private sector in matters of employee compensation; and he noted that Rochester Hills has already done that with its Defined Contribution program and zero legacy costs.
- In striving to meet Governor Snyder's mandate for accountability and transparency in local government, the City's Financial Summary Guide is a great service to the residents.
- Governor Snyder's implementation of a Performance Dashboard is relevant to State but not city governments. The Michigan Municipal League is currently working to develop dashboard performance measures relevant to local governments.
- While Rochester Hills had a 3.2 percent population increase reported in the 2010 Census, it will not result in any additional State Shared Revenue. He pointed out that once State Shared Revenue is eliminated, it will actually become easier for the City to gauge Constitutional revenues in formulating budgets.
- Governor Snyder has proposed the elimination of Personal Property Taxes to make the State a more business-friendly environment. Personal Property Tax comprises only \$1.8 million of Rochester Hills' revenues and its elimination would not devastate Rochester Hills. Other communities, however, would be greatly affected; Personal Property Tax comprises 25 percent of revenues in Pontiac and up to 35 to 40 percent of taxable values in some downriver communities.
- The Emergency Financial Manager Act is perceived as a good change.

When negotiating agreements in the private sector, there has always been a tension that if unions ask for too much, the company will fail. In the public sector, if negotiations push any government too far, the State will appoint a financial manager.

- *There is an attempt to repeal Act 312; however, it is likely that it will not succeed.*
- *As of January 1, 2012, the portion of the Health Care legislation that required more 1099s to be sent out was repealed. This requirement was viewed as onerous to a community and its repeal was warranted and welcomed.*

Mr. Yalamanchi questioned whether the City will see an increase in State Shared Revenue.

Mr. Heffernan responded that the City should see approximately a \$100,000 increase due to a projected 2.4 percent increase in sales tax collections.

Mr. Yalamanchi questioned whether Personal Property Tax will actually be eliminated.

Mr. Heffernan responded it is his opinion that this would prove too problematic for many communities and its elimination is unlikely.

A motion was made by Brennan, 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: RES0083-2011

Resolved, that the Rochester Hills City Council hereby acknowledges receipt of the Comprehensive Annual Financial Report (CAFR) from the Administration and the auditing firm of Plante & Moran, PLLC for the 2010 Fiscal Year.

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.

2011-0165 Approval of Minutes - City Council Regular Meeting - March 21, 2011

Attachments: [CC Min 032111.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0084-2011

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on March 21, 2011 be approved as presented.

2011-0199 Approval of Minutes - City Council Regular Meeting - April 4, 2011

Attachments: [CC Min 040411.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0085-2011

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on April 4, 2011 be approved as presented.

- 2011-0200** Request for Purchase Authorization - BLDG/FAC: Blanket Purchase Order for 2011 landscaping services and lawn mowing for City-owned sites in the amount not-to-exceed \$64,850.00; Green Meadows Lawnscape Inc., Shelby Township, MI

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0086-2011

Resolved, that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order to Green Meadows Lawnscape Inc., Shelby Township, Michigan for 2011 landscaping services and lawn mowing for City-owned sites in the amount not-to-exceed \$64,850.00 through December 31, 2011 and further authorizes the Mayor to execute a contract on behalf of the City.

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

- 2011-0164** Request to Authorize the permit application from the Road Commission for Oakland County (RCOC) for the Memorial Day Parade to be held on Monday, May 30, 2011

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0087-2011

Whereas, the Cities of Rochester Hills and Rochester jointly host the 2011 Greater Rochester Memorial Day Parade, conducted under the sponsorship of various associated veteran organizations; and

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

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

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

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

Be It Further Resolved that the parade route be scheduled for Monday, May 30, 2011, starting at 10:00 a.m. on Harding and Livernois Roads; and

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

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

Passed the Consent Agenda

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

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

(Mr. Klomp exited at 8:55 p.m.)

