



Rochester Hills

Minutes - Draft

City Council Regular Meeting

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

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

Vision Statement: The Community of Choice for Families and Business

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

Monday, January 11, 2010

7:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

President Hooper called the Regular Rochester Hills City Council Meeting to order at 7:00 p.m. Michigan Time.

ROLL CALL

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

Others Present:

*Tracey Balint, Project Engineer
Tara Beatty, Chief Assistant to the Mayor
Dan Casey, Manager of Economic Development
Ron Crowell, Fire Chief/Emergency Management Director
Paul Davis, City Engineer
Jane Leslie, City Clerk
Roger Rousse, Director of DPS/Engineering
Jack Sage, Ordinance Inspector
Keith Sawdon, Director of Finance*

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

A motion was made by Webber, seconded by Brennan, that the Agenda be Approved as Amended to move Presentations - Legislative File Number 2009-0570 to immediately follow Ordinance for Adoption. The motion CARRIED by the following vote:

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

PUBLIC COMMENT

Scot Beaton, 655 Bolinger, urged residents to dine out at local restaurants and taverns to support the college graduates working in those industries. He commended the City's Department of Public Services for their excellent snow removal services.

Suzanne White, 1598 Parke, Executive Director for Holiday Helpers of Rochester Hills, reported that although the 2009 'needs list' was three times as long as it was in 2008, the goals were met and surpassed all expectation! She thanked the residents of Rochester Hills and the numerous local businesses and volunteers.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

Mr. Yalamanchi wished the City's residents and staff a happy 2010.

Mr. Rosen wished everyone a Happy New Year.

Mr. Klomp thanked Suzanne White and the Holiday Helpers of Rochester Hills for their assistance to the community.

Mr. Brennan wished the residents a Happy New Year and thanked everyone for their expressions of condolence regarding the passing of his mother.

Mr. Pixley expressed his sympathy for Council Member Brennan's loss and wished the residents a Happy New Year.

President Hooper commended the Holiday Helpers of Rochester Hills and expressed his condolences to Council Member Brennan.

ATTORNEY MATTERS

None.

CONSENT AGENDA

All matters under Consent Agenda are considered to be routine and will be enacted by one motion, without discussion. If any Council Member or Citizen requests discussion of an item, it will be removed from Consent Agenda for separate discussion.

2009-0423 Approval of Minutes - City Council Regular Meeting - September 28, 2009

Attachments: [CC Min 092809.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0001-2010

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on September 28, 2009 be approved as presented.

2009-0493 Approval of Minutes - City Council Regular Meeting - October 19, 2009

Attachments: [CC Min 101909.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0002-2010

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on October 19, 2009 be approved as presented.

2009-0487 Approval of Minutes - City Council Regular Meeting - October 26, 2009

Attachments: [CC Min 102609.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0003-2010

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on October 26, 2009 be approved as presented.

2010-0001 Request for Purchase Authorization - CLERK: Blanket Purchase Order for Pre-Sort Permit Postage in the amount not-to-exceed \$25,000.00; Postmaster-Rochester, Rochester, Michigan

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0004-2010

Resolved, that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order to Postmaster-Rochester of Rochester, Michigan for Pre-Sort Permit Postage in the amount not-to-exceed \$25,000.00 through December 31, 2010.

2010-0002 Request for Purchase Authorization - CLERK: Blanket Purchase Order for Postage by Phone in the amount not-to-exceed \$50,000.00; Pitney Bowes, Inc., Louisville, KY

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0005-2010

Resolved, that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order to Pitney Bowes, Inc. of Louisville, Kentucky for Postage by Phone in the amount not-to-exceed \$50,000.00 through December 31, 2010.

Passed the Consent Agenda

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

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

The following Consent Agenda items were discussed and adopted by separate motion.

2009-0531 Request to grant a highway easement for the Tienken/Stony Creek Bridge Replacement Project to the Road Commission for Oakland County (RCOC)

Attachments: [Agenda Summary.pdf](#)
[Tienken Rd Stoney Creek Bridge Easement.pdf](#)
[Van Hoosen Farm Property.pdf](#)
[Highway Easement.pdf](#)
[Resolution.pdf](#)

Mr. Yalamanchi asked if an easement had been granted earlier for this project and if this is an extension of that easement.

Paul Davis, City Engineer, responded that an easement had not been granted before. He explained that the easement is located on the Van Hoosen Property and is necessary to complete the reconstruction and replacement of the bridge. He displayed the map from the Council packet showing the affected areas.

