



Rochester Hills

Minutes

City Council Special Meeting

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

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

Vision Statement: The Community of Choice for Families and Business

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

Monday, August 17, 2009

6:00 PM

Budget Meeting

In accordance with the provisions of Act 267 of the Public Acts of 1976, as amended, the Open Meetings Act, notice was given that a Special Rochester Hills City Council Meeting would be held at 6:00 p.m. on Monday, August 17, 2009 for the purpose of discussing the 2010 Proposed Budget.

CALL TO ORDER

President Hooper called the Special Rochester Hills City Council Meeting to order at 6:02 p.m. Michigan Time.

ROLL CALL

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

Others Present:

*Ed Anzek, Director of Planning and Development
Bryan Barnett, Mayor
Nancy Bowman, HR Staffing Analyst
Scott Cope, Director of Building/Ordinance Compliance
Ron Crowell, Fire Chief/Emergency Management Director
Paul Davis, City Engineer
Vince Foisy, Supervisor of Communication Systems
Susan Galeczka, Deputy City Clerk
Bob Grace, Director of MIS
Mike Hartner, Director of Parks and Forestry
Captain Mike Johnson, Oakland County Sheriff's Office
Pamela M. Lee, Director of Human Resources
Jane Leslie, City Clerk
David Levett, Financial Analyst
Pat McKay, Supervisor of Interpretive Services
Roger Rousse, Director of DPS/Engineering
Keith Sawdon, Director of Finance
Joe Snyder, Senior Financial Analyst
Doug Walther, Deputy Director of Assessing*

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

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

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

PUBLIC COMMENT

Mike McGlynn, 3741 Everett, thanked Council for creating a Noise Barrier/Sound Wall Technical Review Committee to rank sound barriers along M-59 and commented that the Committee should move forward to review cost and funding efforts. He noted that independent investigations undertaken by residents of various sound wall companies yielded possible prices per square foot as low as \$19.00 to \$20.00, resulting in a potential total wall cost for Noise Barrier 10 (NB-10) as low as \$1,400,000 versus the \$2,600,000 quoted by the Michigan Department of Transportation (MDOT). He requested that the City prepare an RFP to provide more accurate numbers for wall construction costs.

Noelle O'Neill, 3640 Winter Creek, stated that she was thankful that a Noise Barrier/Sound Wall Technical Review Committee will be formed, requested that funding for sound barriers be designated in the 2010 Budget and asked that Council be transparent in selecting members for the Committee. She commented that the subdivisions adjacent to NB-10 have a greater need than other subdivisions adjacent to M-59 to have a sound wall constructed because NB-6A is scheduled to be built across from them, they lack a berm, and due to the level topography in that area.

Melinda Hill, 1481 Mill Race, requested an update on the Tienken Corridor Environmental Assessment process. She thanked Council for not moving forward with any change to the Historic Districts Ordinance and suggested that Council consider a Resolution of Support for the protection of the Stoney Creek Historic District/Village, commenting that a resolution could enhance the City's position with the Road Commission for Oakland County (RCOC) and MDOT. She commented that the Proposed 2010 Budget and the Capital Improvement Plan are no longer available on the web as PDF files and noted that the Flash Player required to view these documents makes them less user-friendly. She requested that a hard-copy of the Budget Documents be made available in the Auditorium during meetings.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

Mr. Brennan reported that the Oakland Press featured an article today on Oakland County's proposed plan to drop Tri-Party Funding from the County Budget

and commented that the City utilizes this program extensively to help fund road improvements. He stated that the program is very beneficial for the community and suggested that Council consider passing a resolution requesting the County Executive and County Commission not discontinue this funding program.

Mr. Ambrozaitis stated that he supported the inclusion of noise barrier projects in the Budget to protect property values and urged the Mayor to look for funding for noise barriers in the Local and Major Road Funds.

Mr. Webber announced the Meadow Brook Theatre Feet for Seats Charity 5k Fun Run/Walk set for Sunday, August 23, 2009 beginning at 8 a.m. in the Meadow Brook Theatre parking lot on the campus of Oakland University.

Mr. Yalamanchi commented that he would support a Council resolution supporting the continuation of the Tri-Party Funds program.

Mayor Barnett stated that he has contacted all three County Commissioners to urge the continuation of the Tri-Party Program. He commented that no new information has been received by the City regarding the progress of the Environmental Assessment for the Tienken Road Widening Project. He announced that Parisian would host a "Back 2 School Bash" to benefit the Holiday Helpers on Saturday, August 22, 2009 from 10:00 a.m. to 4:00 p.m.

RECOGNITION

2009-0330 Proclamation in Recognition of Oakland University 2009 Welcome Week

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

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

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

Enactment No: RES0232-2009

Whereas, the City of Rochester Hills, the Rochester Regional Chamber of Commerce and Oakland University are partners in the community, working together to seek opportunities that are jointly beneficial to residents and students alike; and

Whereas, the City of Rochester Hills values Oakland University and the economic, cultural, sporting, academic and recreational benefits it brings to our community; and

Whereas, the City of Rochester Hills encourages local businesses to welcome students, parents, faculty, staff and alumni of Oakland University to their establishments; and

Whereas, the City of Rochester Hills proudly welcomes Oakland University students back to campus for the 2009-10 school year; and

Whereas, the City of Rochester Hills will officially recognize Oakland University Welcome Week, September 2 - 11, 2009 as Oakland University Welcome Week.

Now, Therefore, Be It Resolved, that the Mayor and City Council of the City of Rochester Hills proclaim their support of Oakland University Welcome Week 2009. GO GRIZZLIES!

NOMINATIONS/APPOINTMENTS

2009-0277 Nomination/Appointment of two (2) Citizen Representatives to the Board of Trustees to the Retiree Health Care Trust

Attachments: [081709 Agenda Summary.pdf](#)
[Probst CQ.pdf](#)
[Wissbrun CQ.pdf](#)
[Kline CQ.pdf](#)
[Nomination Form.pdf](#)
[Notice of Vacancy \(extended\).pdf](#)
[072709 Agenda Summary.pdf](#)
[Jasinski CQ.pdf](#)
[Notice of Vacancy.pdf](#)
[Resolution.pdf](#)

President Hooper Opened the Floor for Nominations.

Mr. Pixley nominated Don Cline Jr. and Kenneth Wissbrun.

Mr. Rosen nominated Beverly Jasinski.

Mr. Ambrozaitis nominated Brian Probst.

Seeing no further nominations, **President Hooper** Closed the Floor for Nominations. He stated that since four nominations were received for two vacancies on the Board of Trustees to the Retiree Health Care Trust, this item will return for a vote at the next regularly-scheduled City Council Meeting on September 14, 2009.

Discussed.

NEW BUSINESS

2009-0327 Request for Approval for the 2009-2010 Police School Liaison Program between the Rochester Community School District, the City of Rochester, Oakland Township and the City of Rochester Hills

Attachments: [Agenda Summary.pdf](#)
[2009-2010 Police School Liaison Budget.pdf](#)
[Suppl 2008-2009 Police School Liaison Budget.pdf](#)
[Suppl 2006-2010 Police School Liaison Budget Summary.pdf](#)
[Resolution.pdf](#)

Mayor Barnett outlined the following changes in the Police School Liaison Program Budget for 2009-2010:

- The Rochester Community School District (RCS) contribution increases from 19.6 percent in 2008-2009 to 22 percent for 2009-2010.
- Rochester Hills' percentage of students in relation to other communities drops from 72 percent in 2008-2009 to 68 percent for 2009-2010.
- The Detective Sergeant position has been eliminated for 2009-2010. He commented that while it has been acknowledged that this will lead to a change in the level of service, the resulting program will still exceed the level of the services provided in most surrounding districts. He noted that the RCS is utilizing the elimination of this position as a means to reduce costs.
- The City's cost for this program will decrease from \$341,257 in 2008-2009 to \$264,423 for 2009-2010.

Mr. Yalamanchi questioned the breakdown of officers in the program and whether a grant that was applied for was received.

Mayor Barnett responded that the program's five officers consist of three Oakland County Sheriff's Deputies and two City of Rochester Officers. He noted that costs are shared by the communities based on the RCS student counts. He stated that Southfield and Pontiac received grants this year, and commented that this program did not qualify for grants based on the area's income levels.

Mr. Pixley stated that the Police School Liaison Program is an incredible program with a great history in the community and he appreciates the courage of everyone in taking a hard look at the program to reduce some of the cost.

Mr. Ambrozaitis stated that as he sits on the Board of the Rochester Area Youth Assistance, he has had the opportunity to see how this program benefits area youth. He commented that it was good to see that costs are brought down and more fairly distributed.

Mr. Rosen commented that the City's costs for this program are almost equivalent to the cost of three Oakland County Sheriff's Deputies for the entire year and commented that the City's proposed share this year is much more reasonable and representative.

Mr. Brennan concurred, noting a significant savings from 2008-2009 of approximately \$77,000.

A motion was made by Pixley, seconded by Ambrozaitis, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:

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

Enactment No: RES0231-2009

Whereas, the Rochester Hills City Council hereby authorizes the Mayor to sign the Police School Liaison Program document and by doing so also agrees to the City of Rochester Hills' contribution of \$264,423.00 (68%) for its share of the program with the remainder to be shared by the other three participating groups as presented.

Now Be It Resolved, that the Mayor is authorized to execute the Police School Liaison document on behalf of the City of Rochester Hills.

PROPOSED 2010 BUDGET DISCUSSIONS

2009-0319 General Budget Overview - 2010

Attachments: [Agenda Summary.pdf](#)
[081709 Budget Discussion Outline.pdf](#)
[Suppl Budget Overview Presentation.pdf](#)

Mayor Barnett provided responses to Council for questions that were submitted in advance and stated that the Administration would continue to work on answers to additional questions.