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

Absent 1 - Nathan Klomp

The following Consent Agenda Item was discussed and adopted by separate motion:

2011-0246 Request for Purchase Authorization - DPS/ENG: Agreement for monitoring the City's Supervisory Control and Data Acquisition (SCADA) system in the amount of \$31,806.00 through December 31, 2013 with a two-year option to renew; Oakland County Department of Facilities Management, Waterford, MI

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

Mr. Yalamanchi questioned whether the City currently utilizes Audio Sentry and if the proposal is for Oakland County to now provide these monitoring services.

Allan Schneck, Director of DPS/Engineering, responded that the City is not currently using Audio Sentry. He explained that the proposal is to go with Oakland County's Facility Management Department, which actually oversees existing Supervisory Control and Data Acquisition (SCADA) systems.

Mr. Yalamanchi commended the City for pursuing shared services and questioned whether the monitoring services provided by Oakland County will cover everything other than Dispatch Services.

Mr. Schneck responded that it does and will provide monitoring services 24 hours per day for 365 days each year.

President Hooper noted that these services continue to add to the cost-sharing model that the City has led the charge on.

Mr. Yalamanchi stated that the total costs for sharing these services, including Dispatch, are between \$130,000 to \$140,000. He noted that prior monies spent by the City providing these services in-house were close to \$1 million.

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: RES0091-2011

Resolved, that the Rochester Hills City Council hereby authorizes the Agreement between Oakland County Department of Facilities Management and the City of Rochester Hills to monitor the Rochester Hills Supervisory Control and Data Acquisition (SCADA) system in the amount of \$31,806.00 through December 31, 2013 with a two-year option to renew and further authorizes the Mayor and City Clerk to execute the agreement on behalf of the City.

(Mr. Klomp re-entered at 8:59 p.m.)

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

ORDINANCE FOR ADOPTION

2010-0109 Acceptance for Second Reading - an Ordinance to amend Sections 118-98 and Map 118-B of Chapter 118, Historical Preservation, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to add the Noncontiguous Historic District identified as 3976 S. Livernois (Stiles School), part of Parcel No. 15-33-476-027, and repeal conflicting Ordinances and prescribe a penalty for violations

Attachments: [Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[040411 Agenda Summary.pdf](#)
[120910 Final Report.pdf](#)
[Minutes HDSC 120910.pdf](#)
[Minutes HDSC 111110.pdf](#)
[120910 Draft Final Report \(Revised\).pdf](#)
[120910 Draft Final Report.pdf](#)
[112210 Kidorf letter.pdf](#)
[111510 Webster Title Work.pdf](#)
[032310 SHPO Comments.pdf](#)
[Minutes PC 030210.pdf](#)
[Minutes HDSC 021110.pdf](#)
[Dec 2009 Revised Preliminary Report.pdf](#)
[Minutes PC 102109.pdf](#)
[Minutes CC 060109.pdf](#)
[040411 Resolution.pdf](#)
[Resolution.pdf](#)

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

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

Enactment No: RES0088-2011

Resolved, that an Ordinance to amend Sections 118-98 and Map 118-B of Chapter 118, Historical Preservation, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to add the Noncontiguous Historic District identified as 3976 S. Livernois (Stiles School), part of Parcel No. 15-33-476-027, and repeal conflicting Ordinances and prescribe a penalty for violations is hereby accepted for Second Reading and Adoption, and shall become effective on Friday, May 13, 2011, the day following its publication in the Rochester Post on Thursday, May 12, 2011.