Mr. Yalamanchi expressed concern that the road would be permanently widened and inquired if the Historic Districts Commission (HDC) had been notified of the impact of the easement to be granted.

Mr. Davis responded that granting the easement will allow for necessary grading to be performed for completion of the bridge replacement work with minimal vegetation loss. He stated that while the HDC was fully aware of the work that needed to be done, they had not been notified about this specific easement.

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

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

Enactment No: RES0006-2010

Resolved, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby approves and authorizes the grant a Highway Easement to the Road Commission for Oakland County (RCOC), for the Tienken/Stoney Creek Bridge Replacement Project, City File #08-015, over, on, under, through and across land more particularly described as Parcel No. #15-02-476-001.

Further Resolved, the City Council authorizes the Mayor to execute the easement on behalf of City.

2010-0006 Request from Palace Sports & Entertainment, Inc. to transfer stock in 2009 Class C licensed business with an entertainment permit located at Oakland University, Meadowbrook Music Festival

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

Mr. Yalamanchi asked if Palace Sports & Entertainment, Inc. chose to leave the City, could it take the license with it.

Clerk Leslie responded that if the Palace Sports & Entertainment, Inc. moved out of the City, the license could be taken with them. She stated that to her knowledge, the license was originally owned by Oakland University and not in the City's quota of licenses and City Council was not part of the original approval process.

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

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

Enactment No: RES0007-2010

Resolved, that the request from Palace Sports & Entertainment, Inc. to transfer stock in a 2009 Class C licensed business with an entertainment permit, located at Oakland University, Meadowbrook Music Festival, Rochester Hills, Michigan by dropping William M. Davidson as deceased stockholder through the transfer of 4,430 shares of stock to new stockholder William M. Davidson Trust; Jonathan S. Aaron and Eric L. Garber, Co-Successor Trustees, be considered for approval.

PUBLIC HEARINGS

(Opened Public Hearing at 7:26 p.m. / Closed Public Hearing at 7:30 p.m.)

2009-0511 Request to Approve the Rochester Hills Local Development Finance Authority 2009 Restated Development Plan and Tax Increment Financing Plan

Attachments: [Agenda Summary.pdf](#)
[112309 Agenda Summary.pdf](#)
[Restated LDFA Plan Doc \(Sec 1\).pdf](#)
[Map 1.pdf](#)
[Restated LDFA Plan Doc \(Sec 2\).pdf](#)
[Map 2A.pdf](#)
[Map 2B.pdf](#)
[Map 2C.pdf](#)
[Restated LDFA Plan Doc \(Sec 3\).pdf](#)
[Map 3.pdf](#)
[Restated LDFA Plan Doc \(Sec 4\).pdf](#)
[Table 1.pdf](#)
[Restated LDFA Plan Doc \(Sec 5\).pdf](#)
[Appendix C.pdf](#)
[Appendix D-F.pdf](#)
[112309 Resolution.pdf](#)
[Public Hearing Notice.pdf](#)
[Resolution.pdf](#)

Dan Casey, Manager of Economic Development, stated that this is the third amendment to the Plan which was originally developed in 1996 and the changes have been discussed at previous meetings. A few highlights of the amendment to the Plan are:

Three New Projects Added:

- Project 9 - Research Drive Reconstruction - this road is in the poorest condition of all the roads located in the district.
- Project 10 - Master Infrastructure Plan Update - companion project to M-59 Corridor Study (Study) - budgeted for this year and will provide the City with a ten-year plan in moving forward with projects and funding mechanisms; the Study may result in a potential new infrastructure.
- Project 12 - Entranceway Grant Program - beautification program including signage to aide marketing of the twelve industrial/technology parks in the Local Development Finance Authority District.

Removed:

- Project 4a - Alternative connection of Technology Drive to Adams Road - approval was sought to continue with this design and it was determined that approval by the Federal Highway Administration would be unlikely. This resulted in an alternate design plan to regrade Leach Road, completion is estimated by 2012 and reviewed for approval.
- Project 6b - Leach Street paving north of Clinton River Walking Trail - no longer necessary.

Completed Project:

- Project 5 - Connect Waterview Drive to Leach Street

President Hooper Opened the Public Hearing at 7:26 p.m.

Deanna Hilbert, 3234 Quail Ridge, asked what areas comprise the Smart Zone and the Local Development Finance Authority (LDFA) and questioned the differences between these areas. She expressed concern regarding the demolition and subsequent plans regarding some Oakland University Faculty Housing.