Keith Sawdon, Director of Finance, provided an overview on the preparation of the Fiscal Year 2010 Budget (FY 2010), and explained that the information provided for 2011 should be considered as a snapshot of how the year will look if current assumptions and trends continue. He noted that the City's Budget is large and encompasses many funds:

- General Fund, including the cost centers for the Mayor's Department, Clerk's, Assessing/Treasury, Parks, Human Resources, Building/Ordinance Compliance, Planning and Transfer-Out
- Special Revenue, consisting of those funds that have a revenue source other than property taxes, including the following:
 - * Major and Local Roads (revenue derived from Gasoline and Weight taxes, along with contributions from the General Fund on a transfer-in basis)
 - * Pathway Maintenance
 - * Drain Maintenance
 - * Fire Department (which has a dedicated millage within the City Charter)
 - * Special Police (which has two dedicated millages and receives a large transfer-in from the General Fund)
 - * Perpetual Care
 - * RARA Millage
 - * Tree Fund
 - * OPC Millage
 - * Open Space
- Debt Service, consisting of the various bonds issued by the City for various purposes
- Capital Funds, consisting of Fire Capital, Pathway Construction and Capital Improvement
- Enterprise Funds, established for the use of customers of those Funds only, including Water & Sewer Operating, Water & Sewer Capital and Water & Sewer Debt. Customers who pay user fees receive the benefits from these Funds
- Internal Service Funds, including Facilities, MIS, Fleet and Insurance
- Component Unit Funds, including Brownfield, Local Development Finance Authority, SmartZone and EDC
- Trust Fund, including the newly-established Retiree Health Care Trust

He noted that the grand total noted of \$113,308,040 for the Budget has not been reconciled against all the internal transfers that occur. He pointed out that the General Fund transfers out approximately \$10,000,000 to other funds and explained that this number appears as both an expense to the General Fund and a Revenue to the respective receiving Funds. He noted that accounting methods differ between Funds, explaining, for instance, that Enterprise Funds operate on a full-accrual basis versus other Funds that operate on a modified-accrual basis.

BUDGET OVERVIEW:

- Budgets are based on best estimates. He noted that the Administration cannot guarantee that Amendments will not be necessary, as the City is required by Law that any item deemed material and manageable must be brought forward to Council to amend the Budget.
- This Administration is faced with the challenge of delivering quality services to citizens with reduced funding resources.
- The FY 2010 Proposed Budget keeps the City total tax (millage) rate at 9.7060, the lowest millage rate of Cities in Oakland County (with populations under 5,000).
- Revenues drive services. Taking a conservative approach to revenue estimates ensures that the services proposed for FY 2010 are within the revenue resources. The City is living within its means.
- The proposed FY 2010 Budget is based on reduced expenditures and related services to bring them in line with revenue resources.
- It is estimated that city-wide revenues for FY 2010 will decrease by 6.5 percent and expenditures will be reduced by 10.8 percent.

See also Legislative File 2009-0322 for Council discussion.

Discussed.

2009-0320 Discussion - General Fund (100's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[Suppl Human Resources Presentation.pdf](#)
[Suppl Parks Presentation.pdf](#)
[Suppl General Fund Presentation.pdf](#)
[Suppl Building Authority Presentation.pdf](#)
[Suppl Crossing Guards.pdf](#)

Keith Sawdon, Director of Finance, outlined the significant changes to the General Fund Revenues:

PROPOSED GENERAL FUND REVENUES:

SIGNIFICANT CHANGES:

- The Administration proposes no use of General Fund Fund Balance to balance the Budget.
- Taxes have been reduced by 3.8 percent (\$514,450).
- 451008, 452001, 452005, 452006, 452007, 452010, 452011, 452013 / License

and Permits for FY 2010 are being decreased to reflect current trends.

- 575000 / State Shared Revenue is projected to decrease 8.4 percent (\$410,000), as further cuts from the State are estimated. He explained that the State Shared Revenue was reduced this year by \$250,000 and stated that the City expects to see at least one additional cut, if not two, and noted that this projected reduction with General Fund for State Shared Revenue brings that number in line with the Constitutional amount.
- 606001 / Interfund: Administrative Charge decreased 2.8 percent (\$113,140), reflecting a reduction in administrative costs city-wide.

Mr. Sawdon summarized the 2008, 2009, Amended 2009, the 2010 Proposed and 2011 Projected Budget. He stated that City Taxes brought in \$14,041,621 in 2008 and noted that the 2010 Proposed Budget projects City Taxes at \$13,229,870. He commented that State Shared Revenue is \$4,910,000 for the 2009 Amended Budget and is projected to be \$4,500,000 for FY 2010. He noted that the 2010 General Fund Budget is proposed to be \$25,912,360 and commented that \$10,783,680 is transferred out to other Funds.

PROPOSED GENERAL FUND TRANSFERS:

SIGNIFICANT CHANGES:

- 999203 / Local Street Fund - \$5,119,610 (a decrease of 3.2 percent) to fund both maintenance costs and limited capital improvements.
- 999207 / Special Police Fund - \$3,816,130 (an increase of 9.1 percent) to fund the balance of Police Protection expense not supported by the two voted Police Millages. He commented that as Taxable Values fall, the transfers-out to this Fund from the General Fund will rise.
- 999224 / Drain Fund - \$856,660 (an increase of 22.8 percent) to support drain maintenance costs. This increase in maintenance costs results primarily from Chapter 20 Drains.
- 999420 / Capital Improvement Fund - \$81,810 represents one-half of the PEG revenue which will be used to fund future access-related capital purchases.
- 999631 / Facilities Fund - \$452,880 (a decrease of 0.06 percent) for City Hall common area costs.
- 999736 / Retiree Health Care Trust Fund - \$103,700 for the General Fund's annual share of the Retiree Health Care Implicit Rate Subsidy.

He commented that the slight increase in transfers-out over 2008 is the result of the decision to fund the Supplemental Benefit in the Retiree Health Care Trust in the 2009 Budget. He noted that for 2010, transfers-out are slightly higher due to an increase in transfers-out to the Special Police Fund.

See also Legislative File 2009-0322 for Council discussion.

Discussed.

2009-0322 Discussion of the Debt Service Funds (300's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[Suppl Debt Funds Presentation.pdf](#)

Mr. Sawdon reviewed the Debt Service Funds established to make the yearly bond payments for the Proposed 2010 Budget:

313 / LOCAL STREET IMPROVEMENT BOND - 2001: This debt service is related to the improvements to local streets in Christian Hills, Great Oaks, Allston, and Foxboro Subdivisions. He noted that revenue to pay this debt service is a Transfer-In from the Local Street Fund and stated that this debt issue is payable through FY 2016.

314 / LOCAL STREET SPECIAL ASSESSMENT BOND - 2001: This debt service is related to improvements to local streets in the Avon Hills, Relyea Acres, Klem Gardens, Hillcrest and South Boulevard Gardens Subdivisions. He noted that revenue is generated from both a Special Assessment collected from benefiting landowners and a Transfer-In from Local Roads. He explained that some Fund Balance is used to help balance out the debt load, however, only to serve to keep the City's Millages stable.

325 / LOCAL STREET IMPROVEMENT BOND FUND - 2002: This debt service is related to improvements to local streets in the Avon Manor, Whispering Willows, Springhill, Stratford Knolls, Great Oaks West, Lochmoor Hills, Larchwood and Independence Court Subdivisions. He stated that the revenue comes as a Transfer-In from the Local Street Fund, and noted that the debt issue is payable through FY 2017. He noted that a small amount of Fund Balance is being utilized for this Fund.

331 / DRAIN DEBT FUND: This debt service is related to the construction of Chapter 20 Drains. Payment is secured by the full faith and credit of the City. Revenues to pay the debt service are generated from a tax levy sufficient to allow for the annual principal and interest payments. In FY 2010, a levy of 0.5857 mills will be needed to pay the debt issued by the Oakland County Water Resource Commission.

338 / LOCAL STREET SPECIAL ASSESSMENT BOND - 1995: This debt service is related to improvements of local streets in the Gilsam, Belle Cone, and Sunnydale Subdivisions. The revenue to pay this debt comes from Special Assessment collections and a Transfer-In from the Local Street Fund. This debt issue is payable through FY 2010. He noted that a substantial amount of Fund Balance is utilized for this Fund.

368 / OPC BUILDING DEBT FUND: This debt service is related to the OPC Building Bond issue. Revenues to pay the debt service are generated from tax levies. In FY 2010, a levy of 0.2133 mills will be needed to pay this debt. This debt issue is payable through FY 2021. City Taxes in the amount of \$755,290 will be generated for this obligation, along with the utilization of a small amount of Fund Balance.

370 / MUNICIPAL BUILDING DEBT FUND: This debt service related to the renovation and expansion of City Hall. A Transfer-In comes in from the Facilities Fund to take care of this obligation. This debt will be payable through FY 2021.

391 / GENERAL OBLIGATION REFUNDING BOND - 1998: This debt service is related to the refunding, or refinance, of the remaining portions of Series 1989 (Parks & Museum), 1990A (Parks & Recreation), and 1990B (Library Building) bonds. Payment is secured by the full faith and credit of the City. Revenues to pay the debt service are generated from tax levies. In FY 2010, a levy of 0.3545 mills is needed to pay this debt. This debt issue is payable through FY 2010. He noted an incoming tax revenue of \$1,254,640 and a use of Fund Balance to Balance of \$148,400 for the final year of this obligation.

595 / WATER & SEWER DEBT FUND: This debt service is related to bonds issued by the Water & Sewer Fund. Water Supply and Sanitary Sewer System bonds are recorded in the Water & Sewer Fund and are secured by the revenues of that Fund. Water & Sewer Fund operating revenues pay this debt and the debt expense has been built into user rates. He noted that this Fund resides within the Enterprise Funds.

Public Comment:

Melinda Hill, 1481 Mill Race, commented that the City should be looking further toward 2012 to 2014 when Fund Balance deficits start to appear and make additional cuts. She noted that much of the debt service is due to Local Roads and stated that Fund Balance is being used as the public has not voted for any Local Road Millages.

Council Discussion:

Mr. Yalamanchi commented that if a millage continuance were placed on the November ballot, it might give the appearance of a tax increase and suggested that Council wait until 2013 to go to the voters. He expressed concern, stating that asking residents for an increase in millage is not prudent given the current economic conditions.