NOMINATIONS/APPOINTMENTS

2011-0148 Nomination/Appointment of one (1) Citizen Representative to the Building Authority to fill the unexpired term of Allan Schneck ending December 31, 2013

Attachments: [Agenda Summary.pdf](#)
[Appointment Form.pdf](#)
[Booth CQ.pdf](#)
[McGuire CQ.pdf](#)
[McGunn CQ.pdf](#)
[040411 Agenda Summary.pdf](#)
[Nomination Form.pdf](#)
[Cobb CQ.pdf](#)
[Foster CQ.pdf](#)
[Kingery CQ.pdf](#)
[Pathenos CQ.pdf](#)
[Notice of Vacancy.pdf](#)
[Resolution.pdf](#)

President Hooper stated that Don Booth, Michael McGuire and Michael

McGunn were nominated to the Building Authority at the April 4, 2011 Regular City Council meeting. He instructed Council to vote for one nominee. The nominees received the following votes:

Don Booth: Pixley

Michael McGuire: Webber

Michael McGunn: Hooper, Brennan, Klomp, Rosen and Yalamanchi

A motion was made by Rosen, seconded by Pixley, 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: RES0089-2011

Resolved, that the Rochester Hills City Council appoints Michael McGunn to the Building Authority to fill the unexpired term of Allan Schneck ending December 31, 2013.

NEW BUSINESS

2011-0250 Request to Transfer Ownership of 2010 Class C licensed business, located at 6830-6834 N. Rochester Road, Rochester Hills, Michigan from Lin/Stef Restaurants, LLC a/k/a Peng Lai to The Silver Spoon Ristorante Italiano, LLC

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

Scott Edwards, Attorney, Carlin Edwards Brown PLLC, representing the Applicant, stated that the Silver Spoon Ristorante Italiano opened last week and is currently operating under a management agreement with the prior owners to use their liquor license until approval is granted. He mentioned that the Applicant also operates Il Posto, located in the western suburbs, which is the same style of upscale Italian eatery utilizing fresh ingredients. He noted that the Applicant is familiar with responsible alcohol management and is not asking for a dance/entertainment permit as a part of their request. He explained that the same seating configuration for indoor and outdoor seating will be used.

Applicant **Rito Lisi** was also in attendance.

Mayor Barnett mentioned that he has dined at the restaurant and stated that it will be a great addition to the community.

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

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

Enactment No: RES0090-2011

Resolved, that the request to transfer ownership of 2010 Class C licensed business, located at 6830-6834 N. Rochester Road, Rochester Hills, Michigan 48306, Oakland County, from Lin/Stef Restaurants, LLC to The Silver Spoon Ristorante Italiano, LLC be considered for approval.

2011-0247 Request for Nonprofit Designation for a Charitable Gaming License from the

State of Michigan - Thomas Richards Charity

Attachments: [Agenda Summary.pdf](#)
[TRC Letter.pdf](#)
[TRC IRS Nonprofit.pdf](#)
[TRC Bylaws.pdf](#)
[TRC Articles of Incorporation.pdf](#)
[TRC Articles of Incorporation Amendment.pdf](#)
[TRC Boardmembers.pdf](#)
[TRC Corporate Resolution.pdf](#)
[TRC Form 990.pdf](#)
[TRC Things We've Done.pdf](#)
[Resolution.pdf](#)

Mike Muscato, Vice President, Thomas Richards, stated that the charity was formed after his twin brother passed away six years ago. A golf outing was held and 40 people attended in his honor. He stated that last year's golf outing hosted 140 participants and raised \$15,000. He explained that the charity received its 501(c)3 non-profit status in late March and is now requesting recognition in order to receive a gaming license.

President Hooper questioned the charity's purpose and objectives, noting that the information provided is rather vague in nature and the charity was incorporated in 2009.

Mr. Muscato highlighted several recipients of the charity's funds, noting that money raised went to build a handicapped bathroom for a boy stricken with complications of foot-hand-mouth disease, to benefit a woman who has cancer and her husband is out of work, and several bowlathons and skateathons were held for other recipients. He explained that the charity's major events are the golf outing in the summer and a bowlathon in the winter. He stated that he has lived in Rochester since 1999 and graduated from Rochester High School, and the charity tries to do things for individuals in and around Rochester.

Mr. Yalamanchi questioned whether the purpose of the organization is to raise funds to help families experiencing cancer or if anyone in need could request help.