Larry Bloom, 810 Box Canyon Court, representing the Meadowbrook Valley Subdivision, requested additional clarification as to the LDFA District and inquired as to what the plan changes are to that District.

President Hooper Closed the Public Hearing at 7:30 p.m.

Mr. Casey explained that the LDFA District and the Smart Zone District are one in the same. In 2005, the size of the LDFA District was amended so that it mirrors the Smart Zone District. The LDFA administers both the Smart Zone and the LDFA. He stated there are two plans that exist, the first plan is the one being amended which includes the local infrastructure; roads and water. The second plan is the Smart Zone which manages the funding of the Oakland University InCubator. He stated that originally when the Smart Zone designation

was approved by State Treasurer, Oakland University wanted the entire campus to be located in the Smart Zone and the City concurred. He added that Oakland University has not contacted the Planning Department or the LDFA expressing any intentions to make changes to the faculty housing area.

Mr. Yalamanchi questioned what groups are involved in the M-59 Study Corridor.

Mr. Casey responded that the committee reviewing the M-59 Corridor Study is comprised of the LDFA, other property owners within the district, City Council and the City's Planning Commission. He reported that the Study will extend outside of the District where the LDFA has influence and that Oakland County would be consulted as well, but that the primary focus is within the District.

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

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

Enactment No: RES0008-2010

Whereas, the Rochester Hills Local Development Finance Authority (RHLDFFA) was established on May 4, 1994 and a Development Plan and Tax Increment Financing Plan, "the Plan," were approved by City Council on May 3, 1995; and

Whereas, the Plan was amended and adopted by the City Council on July 15, 1998; and

Whereas, on April 20, 2005, the boundaries of the Authority District were expanded by Resolution of City Council to conform with those of the certified technology park; and

Whereas, the Plan was further amended and adopted by the City Council on April 20, 2005, and again on February 25, 2008; and

Whereas, the board of a Local Development Finance Authority may amend a development plan and financing plan, pursuant to Public Act 281 of 1986, as amended, Section 17 [MCL 125.2167]; and

Whereas, the RHLDFFA has amended the Plan, as permitted by Act 281 of 1986, and the Plan meets the requirements as set forth in the Act; and

Whereas, the Council has found that the RHLDFFA's Development Plan and Tax Increment Financing Plan meet the requirements set forth in the Local Development Financing Act, Act 281 of 1986; and

Whereas, the Council has found that the proposed method of financing the public facilities is feasible and the Authority has the ability to arrange the financing; and

Whereas, the Council has found that the proposed development is reasonable and necessary to carry out the purposes of the plan and the purposes of said Act; and

Whereas, the Council has found that the amount of captured assessed value estimated to result from the adoption of the SmartZone Plan is reasonable; and

Whereas, the Council has found that the land to be acquired under the development plan is reasonably necessary to carry out the purposes of the plan and the purposes of said

Act; and

Whereas, the Council has found that the development is in reasonable accord with the approved master plan of the City of Rochester Hills; and

Whereas, the Council has found that public services are adequate to service the property in the development plan; and

Whereas, the Council has found that the proposed improvements and zoning are reasonably necessary for the project and for the City of Rochester Hills; and

Whereas, a public hearing was held on January 11, 2010 to elicit comments and concerns of the public.

Resolved, that the Rochester Hills City Council determines that both said development plan and tax increment financing plan constitute a public purpose; and

Be it Further Resolved, that the Rochester Hills City Council approves the Restated Rochester hills Local Development Finance Authority Development Plan and Tax Increment Financing Plan; and

Be it Further Resolved, that all resolutions and parts of resolutions, insofar as they conflict with the provisions of this resolution, are hereby rescinded; and

Be it Finally Resolved, that the City Clerk is hereby directed to inform the taxing jurisdictions of the fiscal impact of the Development Plan and Tax Increment Financing Plan by forwarding a copy of the Plans to the chief financial officer of each jurisdiction.

ORDINANCE FOR INTRODUCTION

2009-0572 Acceptance for First Reading - an Ordinance to amend Section 58-58 of Article III of Chapter 58, Fire Prevention and Protection, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to prohibit the burning of leaves, prescribe a penalty for violation of open burning regulations, and to repeal conflicting Ordinances

Attachments: [Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[011110 Agenda Summary.pdf](#)
[Crowell Memo.pdf](#)
[011110 Resolution.pdf](#)
[Resolution.pdf](#)

Chief Crowell stated that this proposed amendment to the Ordinance is to clarify some language and implement a set fine for violations.