Mr. Sawdon responded that the millage levels proposed have been adjusted with the present knowledge that there has been no action related to a millage proposal. He stated that General Fund and Fire Fund levies are set to the levels needed based on no millage proposal and commented that if a ballot question were to succeed, these numbers might be adjusted. He noted that millage figures are included for 2011 as projections only and are not there to imply absolute numbers.

Mayor Barnett commented that the Proposed Budget and Projections were prepared with no assumptions of any ballot proposal. He explained that the Fire Fund and General Fund are not levying their Headlee Max and the default position of the City would be that these levies would inch up until reaching their limit; and as the other Funds fall off, those levies would drop. He noted that these adjustments would keep the Millage Rate at its current level. He commented that the goal of every Council has been to find a solution for Police and Road Funding and stated that if a millage were successful, the General and Fire Fund levies would most likely be kept at their lower levels.

Mr. Sawdon noted that as the City discusses future Police and Road Funding

solutions, this millage forecast is something to keep in mind.

Mr. Yalamanchi commented that the City could utilize this default position and not go to the voters until 2013, or if a proposal was put forth, include language to the effect that the City's millage would not go above the 9.7060. He questioned how the principal payments are arrived at for the Debt Funds.

Mr. Sawdon responded that debt payments are all based on the repayment schedules generated at the time the bonds were offered.

Mr. Yalamanchi questioned whether any debt has been issued in the Water & Sewer Fund beyond the 595 Debt Funds.

Mr. Sawdon responded no, stating that the 595 Water & Sewer Debt Fund is the only Debt Fund in this area.

Mr. Ambrozaitis cited a recent Oakland Press article reporting that Rochester Hills' assessments are down 13.4 percent to date for this year and questioned why the City was using a ten percent drop for 2010. He noted that it might be prudent to err on the side of caution and use a 12 or 14 percent drop. He expressed concern over the need to subsidize the General Fund with Fund Balance if Taxable Values continue to fall.

Mr. Sawdon explained that the assessment roll utilized for the FY 2010 Budget takes into account assessed values and closings to December 31, 2008 and noted that these numbers are provided by Oakland County. He commented that the assumption of a ten percent drop in Taxable Values for FY 2011 should be fairly accurate; however, adjustments could be made next year if these values differ. He stated that the City's original forecast used an eight percent drop in Taxable Value.

Mr. Ambrozaitis stated that the Administration should strive to find ways to reduce the FY 2010 Budget to a total of \$108,000,000 or \$109,000,000 rather than the \$113,000,000 proposed.

President Hooper questioned whether the Oakland Press article was accurate and questioned whether Fund Balance was proposed to be used for Operating Funds.

Mayor Barnett responded that the City Assessor noted an actual Property Assessment drop of 14 percent, however, with the consideration of Capped Values, the Taxable Value drop is 10 percent. He commented that the Administration feels this is a reasonable conservative estimate to use.

Mr. Sawdon stated that Fund Balance is only used to assist with debt payments from the Debt Funds or for Capital Funds and noted that Fund Balance is not being used to subsidize operations.

Mr. Rosen questioned why our Assessor recognizes a 14 percent drop versus the County who recognizes a 13 percent drop in Assessed Value.

Doug Walther, Deputy Director of Assessing, responded that the 13 percent drop quoted in the newspaper is based on an estimate utilizing nine months' of sales data. He stated that the City Assessor expects that the 14 percent drop estimated for assessments will be fairly accurate, resulting in a projected drop in Taxable Value of ten percent. He noted that a Consumer Price Index (CPI) value of zero for this year is being utilized in the model and noted that not all properties' Taxable Values are equivalent to Assessed Value. He commented that the Assessor expects that approximately 90 percent of properties' Taxable Values will be at Assessed Value at the end of this year.

Mr. Ambrozaitis questioned whether the Administration was comfortable with utilizing these projections in the Budget.

Mr. Walther responded that utilizing a ten percent reduction in Taxable Value for the Budget was reasonable.

Mr. Rosen questioned what would happen if Capped Value ever exceeded Assessed Value.

Mr. Walther noted that Taxable Value can never exceed Assessed Value and that the lower of these two values is used. He noted that if the CPI were to rise, Taxable Value could rise.

Mr. Pixley questioned whether there were additional amounts used from Fund Balance for the General Fund.

Mr. Sawdon replied that the only Fund Balance used is within the Debt Funds themselves and noted that no General Fund Balance is used to service debt.

President Hooper questioned the figures allocated for Pathway Enforcement.

Mr. Sawdon replied that Pathway Enforcement is a reimbursement from Pathway Maintenance to the General Fund for City Inspectors who inspect pathways to enforce regulations regarding encroachments such as overgrowth and hazards. He noted that this amount will come from another fund.

President Hooper questioned how the Transfer-In for the Retiree Health Care Trust would be accomplished.

Mr. Sawdon responded that funds will be transferred-in to the General Fund from the Retiree Health Care Trust to service the payments that must be made covering premiums for the Supplemental Benefit Program. He explained that the amount transferred in to reimburse the General Fund from the Trust to cover the Implicit Rate Subsidy will be made based on the Actuarial Report. He commented that money moved to the Retiree Health Care Trust is allowed by Law to earn at substantially different rates than it would if it remained in the General Fund.

Mr. Yalamanchi questioned whether the contribution from the General Fund to the Retiree Health Care Trust would drop if interest rates rose over time.

Mr. Sawdon responded that it would not as the contribution amount will always represent the subsidy being applied. He noted that if the Trust earns more than the five percent estimated, those earnings will reside in the Trust until the point where all obligations are taken care of and, at that time, will flow back to the General Fund.

Discussed.

2009-0320 Discussion - General Fund (100's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[Suppl Human Resources Presentation.pdf](#)
[Suppl Parks Presentation.pdf](#)
[Suppl General Fund Presentation.pdf](#)
[Suppl Building Authority Presentation.pdf](#)
[Suppl Crossing Guards.pdf](#)

Mr. Sawdon reviewed the significant changes proposed for FY 2010 for the divisions under the Mayor's Department, including Fiscal, Purchasing and Media, and the Mayor's Clerical Staff:

171 / MAYOR'S:

SIGNIFICANT CHANGES:

- Started in 2009 and reflected again in the FY 2010 Budget, the Mayor's office has undergone a reorganization (full-time to part-time, reduced hours, realignment of reporting relationships).
- 703000 / Salaries & Wages: The reorganization has resulted in decreased wages, salaries and related costs of 5.0 percent (\$72,170).
- 740000 / Operating Supplies decreased 32 percent (\$5,900) from a reduction in postage for the Hills Herald.
- 802001 / Interfund Charges - MIS decreased 12 percent (\$18,990) due to a decrease in the number of applications supported and asset replacement charges.
- 900000 / Printing & Publishing decreased 47 percent (\$6,600) with the Hills Herald now moving to an E-form. This new E-Hills Herald will be demonstrated at an upcoming City Council meeting.

201 / ACCOUNTING:

SIGNIFICANT CHANGES:

- Accounting is now a division of Fiscal Services within the Mayor's office and is responsible for recording, maintaining and reconciling all City financial transactions.
- 703000 / Salaries and Wages decreased 2 percent (\$9,220) due in part to the allocation of a portion of one position to the Retiree Health Care Trust.
- 802001 / Interfund Charges for MIS decreased 21 percent (\$34,710) due to a decrease in the amount of applications supported and asset replacement charges.

210 / LEGAL SERVICES:

SIGNIFICANT CHANGES:

- *The City utilizes contracted legal services for routine issues, lawsuits, contract administration, labor relations, pension and benefit-related administration, interpretation and preparation of Ordinances, prosecution of Ordinance violations, and review of City Charter issues. The City employs no in-house attorneys.*
- *805002 / Legal Fees - Labor & Other: Labor Attorney was decreased \$12,000 as needs were further refined for FY 2010.*

448 / SPECIAL STREET LIGHTING:**SIGNIFICANT CHANGES:**

- *Street Lighting is a pass-through account for lighting within the Christian Hills and Denison Acres Subdivision.*
- *The City collects a Special Assessment from the lot owners who reside within those subdivisions; in turn, the City pays Detroit Edison for the electrical service.*

666 / COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG):**SIGNIFICANT CHANGES:**

- *We are a participating community through Oakland County Community and Home Improvement Division.*
- *CDBG funding is used to improve living conditions for low- and moderate-income residents through community revitalization, home improvement, and human services.*
- *In the City, CDBG funds are used for:*
 - * *The City's Minor Home Repair program, which provides grants for minor home repairs or accessibility modifications to low-income residents*
 - * *The Yard Services program, which provides lawn mowing, snow removal, and yard cleanup services to low-income seniors*
 - * *To support organizations that provide residents with youth services, battered and abused spouse services and emergency clothing services*
- *The budget reflects the allocation of funds made by City Council at the CDBG public hearing.*

852 / SUPPLEMENTAL RETIREE HEALTH CARE:**SIGNIFICANT CHANGES:**

- *The Supplemental Retiree Health cost center was established to account for the expenditures associated with the Supplemental Retiree Health Care Program.*
- *The Supplemental Retiree Health Benefit program was created in FY 2001 for the purpose of providing limited post-employment benefits to certain eligible employees for a portion of their health, dental and vision insurance premiums.*

Mr. Sawdon noted that when the Budget was amended in 2009 to create the Retiree Health Care Trust, it was originally assumed that the Trust itself would service the Supplemental Retiree Health Benefit Program within its structure. Since then, it was decided to have the expenditures for this program serviced from the General Fund, and this will be reflected in the next Budget Amendment. The figures proposed for 2010 reflect this change.

See also Legislative File 2009-0328 for Council discussion.

Discussed.

2009-0325 Discussion - Internal Service Funds (600's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[Suppl MIS Presentation.pdf](#)
[Suppl Mayor's Presentation.pdf](#)
[Suppl Insurance Fund Presentation.pdf](#)

Mr. Sawdon reviewed the Insurance Fund for FY 2010:

677 / INSURANCE FUND:

- The City is self-insured and maintains a cash reserve through an insurance pool.
- Insurance services include: General Liability, Fleet, Fiduciary Coverage and Underground Storage Tank. The City is responsible for paying losses (including damages), loss adjustment expenses, and defense costs for each occurrence.
- The City partners with the Michigan Municipal Risk Management Authority (MMRMA), an insurance pool organized under the Laws of the State of Michigan.