Mr. Muscato responded that this was not necessarily the only focus. He explained that the organization receives letters requesting assistance and the board meets to decide on the applications.

Mr. Yalamanchi questioned whether the charity has looked to collaborate with other nonprofits.

Mr. Muscato responded that members have participated in the Amazing Race fund raiser at the Royal Park and with Buffalo Wild Wings to observe how these charities have raised funds.

Mr. Klomp questioned what the vision is for the organization's growth.

Mr. Muscato responded that the organization's vision is to give back to the community and plans to combine activities in conjunction with their class' 20-year high school reunion. The organization is also considering providing a scholarship to a Rochester High School student.

Tim Ciotti, President, Thomas Richards Charity, stated that the group has held many various types of fund raisers and commented that not all their fund raisers will include gaming.

President Hooper requested the City Attorney comment on Council's role in approving the requests for gaming licenses.

John Staran, City Attorney, stated that the City's role is limited, and pointed out that the actual gaming license is issued by the State. He explained that it is the City's role to get answers to the very types of questions Council has been asking. The State requires local governments not to approve the request, but to vouch for the group as a non-profit charitable organization doing business in the community. The City does not take on liabilities or responsibilities, but it does vouch that an organization is a legitimate applicant for a gaming license.

President Hooper noted that the information presented along with the group's mission statement appears open-ended. He pointed out that in 2009, the organization raised approximately \$35,000 and only spent \$5,800 on charitable purposes, with the remaining funds going to expenses.

Mr. Ciotti responded that expenses included costs for the various events. He noted that the cost for a golf outing is approximately \$12,000. He stated that the charity kept \$8,500 to pay for the application for 501(c)3 status and monies were retained to pay the accountant.

Mr. Rosen commented that as he listened to the presentation from the Rochester Area Neighborhood House (RANH) earlier in the evening, he took note that RANH has minimal expenses and fairly well-developed criteria and processes to determine who they will help and how they will help them. He stated that he does not get a strong sense of that here, and commented that it appears that the organization has been established and is looking for a purpose. He stated that he does not have the confidence to vouch for this organization tonight.

Mr. Ciotti responded that the charity is in its infancy and the other organization has been in existence for years.

Mayor Barnett stated that although he does not know these two gentlemen, he did find himself at one of their events last year, and the event was well-run, with the money distributed where it was supposed to go. He commented that perhaps Council could give the group direction going forward, stating that he does not wish to quash what appears to be a good motive.

Mr. Pixley questioned how the gaming license would be used.

Mr. Ciotti stated that the organization wishes to use the license for a Texas Hold-Em party after the golf outing.

Mr. Pixley suggested that the charity consider using the Community Foundation of Greater Rochester as a clearinghouse for its funds going toward scholarships. He stated that the charity should consider collaborating with another organization for a period time to help sponsor its gaming activities; and requested that the group return to Council with more specific detail on how the funds will be raised and where they are going.

Mr. Ciotti stated that the organization is unique and each request accepted is something that is found to drive the group. He pointed out that their request for 501(c)3 status was approved in 30 days with no questions.

Mr. Yalamanchi noted that the organization's bylaws show great heart, but are very vague. He questioned why a Form 990 was filed in 2010 while the 501(c)3 status was not received until this past March.

President Hooper stated that while he recognizes that the group has great enthusiasm, it needs more refinement. He questioned whether a motion is necessary to deny the request at this time.

Mr. Staran responded that rather than a denial, Council should consider a motion to postpone the request.

After the vote, **Mr. Yalamanchi** suggested that the Charitable Gaming License Policy be amended to include a request that the organization include a copy of the Solicitation License from the Michigan Attorney General.

Mr. Staran noted that this document runs hand-in-hand with the application for 501(c)3 Status and commented that this is a good suggestion.

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

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

Resolved, that the request from Thomas Richards Charity, located at 55 N. Plaza Blvd., #415, Rochester Hills, Michigan 48307, Oakland County, asking that they be recognized as a nonprofit organization operating in the community for the purpose of obtaining a charitable gaming license, be Postponed.

2011-0027

Request for Purchase Authorization - FISCAL: Approval of insurance coverage (general liability, motor vehicle, physical damage, property and crime coverage) pool contributions/costs, legal defense and risk management consulting in the amount not-to-exceed \$408,666.00; Michigan Municipal Risk Management Authority, Livonia, MI

Attachments: [Agenda Summary.pdf](#)
[032111 Agenda Summary.pdf](#)
[Questions Answers Nickel.pdf](#)
[Questions Answers MMRMA.pdf](#)
[Actual Event Comparison.pdf](#)
[Educational Programs MMRMA.pdf](#)
[Education Program Brochures Nickel.pdf](#)
[MMRMA net asset distribution announcement.pdf](#)
[Adjusted 2011 premium email.pdf](#)
[Adjusted 2011-12 premium.pdf](#)
[012411 Agenda Summary.pdf](#)
[Pros and Cons for MMRMA.pdf](#)
[Pros and Cons for MML.pdf](#)
[Pros and Cons for Nickel & Saph.pdf](#)
[Add'l Questions to Proposers.pdf](#)
[References.pdf](#)
[Proposals Tabulation.pdf](#)
[032111 Resolution.pdf](#)
[Resolution.pdf](#)

Mr. Webber stated that while he is employed by one of the firms involved in the bid process, he will recuse himself from discussion and any decision on this matter in the interest to avoid any appearance of impropriety or conflict of interest.

Keith Sawdon, Director of Finance, noted that at the April 4, 2011 meeting, Council voted to move forward with the City's current insurance provider. He stated that preparation of the Request for Proposal (RFP) for the consultant is underway. He pointed out that it is his recommendation that the City not include Stop Loss Coverage this year or add any additional monies to the Self Insured Retention (SIR) account. He mentioned that the asset distribution amount coming back from the Michigan Municipal Risk Management Authority (MMRMA) has not yet been determined.

Mr. Pixley questioned whether there is a ballpark figure for the distribution, when it will be received, and how work on the consultant RFP is progressing.

Mr. Sawdon responded that the distribution will be in the range of \$210,000 to \$215,000 and should arrive in mid-July after the rate period begins. He explained that the RFP has been roughed-in and should be out to the Michigan Intergovernmental Trade Network (MITN) site by approximately June 1st, with a return date of 30 days. The intent is to have a full proposal ready by late fall, with a presentation ready for Council with the results of the proposals in late January or February of next year.

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

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

Abstain 1 - Webber

Enactment No: RES0092-2011

Resolved, that the Rochester Hills City Council authorizes the purchase of insurance coverage (general liability, motor vehicle, physical damage, property and crime coverage)

pool contributions/costs, legal defense and risk management consulting to Michigan Municipal Risk Management Authority (MMRMA), Livonia, Michigan, in the amount not-to-exceed \$408,666.00 covering the period July 1, 2011 to June 30, 2012.

- 2011-0219** Request for Purchase Authorization - MIS: Blanket Purchase Order for Cloud Based Backup and Recovery Services in the amount not-to-exceed \$135,000.00 for three years; Docustore Data Management, Dearborn, MI

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

Kevin Krajewski, Network Administrator/Deputy Director of MIS, explained that the City's current backup and recovery system is 5-1/2 years old. The Department is in the process of doing a full network upgrade this year and the move to a cloud based backup and recovery system is the first phase of this upgrade. Data will be backed up to secure data centers in Austin, Texas, and Wichita, Kansas, rather than on tape stored at Fire Station #1.

President Hooper questioned how the current backup is done and whether the move to a cloud based system will be labor-saving.