See also Legislative File 2009-0328 for Council discussion.

Discussed.

2009-0323 Discussion of the Capital Funds (400's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[Suppl Capital Improvement Fund Presentation.pdf](#)

Mr. Sawdon reviewed the Capital Improvement Fund for FY 2010:

420 / CAPITAL IMPROVEMENT FUND:

- Designed to track and fund certain projects identified in the Capital Improvement Plan (CIP).
- Created in FY 1998 with \$3.5 million in "seed money" from the General Fund.
- From FY 2001 to FY 2007, the General Fund annually contributed 0.2500 mill to ensure timely implementation of prioritized projects.
- In FY 2008, General Fund's funding was redirected toward funding Local Roads and Special Police and the transfer to CIP was decreased to 0.1000 mill.
- In FY 2009, General Fund eliminated its transfer to the CIP Fund.

- FY 2010 continues the elimination of General Fund's transfer to the CIP Fund (except for one-half of the Public/Education/Government funding, which is limited in use).
- Funding requests from the CIP are either for:
 - * New equipment:
 - SS-30: Sewer Easement Machine - \$55,000
 - SS-31: Small Vactor System - \$40,000
 - City Hall Auditorium Upgrade: Digital Recorder - \$7,000
 - * Replacement equipment where no depreciation/replacement funding has been collected:
 - IS-11: City-wide Radio Changeover (Base Station),
 - Election Equipment Replacement (FY 2011)
 - * Providing a funding source when no other source is available

See also Legislative File 2009-0328 for Council discussion.

Discussed.

2009-0320 Discussion - General Fund (100's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[Suppl Human Resources Presentation.pdf](#)
[Suppl Parks Presentation.pdf](#)
[Suppl General Fund Presentation.pdf](#)
[Suppl Building Authority Presentation.pdf](#)
[Suppl Crossing Guards.pdf](#)

Mr. Sawdon reviewed the Building Authority for FY 2010:

279 / BUILDING AUTHORITY:

- The Municipal Building Authority is responsible for the acquisition and construction of buildings for the City when a bond issue is used for financing
- The Authority consists of five members appointed by City Council for six-year terms
- In FY 2005, the Building Authority amended its by-laws to require a minimum of three meetings per year in order to establish an Authority budget and to authorize debt payments for Building Authority Bonds

Mr. Sawdon stated that rather than amend its by-laws to reflect the current need to meet only one time per year, the Authority decided to hold the first meeting each year and cancel the remaining meetings.

See also Legislative File 2009-0328 for Council discussion.

Discussed.

2009-0328 Discussion - Trust and Agency Fund (700's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[Suppl Retiree Health Care Trust Presentation.pdf](#)

Mr. Sawdon reviewed the Supplemental Retiree Health Care Trust:

736 / SUPPLEMENTAL RETIREE HEALTH CARE TRUST:

- This Fund provides the funding source needed each year to pay the Supplemental Retiree Health Care Benefit to certain employees and to reimburse the City for its Implicit Rate Subsidy.
- The Trust was approved by City Council in 2009 to address Other Post-Employment Benefit (OPEB) liabilities.

Public Comment:

Melinda Hill, 1481 Mill Race, questioned whether items in the Capital Improvement Fund needed to be \$25,000 or more by policy, and why the Digital Recorder and Radio Base Station was included now without being included in the Capital Improvement Plan (CIP). She questioned whether the monies will be transferred over from the appropriate departments for these purchases or whether Fund Balance is used to purchase these items.

Council Discussion:

Mr. Ambrozaitis stated that he wants to begin a process next year to amend the City Charter to eliminate the Mayoral Assistant position. He commented that the \$400 gas allowance for the Mayor should be eliminated.

Mr. Sawdon distributed responses to Council questions received prior to the meeting and noted that these questions were addressed as best as possible.

Mr. Webber noted that he requested additional information on the Tuition Refund Program, the Travel and Seminar Budget, Membership Dues and the City-Wide Radio Changeover. He requested that a historical perspective on Insurance Fund costs be provided and commented that he would like to see the City undertake a bid process prior to next year's renewal.

Mr. Sawdon responded that he will provide historical information on the Insurance Fund.

Mr. Pixley questioned the amounts listed for Health and Optical Benefits and whether they were actuarial-based for the group of employees covered, noting that there is not a consistent increase or decrease in expenses.

Mr. Sawdon responded that the Supplemental portion of the benefit is fixed based on the number of years and will not change; however, the Implicit Rate Subsidy will change every two years based on the Actuarial report. He noted that Health and Optical benefits are based on each employee and vary with marital status and dependent coverage.

Mr. Yalamanchi questioned where the Digital Recorder will be used.

Jane Leslie, City Clerk, responded that the Digital Recorder is apportioned to Facilities as it serves the entire City for use in the Auditorium. She commented that the current tape recording system is obsolete and parts are nonexistent.

Mr. Yalamanchi questioned the Vactor Vehicle listed for purchase.

Mr. Sawdon responded that Mr. Rouse could provide additional information about this proposed Water and Sewer purchase during his presentation.

Mayor Barnett stated that Tuition Reimbursement is divided between that portion which is contractually negotiated and the portion that is not. He noted that the amount for Tuition Reimbursement that is not contractually-obligated generally runs between \$3,000 to \$5,000 per year. He commented that the Tuition Reimbursement Policy provides that in the event an employee leaves within two years after receiving reimbursement, that employee must pay back part, or in some cases all of the reimbursement. He responded to a question submitted by Mr. Yalamanchi regarding the Festival of the Hills, noting that the City received \$80,000 in sponsorships and donations and expended approximately \$70,000 for the Festival. He stated that minimal or no overtime cost was expended for the Festival, with the only exception being Police Services, as those fees are contractual. He commented that the City has a new reporting structure for Travel and Seminars and noted that agendas for seminars are closely scrutinized.

President Hooper questioned whether there is a statutory requirement for the City to have a Capital Improvement Fund and whether the Sanitary Sewer Easement Machine and Small Vactor System could be purchased out of the Water and Sewer Fund.

Mr. Sawdon responded that having a Capital Improvement Fund is the proper way to take care of Capital Improvements. He noted that new pieces of equipment are expended out of this fund; however, when it comes time for their replacement, the replacement costs will be funded out of their respective Funds.

Mr. Rosen commented that approximately 12 years ago, State Law required the City to have a Capital Improvement Plan for those large projects that do not have their own dedicated source of revenue. He noted that as revenues decrease, the money for the Capital Improvement Fund will decrease.

Mr. Yalamanchi questioned what components comprised the Capital Improvement Fund balance.

Mr. Sawdon responded that it included Fire, Capital Improvements and Pathway Construction.

See also Legislative Files 2009-0320, 2009-0322, 2009-0323 and 2009-0325.

Discussed.

2009-0321 Discussion - Special Revenue Funds (200's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[Suppl Fire Dept Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)

Mr. Sawdon reviewed the Special Police Fund:

207 / SPECIAL POLICE FUND:

SIGNIFICANT CHANGES:

- 403000 / Taxes decreased 3.8 percent (\$167,830) due to reductions in Taxable Value.
- School Police Liaison changes:
 - * Elimination of the Detective Sergeant position
 - * An increase in the percentage of the program costs paid by the Rochester Community Schools (from 19.6 percent to 22 percent)
 - * Updated enrollment figures have adjusted each community's share
 - * Anticipated increase in the cost for contractual police services
- 664001 / Interest Earnings decreased 58 percent (\$63,000) due to lower interest rates.
- 699101 / Transfer-In - General increased 9.1 percent (\$317,820) due to the combination of declining taxable values and increasing police protection operational costs.

Mr. Sawdon noted that in FY 2010, the two Police Millages would generate \$4,276,620 and the General Fund would transfer-in \$3,816,130. Contractual Services is budgeted for \$8,405,760 for FY 2010. He noted FY 2009 includes one less Detective Sergeant officer which offsets the contractual increase for this year.

See also Legislative File 2009-0320 for Council discussion.

Discussed.

2009-0320 Discussion - General Fund (100's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[Suppl Human Resources Presentation.pdf](#)
[Suppl Parks Presentation.pdf](#)
[Suppl General Fund Presentation.pdf](#)
[Suppl Building Authority Presentation.pdf](#)
[Suppl Crossing Guards.pdf](#)

Mr. Sawdon reviewed the proposed Crossing Guards budget for FY 2010:

315 / CROSSING GUARDS:

SIGNIFICANT CHANGES:

- 703000 / Salaries & Wages decreased 6 percent (\$3,100) to bring the budget in line with recent actual expenditures.
- 740000 / Operating Supplies increased 90 percent (\$450) due to a change in vests and stop signs provided to the Guards to make them more visible to drivers as recommended by the Safety Committee.

Captain Mike Johnson, Oakland County Sheriff's Office (OCSO), reviewed Special Police Performance Indicators:

- Calls for service were up 3.1 percent (944 additional calls) in 2008 over 2007. He noted that calls for the first half of 2009 are trending down slightly, however, generally more calls are received during the second half of the year.
- The False Alarm Ordinance continues to be a success, with a decrease in false alarms of more than ten percent (295 fewer alarms than in 2007).
- Overtime is trending down, with \$45,000 less in overtime for this year. He cautioned, however, that any major incident could reverse that trend, and cited the Hazel Park tanker fire on I-75 as an example of a major incident requiring substantial police services.

GOALS AND OBJECTIVES:

- To continue to interact with other local, Federal and State agencies to enhance the ability of OCSO personnel to maintain the current level of services without creating additional burden on the Budget.
 - * The OCSO has had a great relationship with Michigan State Police. One State Trooper works out of the Rochester Hills Substation, providing a great service and benefit. The State Trooper assists in enforcement work along M-59.
 - * OCSO was contacted recently by the Michigan Department of Transportation to provide protection for road workers on M-59 during construction.
 - * OCSO was recently advised by the Traffic Improvement Association that the Federal government will not be continuing traffic grants for the "Click-It or Ticket" or "Over the Limit and Under Arrest" drunk driving programs. He noted that the Federal government will be developing some additional traffic enforcement funding for the future.
 - * OCSO is involved in the Balkan Task Force and will have a Detective assigned on a part-time basis for organized crime investigations.
 - * This past December, in conjunction with the Immigration and Customs Enforcement (ICE), the Balkan Task Force seized \$546,000 during a narcotics investigation. He noted that the Police Budget will receive a share of this money as soon as the case is adjudicated, and estimated that between \$35,000 to \$50,000 could return to the City as a result of this seizure.
 - * Last spring, the Department applied for, but did not receive, the COPS Department of Justice Grant. He noted that as a result, during the last Police School Liaison Committee meeting, it was requested by the Rochester Community School District that the Detective Sergeant position be eliminated; and commented that as a result of this elimination, roughly 80 to 100 cases that occur within the schools will now be investigated by the OCSO Detective Bureau. He noted that the Department's application for this grant remains in the queue should future grants be awarded.
 - * The OCSO will run a lean and efficient operation to provide the best service possible to the City.

Council Discussion:

Mr. Webber commented that it was not an easy decision to cut the Detective Sergeant position for the Police School Liaison program. He questioned whether the City participates in the NET Forfeiture Program.

Captain Johnson responded that any community that has a Narcotics

Enforcement Officer and becomes a part of the Narcotics Enforcement Team becomes a part of the disbursement for this program. He noted that this unit seizes between \$1 million and \$2 million per year and stated that roughly \$60,000 is disbursed each year to participating police departments.

Mr. Webber stated that receiving this disbursement could make a difference in keeping a position within the OCSO. He questioned how the Safety Committee made recommendations for the Crossing Guard program.

Mr. Sawdon explained that the Safety Committee is an in-house employee-based committee that reviews safety concerns and makes recommendations to ensure that employees are not injured on the job.

President Hooper stated that the City contributes \$60,000 per year to participate in the NET Forfeiture Program.

Mr. Pixley commented that while the OCSO costs were increasing, great efforts were being expended to manage them and commented that the City must address long-term police funding issues. He questioned whether costs apportioned to the participating municipalities for the Police School Liaison Program are reported on a school calendar or fiscal-year basis for those communities.

Mr. Yalamanchi questioned who participated in the Balkan Task Force and expressed concern for traffic safety at the beginning of the school year.

Captain Johnson responded that a dozen police departments support the Task Force. He commented that discussions will be held with Crossing Guards to coordinate traffic issues around schools.

Mr. Ambrozaitis questioned why OCSO cars show up for paramedic runs and whether these runs could be avoided unless there is a police situation or domestic violence.

Captain Johnson responded that it is the Oakland County Sheriff's policy that their officers respond to all medical calls, stating that often the OCSO is the first-responder to a call. He commented that once the responding unit ascertains that they are no longer needed on the run, they will leave. He stated that dispatch does not have access to the position of every patrolling car and explained that when a run is called out, the closest car will head there.

Mr. Ambrozaitis questioned the replacement cycle for vehicles and what portion of the \$8.3 to \$8.6 million Police budget was apportioned to cars.

Captain Johnson stated that vehicles are not addressed in the OCSO contract. He noted that there is an agreement between OCSO and the County to replace vehicles at 80,000 miles. He commented that the contract price includes any vehicle costs and stated that the County's Business Manager would have to provide information on any breakdowns.

Mr. Rosen questioned how the County's cost-cutting measures will affect police service in Rochester Hills.

Captain Johnson commented that since 2008, The OCSO has reduced its total budget by \$13.3 million and eliminated 114 full-time positions and 15 part-time positions. In 2010, the OCSO will mothball one helicopter, eliminate two pilot positions and reduce the Marine Division in scope and size. He noted that in the future, lake communities will contract for patrol services. OCSO will close the Auburn Hills Campus, the Auburn Hills Boot Camp and the Trusty Camp. He stated that these cuts are designed to have little or no impact on the patrol and investigative services the City receives.

Mr. Rosen questioned whether a reduction in the OCSO total budget of ten percent could allow a reduction in the contract to Rochester Hills, stating that the City cannot continue to fund a Sheriff's Department that has reduced its own expenses.

Captain Johnson reported on the status of the binding 312 Arbitration, noting that OCSO Deputies have not had a contract since October of 2003. He stated that the Arbitrator will be meeting with the County on August 26th and will render its decision. By mid-September, that decision should be delivered in writing and conversations can subsequently begin with communities. He noted that the Business Manager will most likely ask for a one-year contract, hoping that costs will flatten out a bit. He commented that the increase requested could be from zero to three percent.

Discussed.

2009-0320 Discussion - General Fund (100's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[Suppl Human Resources Presentation.pdf](#)
[Suppl Parks Presentation.pdf](#)
[Suppl General Fund Presentation.pdf](#)
[Suppl Building Authority Presentation.pdf](#)
[Suppl Crossing Guards.pdf](#)

Pamela M. Lee, Director of Human Resources (HR), presented the proposed Human Resources Budget for FY 2010:

City Council's Goal of **Effective Governance**; to provide clear policy direction to the administration for the execution of City programs and services.

Human Resources Mission:

To serve as a strategic partner in selecting, managing and developing personnel to meet current needs and objectives, while building a workforce that can continually adapt and respond to the challenges of public service.

Ms. Lee detailed the different functions performed by Human Resources Department personnel including:

- Personnel Records
- Staffing and Employee Relations

- Wage and Salary Administration
- Benefits Administration
- Workers Compensation, Safety and Employee Development

She commented that the Department supports strategic decision-making in the City with the design of programs that have resulted in voluntary staff reductions, minimizing the need for layoffs.

SIGNIFICANT OBJECTIVES:

- Reduce and Stabilize Health Care Cost Trends.
 - * Plan design and pricing for co-pays, deductibles, co-insurance and premium cost sharing
 - * Health risk reduction and wellness promotion, through the "Healthy Hills" Program
 - In 2009, out of 202 eligible employees, 78 percent participated in Health Screenings; 99 percent of those screened completed Health Risk Questionnaires.
 - Identified health risk factors impacting employees. A healthier workforce is a more productive workforce.

She noted that the current Union negotiations should result in minimizing the increases in health care costs and commented that negotiations with the remaining two Unions would begin next year. She reported on the progress of the Healthy Hills Program launched in February of 2009 and the Wellness Committee, indicating that a recent employee survey showed that 24 percent of respondents started a weight loss program, 49 percent make healthier eating choices and 40 percent have become more physically active. She commented that this program is cost-effective if it results in the elimination of as few as one or two high claims.

- Sustain improvements in Worker's Compensation Claim Costs through continued support for Safety Committee initiatives.
 - * Improved compliance programs; increased employee training; Job Safety Analysis Project; promoting a safety culture.
 - * In 2007, the Human Resources Department was reorganized and a program coordinator was hired who reconstituted the Safety Program.
 - * 2009 claims are down and costs reduced by almost \$100,000.

SIGNIFICANT CHANGES:

- 900000 / Printing and Publishing decreased 61 percent (\$4,250) as a result of reduced printing needs and more online publishing.
- 801002 / Professional Services - Medical Services decreased 33 percent (\$5,000) based on the past four years' actual expenditures and fewer hires anticipated.
- 740000 / Operating Supplies decreased 29 percent (\$4,000) due to a reduction in designated HR funds for the Wellness Committee resulting from a proposed shift in unencumbered Wellness Benefit funds to cover these supplies.

Ms. Lee noted that the Administration will be meeting with Beaumont Hospital officials in the coming weeks to identify goals and objectives for 2010 for the Healthy Hills Program, based on data and feedback from the employee survey.

Council Discussion:

Mr. Yalamanchi questioned how health care costs increases will be minimized when the Union Agreement is signed.

Ms. Lee commented that she cannot provide amounts until the contract is resolved.

Mr. Yalamanchi questioned what the City's three-year history for Workman's Compensation claims reflected and whether the City was seeing a cost reduction resulting from fewer claims.

Ms. Lee responded that in 2007, the City had 47 reportable claims; in 2008, 33 claims. She noted that 2006 had a fewer number of reportable claims, however, the dollar amounts for those claims were higher. She commented that so far this year, there has been both a reduction of claims and costs. She commented that the City's experience modifiers have been reduced from 2007 and stated that the City is paying ten percent less this year than last year.

Mr. Yalamanchi questioned what financial impact employee reclassifications and promotions had for the City.

Ms. Lee responded that the impact depends on the position. She noted that most grade increases result in an increase in pay, and commented that typically this was \$2,000 to \$3,000 overall per employee.

Mayor Barnett stated that the City had two grade increases this year and commented that internal transfers typically do not have a dollar impact.

Mr. Yalamanchi questioned what the Professional Services category includes and how these costs fluctuate.

Ms. Lee responded that this category includes medical-related professional services, including physical exams, employee health assessments, the Beaumont Healthy Hills Program, Employee Assistance Services (EAS), Basic Flex and Cobra Administration for the 125 Plan, exams utilized in the employee selection process, and any special training beyond the two programs provided per year as a part of the EAS Program. She noted that the Department utilizes on-site training including audio conferences and Webinars whenever possible. She noted that these costs vary based on the number of employees and commented that these costs will most likely be at this level or lower.

Mayor Barnett stated that the City budgets for everyone to take advantage of training, however, the figures usually come in lower.

Mr. Brennan commented that there has been a decline in employee liability claims since 2006. He noted that the low number of labor grievances filed speaks well

for the character and morale of the City's employees. He questioned how the City reimburses for continuing education costs.

Ms. Lee responded that each year, employees are asked what their aspirations are with respect to continuing their education. She noted that one employee is pursuing a Graduate Certificate in Human Resources. She noted that the City encourages staff to move forward in professional development, however, not everyone takes advantage of it. She commented that professional development is important as it can impact a department's succession planning.

Mr. Webber commented that he appreciated the City's efforts with regard to Wellness Program, noting that health care costs are the great unknown.

Discussed.

(RECESS 8:56 p.m. to 9:19 p.m.)