Mr. Krajewski stated that the backup library is stored at Fire Station #1 and tapes are removed from that location once per week. He explained that he currently spends one-half hour to 45 minutes each day managing backups; and if the City were to stay with a tape system, more labor would be required to warehouse tapes. He noted that this move will enhance the security of the City's data. He reported that the Administration has \$80,000 in its budget for contractual services and money is available to cover the half-year that will be used this year.

Mr. Rosen questioned whether the storage locations are secure, as the cities noted are in areas of the country where tornadoes are common. He noted that the real labor savings is in transporting data over the internet rather than storing it on media.

Mr. Krajewski responded that the original data still remains here at the City.

Mr. Brennan questioned why the City could not stay with its current system.

Mr. Krajewski responded that it has been 5-1/2 years since any backup or network upgrades have been done.

Bob Grace, Director of MIS, stated that the data is stored here in the City's server room and is replicated to disk and transferred only one-half mile away. Should a tornado come through this area, it is possible that this location is not far enough away. The City will save money as it will no longer have a capital expense of a tape library or maintenance contracts for equipment.

Mr. Krajewski stated that if this request was not approved, the backup system would then be required to be upgraded as a part of the network upgrade, which could cost in excess of \$180,000, amortized to approximately \$53,000 to \$62,000 per year in capital costs. He noted that while the request is for \$45,000

per year, the actual cost of storing data would most likely be less than that, with estimates between \$22,000 to \$27,000 per year. He explained that the additional funding was added in the event that the City experienced a disaster resulting in the loss of City Hall and a need to recover the data and rebuild the system.

Mr. Brennan questioned what the City's current backup expense entails.

Mr. Grace responded that current expenses include hardware maintenance costs on the backup system.

Mr. Krajewski stated that the City currently spends approximately \$15,000 to \$18,000 each year on software and hardware maintenance to the current system and will experience more than the cost of a cloud based system if the current backup system is replaced. He noted that the lifespan of the current system has been extended already.

Mr. Yalamanchi stated that he hoped that the City will move to having no more servers and remove capital expenses entirely. He questioned whether the backup system will function automatically.

Mr. Krajewski responded that backup times will be scheduled, noting that in excess of 5 million files are backed up and protected. He explained that the Department will be doing a virtualization process where 15 servers will be reduced to four physical servers.

Mr. Pixley questioned whether the network upgrade is in the 2011 Budget or if a budget amendment will be required for this purchase.

Mr. Krajewski responded that a budget amendment will not be required. He noted that once backups are moved over to the cloud based system, \$15,000 budgeted for software maintenance on the current backup system will no longer be necessary.

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: RES0093-2011

Resolved, that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order to Docustore Data Management, Dearborn, Michigan, for Cloud Based Backup and Recovery Services in the amount not-to-exceed \$135,000.00 for three years and further authorizes the Mayor to execute a contract on behalf of the City.

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

COUNCIL COMMITTEE REPORTS

Rochester Avon Recreation Authority (RARA):

Mr. Klomp introduced Ron Jewell, incoming Executive Director of RARA.

Mr. Jewell stated that he was honored to be a part of RARA and is looking forward to exciting new times with the organization.

Strategic Planning and Police Review Technical Review Committee:

Mr. Rosen reported that the Strategic Planning and Policy Review Technical Review Committee will have a report for Council at the June 6th Regular Meeting.

Sister City Committee – Auburn Hills:

Mr. Rosen stated that the Sister City Committee – Auburn Hills discussed forming a Tri-City Committee comprised of Council representatives of Rochester Hills and neighboring communities. He noted that the City and its neighbors have already made strides along the path of cooperation with the Older Persons Commission, the Rochester Hills Public Library and other shared services.

Mayor Barnett commented that he has monthly meetings with the city managers from Auburn Hills and the City of Rochester.

President Hooper noted that while the Administration meets with its neighboring communities, elected officials should also have contact.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Regular Meeting - Monday, May 16, 2011 - Cancelled; Regular Meeting - Monday, June 6, 2011 - 7:00 p.m.

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 10:06 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.