2009-0320 Discussion - General Fund (100's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[Suppl Human Resources Presentation.pdf](#)
[Suppl Parks Presentation.pdf](#)
[Suppl General Fund Presentation.pdf](#)
[Suppl Building Authority Presentation.pdf](#)
[Suppl Crossing Guards.pdf](#)

Mike Hartner, Director of Parks and Forestry, presented the Parks and Forestry proposed Budget for FY 2010. He reported that park attendance and revenue figures are at record levels and commented that as the economy has gotten worse, attendance at local parks within the community has increased.

756 / PARKS DIVISION:

- Park Attendance for 2009 is projected to increase 90.1 percent over 2000.
- Shelter Rentals for 2009 are projected to increase 228.8 percent over 2001.
- Parks Annual Revenue for 2009 is projected to increase 50.5 percent over 2000.

Mr. Hartner commented that Rochester Hills' parks expect to hit 1,000,000 visitor use days this year and stated that people are discovering their local parks, recreation and resources. He reported that the Department has a waiting list to reserve shelters and batting cages and noted that the summer daycamps have been full. He reported that revenue numbers are at a record high, and noted that three-year rolling figures are utilized as park revenues are weather-dependent.

Rochester Hills Museum at VanHoosen Farm:

- Attendance continues to increase for the variety of programs, exhibits and special events.
- Number of Museum Memberships have increased requiring soliciting letters, tracking members and expirations, deposits and renewals.

- *Volunteers are essential with Museum staffing declines requiring tracking hours and providing individual training as the volunteer pool turns over.*

Spencer Park:

- *Vehicle permit sales, boat rentals, shelter rentals and concession sales are reaching a record high in 2009.*
- *Park attendance has increased with more daycamps, family gatherings and more people in the water for lifeguards to watch.*
- *Lifeguard staff added swimming lessons for annual permit holders. He noted that the Park has a perfect safety record in 25 years, crediting staff for providing a safe environment.*

Bloomer Park:

- *Demand for Cricket games and practice times now require a lottery.*
- *Velodrome participants and race events have increased attendance as a donation of lights has extended the racing times into the early evening.*
- *Shelter rentals continue to increase as reservations now include weekdays.*
- *More community events and fund raisers are being held at Bloomer. Thirty-three different groups have used Bloomer so far this year for fund raisers and community events.*

Borden Park:

- *More tournaments and special events are being held.*
- *Continued strong soccer and ball field demand makes a lottery necessary for field usage reservations. He stated that the Parks system provides fields for over 30 leagues in addition to the Rochester Avon Recreation Authority.*

Yates Park:

- *The great fishing at Yates is drawing more fishermen from surrounding communities.*
- *Many more kayak and canoe enthusiasts are using an improved Clinton River for recreation.*

PARKS ANNUAL EXPENSES:

Mr. Hartner commented that the entire staff has done a wonderful job of doing more with less and noted that since 2008, Parks expenses have been reduced by 16 percent. He commented that the FY 2010 proposed Parks Budget is a 2.8 percent decrease from 2005 and noted that this will result in necessary service cuts for FY 2010. He reviewed the proposed service level and personnel changes for the Parks Division:

Rochester Hills Museum at Van Hoosen Farm:

- *Services*
 - * *Decrease Museum services by eliminating drop-in hours and providing tours by appointment only*

- * *Decrease in archival services and programs*
- * *Clerical support moved to City Hall*
- *Personnel Changes*
 - * *Eliminated the full-time Museum Program Coordinator position (\$94,000 reduction in wages and benefits)*
 - * *Eliminated one Museum seasonal Park Attendance (\$4,500)*
 - * *Eliminated the Departmental Assistant position (\$22,000)*

Spencer Park:

- *Services*
 - * *Close Spencer Park on Mondays, Tuesdays and Wednesdays from November 15 through March 15 (beginning November 2009)*
 - * *Reduce summer beach hours on Mondays through Fridays from 11:00 a.m. to 7:00 p.m.*
- *Personnel Changes*
 - * *Eliminated one Lifeguard Captain (\$8,200)*
 - * *Eliminated one Lifeguard (\$7,000)*
 - * *Eliminated one seasonal Park Attendance (fall/winter) (\$6,300)*

Bloomer Park:

- *Services*
 - * *Close Bloomer Park on Mondays, Tuesdays and Wednesdays from November 15 through March 15 (beginning November 2009)*
- *Personnel Changes*
 - * *Eliminated one seasonal Park Attendant (fall/winter) (\$6,300)*

General Parks:

- *Services*
 - * *Decrease routine mowing of park properties (other than sports fields)*
 - * *Eliminate annual flower plantings that beautify the parks*
- *Personnel Changes*
 - * *Reduced all overtime to a 10-hour yearly maximum per Park employee (\$18,100 in wages and benefits)*

756 / FORESTRY DIVISION:

Mr. Hartner stated that the Forestry Division maintains trees along the trails, undertake river cleanups and remove log jams, and provide services to clean up storm damage in addition to their primary mission of planting trees throughout the City. He provided the following Budget breakdown for Forestry services:

- *59.1 percent is charged to the General Fund*
- *31.2 percent is charged to Local Roads*
- *6.2 percent is charged to Pathways*
- *3.5 percent is charged to Major Roads*

Mr. Hartner explained that the Forestry Division maintains over 19,000 street

trees on 275 miles of City roads and 83 miles of pathway, in addition to the Paint Creek and Clinton River Trails. He noted that Rochester Hills has been recognized by the National Arbor Foundation as a Tree City USA every year for the past 20 years and commented that the City takes a proactive approach in preventive maintenance allowing the City's tree stock to be as healthy as it can be.

Increased Demands:

- Work levels have increased substantially due to the reduction of one-third of the Forestry Ranger staffing.
- The new GBA Tree Manager computerized tree inventory program requires increased initial data input and additional routine tree maintenance data as it is performed.
- Increased acquisition of Green Space properties require boundary tree inspections for potential tree-related liabilities and the maintenance or removal of trees that threaten adjacent properties.

Mr. Hartner noted that these increased duties will be handled with existing staff.

2010 Service Level Changes:

- Reduce field work by one-third due to the elimination of the Forestry Ranger position.
- Reduce monitoring of gypsy moth egg mass survey sites to hot spots only.
- Reduce tree maintenance cycle rotation from five years to seven years.
- Property owners adjacent to pathways will be required to trim their private encroaching vegetation or reimburse the City if Forestry does the work.
- Decrease in response time for service requests (700 requests in 2008).

He noted that the City has been getting over 72 percent compliance on the first call from property owners contacted about encroachments onto pathways.

2010 Personnel Changes:

- Eliminate Forestry Ranger II position (\$107,000 for wages and benefits).
- Transfer five percent of Tree Fund Balance to cover Forestry costs (\$75,000).
- Restructured the full-time clerical position with an assumption of many Museum clerical duties.

Mr. Hartner noted a combined three-year budget reduction of 15.91 percent for the Forestry Division. He commented that the residents have come to expect a level of service from the City and noted that the Division provides this service in a safe manner, committed to providing the quality of life services that residents are proud of.

See also Legislative File 2009-0321 for Council discussion.

Discussed.

2009-0321 Discussion - Special Revenue Funds (200's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[Suppl Fire Dept Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)

232 / TREE FUND:

Mr. Sawdon stated that the Administration is proposing a transfer from the Tree Fund to the General Fund to support Forestry activities to maintain plantings accomplished through the Tree Fund throughout the years. He commented that the proposed five percent transfer would consist of interest and principal. He noted that the Tree Fund is a source for funding to maintain tree stock and plant new trees. He explained that the Fund has received a nine-year average interest rate of 3.6 percent and stated that if 200 trees per year were planted at a cost of \$250 each, along with maintenance of plantings, this Fund would last in excess of 25 years. He commented that if the number of plantings were scaled back to 100 trees per year, this Fund would approach 45 years. He pointed out that a Forestry program provides for a fifty-fifty match as well, noting that if a resident desires to have the City plant a tree in the right-of-way, they are required to contribute fifty percent of the cost. He stated that if this matching program were promoted more, the Fund could still approach the 200 tree per year planting figure and allow the program to last in excess of 45 years.

299 / GREEN SPACE:

Mr. Hartner commented that Green Space purchases are handled through Budget Amendments as property is recommended and becomes available for purchase.

Public Comment:

Mr. Yalamanchi invited Frank Cardimen to discuss private Museum funding efforts.

Frank Cardimen stated that the Museum is a great public asset and requested Council's continued support. He explained that six months ago, a resident of the city contributed funding for a specialist in Strategic Planning and Marketing to help the Museum search for a new identity and seek national prominence. He explained that the \$10 million strategy includes several phases, including seeking full accreditation from the National Accreditation for Museums, and undertaking a renovation and expansion of the facilities. He noted that a goal of the creation of a \$4 to \$5 million Endowment Fund to relieve the responsibility of funding by the City would reduce the expenses and move toward turning the Museum into a self-sustaining entity. He highlighted the progress made in the past six months as follows:

- A \$200,000 irrevocable gift was received to support the operation.
- Various grants have been submitted to date, with more to come.
- Stage one of Accreditation has been completed and the process has moved into stage two.
- The Museum is seeking input from a Mayor's Advisory Council consisting of individuals from private, public, industry and corporations.
- Michigan State University's (MSU) Department of Agriculture and Forestry

has been engaged to assist in programming, along with an exploration of funding opportunities, as MSU still holds the deed to the Museum property.
- Additional programs are being developed to involve the community.

Mr. Cardimen commented that others are beginning to understand that the community wants to have a very strong Museum and show its pride in the incredible story of its history. He stated that eliminating the Museum Coordinator position would be detrimental to the progress of these efforts and could hamper revenues further. He requested Council allow efforts to move forward and commented that detailed strategies will be presented to Council this coming winter.

Mayor Barnett commented that some very exciting news will be announced in the near future regarding the Historic District and stated that the Museum efforts should be allowed to go forward.

Council Discussion:

Mr. Yalamanchi stated that he appreciated these efforts, commenting that Pat McKay is one of the best Directors the Museum could have. He commented that he is excited about the opportunities the Museum is going to create and stated that national prominence and a self-sustaining operation has been his mantra for some time. He stated that if the City had been proactive in 2007, the proposed cuts in programs and services might not have been necessary. He commented that the Museum should be viewed as a private non-profit entity and a strong community asset between Rochester Hills, Rochester and Oakland Township. He noted that he supports the creation of a Council committee to explore the partnerships that are being proposed. He stated that he has been advocating the development of a formal Council Policy for the Tree Fund for some time as well.

Mr. Sawdon replied that it is his intent to bring a draft Tree Fund Policy to Council.

Mr. Yalamanchi inquired as to the cuts in archival services at the Museum and the reduced beach hours at Spencer Park, questioning whether the Park should consider beach times of noon to 8:00 p.m. given the length of daylight.

Mr. Hartner responded that archival services are not going away, but with personnel changes and activities, they will be put aside. He noted that the recommended beach hours of 11:00 a.m. to 7:00 p.m. are based on attendance and noted that daycamps show up at 10:00 a.m.

Mr. Yalamanchi commented that with Parks revenues at approximately \$800,000 and Parks and Forestry expenses nearing \$3.4 million, there is a significant gap. He questioned whether fees have been evaluated recently.

Mike Hartner responded that various fees have been adjusted over time and the Department constantly reviews what the market will bear. He pointed out that the fees are on the high-end of average as the City's fields are considered high-level. He noted that the high level of field conditions also contributes to low accident and liability issues for the City.

Mayor Barnett commented that fees were re-evaluated during the Budget process as a way to enhance revenues.

Mr. Hartner credited the Rochester Youth Soccer League for donating \$20,000 for renovations to the soccer fields. He noted that irrigation times for fields have changed to reflect the current Watering Ordinance and daytime watering is only being done for fields that have been recently renovated or reseeded and need additional watering.

Mr. Brennan commented that the City's great parks and museums attract people to the community and pointed-out that the City should not be perceived as dying or decaying through a lack of support. He noted that the satisfaction levels for the City's parks and Museum are very high, promoting good will in the community. He questioned whether it is possible to explore corporate sponsorships for the City's parks.

Mr. Hartner noted that sponsorships are being explored, but likely sponsors include cigarette and alcoholic beverage companies. He commented that those types of sponsorships are inappropriate for City parks.

Mr. Ambrozaitis expressed his support for the Museum efforts and commented that a 50 percent resident contribution for tree planting will allow the City to plant more trees.

Mr. Pixley thanked Mr. Cardimen and complimented Pat McKay for their efforts. He noted that the Museum is one place which has shown increasing revenues and cuts to services will lead to decreasing revenues.

Mr. Rosen commented that as Parks usage is high, perhaps fees should be reviewed, noting that this could allow some services to be maintained.

President Hooper commented that he would support the use of interest and earnings from the Tree Fund for Forestry operations, but not Fund Balance.

Mr. Yalamanchi stated that the five percent transfer would take interest earnings into account with the intention that it would not deplete Fund Balance.

President Hooper noted that five percent would be appropriate for years when interest rates are high, but not when they are low.

See also Legislative File 2009-0320 for Council discussion.

Discussed.

2009-0325 Discussion - Internal Service Funds (600's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[Suppl MIS Presentation.pdf](#)
[Suppl Mayor's Presentation.pdf](#)
[Suppl Insurance Fund Presentation.pdf](#)

Bob Grace, Director of MIS, presented the proposed MIS Budget for FY 2010, noting that MIS's primary function is to assist other Departments and re-evaluate the way things are done and the services provided. He noted that in preparing the FY 2010 Budget for MIS, departmental needs, Internal Service functions, and the state of the economy were evaluated as well. He noted that overall, the MIS Department budget is 14 percent less than last year.

636 / MANAGEMENT INFORMATION SYSTEMS (MIS)

SIGNIFICANT CHANGES:

- 748000 / Operating Equipment decreased by 10 percent (\$8,600) due to purchasing fewer monitors and replacement printers for FY 2010. Staff are encouraged to use copy machines as printers and minimize the use of color printers to save costs.
- 807000 / Contractual Services decreased 26 percent (\$31,630) due to a reduction in Internet Service Provider charges; a three-year contract was negotiated at a substantial savings over current costs.
- 932000 / Maintenance Equipment decreased 81 percent (\$45,250) due to the purchase of a two-year SAN Server maintenance contract purchased in March of 2009.
- 934000 / Software Maintenance decreased by 6 percent (\$15,800). Software inventory and usage was reviewed and any application needing upgrade will be done this year.
- 968001 / Depreciation Expense decreased 31 percent (\$130,360) due to certain capital assets becoming fully depreciated.

Mr. Grace noted that the MIS team has cut costs wherever possible and makes use of free applications where available. He noted that cost-cutting measures include:

- Delayed server replacement for one year (\$170,000)
- Sleep controls implemented on PCs (\$12,000)
- New WAN and Internet Services contract (\$24,000)
- New contract for web, e-mail and anti-virus services (\$14,000)
- IP trunking to the DPS facility and Fire Station 1 (\$12,000). This eliminated the need for two T1 lines between those facilities.

Mr. Grace pointed out that miscellaneous revenue included \$2,500 to reflect the beginning of discussions to share community resources. He noted this reflects a commitment from the Rochester Community Schools to pay for a flight to update pictometry services which were installed last year on their server and six or seven of their desktops to aid in planning bus routes. He commented that preliminary discussions are also being held with the Cities of Rochester and Auburn Hills.

Additional cost-cutting measures include:

- Turning off lights in the server room
- Utilizing a free electronic publishing service for the Hills Herald
- Reducing the resolution of photos on web pages to reduce the amount the

City pays for disk capacity
- Evaluating a free calendar software for web page use

He stated that the choices and cuts made over the years have kept expenses lean and are a positive reflection on the MIS team.

Council Discussion:

Mr. Webber commented that the process of evaluating the applications and software licenses necessary for each computer and user is critical for long-term savings.

Mr. Yalamanchi questioned whether new technologies are evaluated as they are developed and if the Asset Management System is improving operating efficiencies. He questioned whether enhancements were being made to the financial software.

Mr. Grace responded that the Asset Management Software is being installed in each department. He stated that the data is fully converted and work orders are now being generated for Forestry Services and DPS functions. He noted that the conversion efforts are moving over to Building and Ordinance Compliance and will be used in coordination with Assessing to identify foreclosure issues. He explained that GIS projects were put on hold for the past couple of years as the GIS Manager was spending 60 percent of his time working on asset management. Now that this process has neared completion, GIS projects will move forward. He noted that changes to the financial software system include the development of a Request for Proposal to move away from Oracle Support which will hopefully save a substantial amount of money in the future and commented that since the system is now stable, it is prudent to look at third-party support. He noted that a new financial software package would most likely be undertaken in five to ten years.

Mr. Yalamanchi questioned the amount budgeted for web services.

Mr. Grace responded that if the City wished to move toward branding, the web look would be changed to match any branding. He commented that content management is critical on the web page and stated that the system has been down 15 times this year due to glitches in the content management system. He noted that web page design changes will not be done until decisions on branding issues are made. He stated that the \$60,000 budgeted for web changes is a rough estimate.

Public Comment:

Lee Zendel, 1575 Dutton, questioned whether the City considered using Google Apps, noting that several major U.S. cities use this to save potentially millions of dollars.

Mr. Grace responded that MIS reviewed Google Apps last year, prior to the most recent software upgrade, and noted that security concerns were raised as data is not stored on-site. He stated that other free products were reviewed as well,

however, they were not selected as there is still a cost to purchase the Access Database portion through Microsoft. He noted that this will be reviewed again in five to seven years when the next set of upgrades will be undertaken.

Discussed.

2009-0321 Discussion - Special Revenue Funds (200's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[Suppl Fire Dept Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)

Ron Crowell, Fire Chief/Emergency Management Director, presented the proposed Fire Budget for FY 2010 and noted that the organizational chart for the Department was revised to reflect Operational, Communications and Fire Prevention Divisions. He noted that this change makes it easier to manage budgetary concerns.

City Council's Goal of **Public Safety**; to protect the residents, businesses, and visitors of Rochester Hills by providing high quality public safety.

OBJECTIVES:

- Monitor response times and make adjustments necessary. Fire Station #4 was staffed last year to improve response times and the City is awaiting word on whether a Stimulus Grant applied for will be received which would allow for fire station reconstruction to convert another station to a 24-hour station. He noted that if this grant is received, Fire Station #3 would be staffed and could improve response times by two to three minutes.
- Annual EMS quality assurance by Oakland County Medical Control have yielded "outstanding" ratings.
- Enhance Automatic Aid and Mutual Aid. He noted that the City of Rochester now has Advanced Life Support services.

City Council's Goal of **Fiscal Management**; to establish policies for fiscal responsibility that ensures short and long-term prosperity through effective fiscal planning and efficient management of the taxpayers' assets.

OBJECTIVES:

- Evaluate staffing levels and adjust where possible. He noted that the POC level has been enhanced to allow for more in the pool and commented that POCs do not all have to respond to calls. He pointed out that if 14 POCs are assigned to each station, each POC has to take duty one night a week; however, if these numbers are brought up, they only have to respond part of the time. He commented that this will hopefully result in lower costs and more retention of POCs.

City Council's Goal of **Effective Governance**; to provide clear policy direction to the administration for the execution of City programs and services.

OBJECTIVES:

- When possible, partner with neighboring, County and State Fire Departments in cooperative purchases.

* Ambulance purchases have yielded cooperative bids from multiple communities allowing lower costs

City Council's Goal of **Community Trust and Participation**; to promote effective communication between City Council, administration, residents, businesses, and visitors so that decisions reflect the community's desires and expectations.

OBJECTIVES:

- Surveys are sent out after incidents and fire safety inspections.
- Conduct informational meetings for businesses relating to fire safety of their business and common violations. He noted that these meetings started this year in conjunction with efforts by the Planning and Development Department. He commented that retail establishments will be contacted close to the holidays to discuss overstocking impacts to safety.
- Improve the community events and awareness to the residents and businesses.

Chief Crowell noted that this coming Wednesday, August 19, the Department will host a Safe Kids Back to Work event in conjunction with Beaumont, Childrens and Crittenton Hospitals and will feature Fire Department equipment, a medical flight helicopter, child identification, bike safety and car seat installation checks.

SIGNIFICANT CHANGES:

206 / FIRE DEPARTMENT FUND: REVENUE:

- 403000 / Taxes decreased 3.8 percent (\$250,000) due to reductions in taxable value.
- 608003 / Charge for Service: Fire Protection increased 8.3 percent (\$5,000) due to the recent rise of Oakland Township calls dispatched.
- 608010 / Charge for Service: EMS Service increased 4.3 percent (\$50,000) reflecting recent trends.
- 664001 / Interest Earnings decreased 29 percent (\$40,000) due to lower interest rates.
- 699736 / Transfer-In: Retiree Health Care Trust Fund was added (\$7,000) to reflect the cost for the Implicit Rate Subsidy Reimbursement.

206 / ADMINISTRATION:

- 802001 / Interfund Charges: MIS decreased 13 percent (\$18,150) due to a reduction in Fire Department applications and asset replacement charges.
- 802005 / Interfund Charges: Facilities increased 6 percent (\$21,960) due to historical costs for operating and maintaining Fire Station #1 (HVAC Replacement) and the four various Substations.
- 805002 / Legal Fees increased 54 percent (\$7,000) due to the Firefighters

Union contract ending in December 2010.

- 999402 / Transfer-Out: Fire Capital Fund Transfer decreased 100 percent (\$343,420) as it was determined that the Fire Capital Fund has reached its funding goals and no new funds are necessary at this time.

339 / FIRE SUPPRESSION:

- 722000 / Clothing decreased 26 percent (\$3,100) based on a historical trend.*
- 724000 / Tuition Refund increased 212 percent (\$7,000) based on an anticipated usage of benefit (contractural).*
- 740000 / Operating Supplies decreased 20 percent (\$3,000) reflecting historical trends.*
- 748000 / Operating Equipment decreased 20 percent (\$5,000) due to budget reduction.*
- 938000 / Maintenance: Vehicles decreased 23 percent (\$2,050) due to newer vehicles and fewer anticipated repairs.*

341 / FIRE PREVENTION:

- 724000 / Tuition Refund decreased 67 percent (\$2,000) based on employee feedback and budget reduction.*
- 802004 / Interfund Charges - Fleet Vehicle decreased 10 percent (\$1,000) based on vehicles being under warranty.*

342 / TRAINING:

- 740000 / Operating Supplies decreased 67 percent (\$7,950) due to a one-time purchase made in 2009.*
- 748000 / Operating Equipment decreased 81 percent (\$2,630) to reflect less need.*
- 801000 / Professional Services decreased 100 percent (\$1,800) based upon recent trends.*
- 860000 / Travel and Seminars decreased 24 percent (\$6,200) due to seeking available training through lower cost State and Federal courses. In addition, an EMS Academy was developed through a cooperative partnership between seven area Fire Departments allowing for a lower-cost alternative for training.*

343 / DISPATCH:

- Personnel Services decreased 5.8 percent (\$56,040) due primarily to a reduction in overtime and the elimination of a Communications Coordinator position, which will be replaced with the addition of one Part-Time Dispatcher.*
- 860911 / Travel and Seminars - 911 decreased 100 percent (\$3,000) due to the elimination of 911 Funds.*

344 / EMS:

- 724000 / Tuition Refund increased 19 percent (\$1,300) based on an anticipated increase in usage of benefit.*
- 740000 / Operating Supplies increased 7.5 percent (\$3,000) due to the increase in the cost of supplies.*

- 802004 / Interfund Charges - Fleet Vehicles decreased 25 percent (\$15,000) due to new ambulances being under warranty.

See also Legislative File 2009-0320 for Council discussion.

Discussed.

2009-0323 Discussion of the Capital Funds (400's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[Suppl Capital Improvement Fund Presentation.pdf](#)

Chief Crowell reviewed the proposed budget for the Fire Capital Fund for FY 2010.

402 / FIRE CAPITAL FUND:

SIGNIFICANT CHANGES

- Reduction of \$102,000 for purchases of two vehicles. Two utility vehicles were scheduled for replacement, and after review, it was decided to go with two pickup trucks and a trailer.
- Breathing apparatus test unit - \$24,000. We will be able to do all maintenance on these air-packs in-house saving \$5,000 to \$10,000 per year.
- Deferred Fire Prevention Vehicle and Thermal Image Cameras based on use and mileage.

See also Legislative File 2009-0320 for Council discussion.

Discussed.

2009-0320 Discussion - General Fund (100's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[Suppl Human Resources Presentation.pdf](#)
[Suppl Parks Presentation.pdf](#)
[Suppl General Fund Presentation.pdf](#)
[Suppl Building Authority Presentation.pdf](#)
[Suppl Crossing Guards.pdf](#)

Chief Crowell reviewed the proposed budget for Wireless Communications:

326 / WIRELESS COMMUNICATIONS:

SIGNIFICANT CHANGES:

- 748000 / Operating Equipment increased 800 percent (\$80,000) due to a city-wide base radio changeover, mandated by 2012.

Council Discussion:

Mr. Ambrozaitis questioned whether two department members respond to each EMS call.

Chief Crowell responded that for in-house EMS calls (not a roadway incident), a squad vehicle is dispatched, which is a Suburban. For roadway incidents, a fire engine is dispatched to protect the scene. He commented that occasionally a squad returning from Crittenton or close to an incident may respond to a new call.

Mr. Ambrozaitis related an incident in his subdivision where he saw seven vehicles respond and questioned what normal protocol was for dispatching vehicles.

Chief Crowell responded that normal protocol dictates a minimum of two paramedics and two EMTs on an ambulance. He noted that three paramedics could be assigned, depending on staffing level. He explained that the units dispatched depended on the type of call, and stated that if a serious event such as cardiac arrest or an individual not breathing is reported, one paramedic unit would respond on the emergency, and one would follow non-emergency. He stated that this would be counted as one dispatch call.

Mr. Ambrozaitis questioned why the City was not allocating some funding for the Fire Capital Fund. He questioned the size of vehicles purchased, commenting that vehicles smaller than Yukons should be used.

Chief Crowell responded that no ladder truck is being replaced for 2011.

Mr. Ambrozaitis questioned why the projection for the number of non-emergency/direct-line calls received decreased.

Vince Foisy, Supervisor of Communication Systems, responded that last year a significant gas leak generated hundreds of emergency calls. He stated that the OCSO has since taken over 911 calls as well. He noted that direct line calls are lower as the City no longer contracts for Community EMS service.

Mayor Barnett stated that vehicle size is dictated by the minimum size required to transport equipment needed on-scene. As an Incident Commander, the Fire Chief requires a vehicle that transports a significant amount of equipment. He noted that the Training Coordinator also requires a large vehicle.

Chief Crowell commented that eventually there will only be three vehicles of that size as Incident Command Units.

Mr. Pixley expressed his appreciation for the professionalism and speed of service the Department provides. He questioned the amount for wireless equipment purchase and the average maintenance costs.

Mr. Foisy responded that Wireless Communications relates to both City and Fire Department operations. He noted that the biggest impact of the wireless changeover will be on City operations and stated that the Fire Department will maintain a few radios in their vehicles for mutual-aid purposes. He pointed out

that the Federal Communications Commission requires compliance by January 1, 2013 and the City will begin the changeover in 2010, continue through 2011 and use 2012 for any catch-up required. He stated that funds will be required to maintain the base equipment currently in use that is being changed over but not upgraded. He explained that the changeover consists of going from a 25 kHz channel to a 12.5 kHz channel which will require software and card changes on much of the fixed equipment and noted that maintenance costs will still be there for these units. He noted that the mobile and portable radios will be covered during a warranty period of one year. He commented that the Fire Department will move to the Open Sky system soon and explained that once the Fire Department migrates to this system, the old radios will be rechanneled for Parks use.

Mr. Pixley questioned whether there will be operating costs allocated for the new breathing apparatus testing equipment.

Chief Crowell responded that there is no operating cost for this equipment. He stated that the Department must fit-test personnel and masks annually. He explained that once out of warranty, the equipment will be sent to a facility in Clinton Township and an expense of \$45 will be required to get someone fit-tested. He stated that there should be no repair costs necessary except for any parts required, as the Department will be doing repairs in-house.

Mr. Yalamanchi questioned the amounts transferred to the Fire Capital Fund in FY 2009.

Joe Snyder, Senior Financial Analyst, noted that transfers are allocated from the Fire Operating Fund to the Fire Capital Fund to maintain the Fire Operating Fund Balance at 20 percent.

Mr. Sawdon responded that it has been the general policy that any money collected from the Fire Millage that took that Fund Balance to more than 17.5 percent (now 20 percent) would move over to the Fire Capital Fund for equipment replacement. He noted the Fire Capital Fund has reached its comfort level so this is being transitioned away from for 2010.

Mr. Yalamanchi stated that if the Fire Capital Fund has reached a comfort level, this money should be left in the Operating Fund.

Mr. Sawdon commented that if Council wanted this money to remain in the Fire Operating Fund in 2009, this could be done.

Mr. Webber thanked Mr. Foisy and Chief Crowell for responding to questions he had submitted regarding the radio changeover.

See also Legislative File 2009-0321 and 2009-0323 for Council discussion.

Discussed.

ANY OTHER BUSINESS

Mr. Yalamanchi questioned whether Council would schedule a meeting for August 31st as he was not certain he would be able to attend the Special Meeting on August 24th.

President Hooper responded that the scheduling of an additional meeting would depend on whether Council completed the Budget Discussions at the meeting on August 24th.

Public Comment:

Alice Benbow, 1582 Northumberland, stated that a Licensed Professional Counselor contacted a Lieutenant at the Rochester Hills Substation to request a forensic investigation of a possible abused child at Care House and reported that no referral was made. She requested the formation of a Citizens Advisory Committee to improve tax-funded Law Enforcement Services and consider the formation of a Police Department. She commented that the Rochester Hills City Attorney receives \$300,000 per year and the Birmingham City Attorney receives \$125,000.

NEXT MEETING DATE

Special Budget Meeting - Monday, August 24, 2009 - 6:00 PM

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 11:22 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 October 19, 2009 Regular City Council Meeting.