Public Comment:

Alice Benbow, 1482 Northumberland, expressed her condolences to Mr. Brennan for the loss of his mother. She commented that property owners should be free to burn leaves on their own property if they so desire.

Mr. Rosen requested the Administration to look into his previous request to contact Allied Waste for information regarding leaf collection services for any

subdivision or home that would be interested in contracting these services.

Chief Crowell explained that a burn permit is not required when utilizing a manufactured fire pit like those purchased at Home Depot or Lowes. However, regardless of whether a permit is necessary or not, only dry, seasoned firewood can be burned. He stated that both permits and complaints are logged into the City's computer systems and kept track of.

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

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

Enactment No: RES0017-2010

Resolved, that an Ordinance to amend Section 58-58 of Article III of Chapter 58, Fire Prevention and Protection, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to prohibit the burning of leaves, prescribe a penalty for violation of open burning regulations, and to repeal conflicting Ordinances, is hereby accepted for First Reading.

ORDINANCE FOR ADOPTION

2009-0561 Acceptance for Second Reading - an Ordinance to add Section 10-192 to Article IV, Mechanical and Electronic Amusement Devices, of Chapter 10 of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to authorize the City Council to grant a variance from certain restrictions and operating requirements of Article IV in order to alleviate an unnecessary hardship; repeal conflicting Ordinances and prescribe a penalty for violations

Attachments: [Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[121409 Agenda Summary.pdf](#)
[121409 Resolution.pdf](#)
[Resolution.pdf](#)

Mr. Brennan stated his disagreement with the amendment to the Ordinance, noting that it needs more investigation.

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

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

Nay 1 - Brennan

Enactment No: RES0009-2010

Resolved, that an Ordinance to add Section 10-192 to Article IV, Mechanical and Electronic Amusement Devices, of Chapter 10 of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to authorize the City Council to grant a variance from certain restrictions and operating requirements of Article IV in order to alleviate an unnecessary hardship; repeal conflicting Ordinances and prescribe a penalty for violations, is hereby accepted for Second Reading and Adoption, and shall become effective on Friday, January 22, 2010, the day following its publication in the Rochester Post on Thursday, January 21, 2010.

PRESENTATIONS

(Mr. Brennan exited at 9:17 p.m. and re-entered at 9:20 p.m.)

2009-0570 Water Reservoir Feasibility Study Presentation; James Rydquist, Dave Upmeyer and Gary Markstrom of Tetra Tech, Inc., presenters

Attachments: [Agenda Summary.pdf](#)
[Water Reservoir Study Final Report.pdf](#)

Roger Rouse, Director of DPS/Engineering, introduced the consultants from Tetra Tech, Inc., James Rydquist, Gary Markstrom and Dave Upmeyer and from the City of Detroit Water & Sewerage Department (DWSD) Ms. Pam Turner, George Ellenwood, Mary Sevakis, and Raphael Chirolla. He gave the following history regarding the events leading up to the proposed water reservoir and the study:

- In the late 1990s, an International Organization for Standardization (ISO) rating revealed several areas in the City that were deficient and below volume for fire fighting purposes.
- In 2000, the City experienced drought conditions, increases in water consumption and low water pressure was experienced in several areas of the City.
- Modifications were made to pumping stations to adjust water pressure service.
- In 2003, the City experienced a multi-day power failure which left residents without water service.
- In 2005, a water storage project was approved and then subsequently rescinded because the thirty-year contract with the City of Detroit Water & Sewerage Department (DWSD) had expired and the City became aware of the need for provisions for water storage.
- As part of the 30-year agreement approved in July 2009, the City examined the water storage option and put provisions in the contract that would permit that.

Mr. James Rydquist stated his involvement as the Senior Project Manager of the water feasibility study. He reviewed the City's historical water usage, identifying peak times, and explaining that the City's current rates are based on a computation of contracted max (amount of water used throughout an entire day for the max day that year) day value and contracted peak (water rate during the highest hour that day) hour value.

Currently, the City's contracted peak hour value is approximately double that of the contracted max day value. Making the peak hour equal to the max day would reduce the City's rates. Filling the reservoir during the non-peak DWSD time and using the stored water for lawn irrigation, etc. would assist in decreasing costs.

Two possible sites for the water reservoirs were identified. One being in the northwest portion of the City in Nowicki Park, on the east side of Adams, south

of Tienken, and the other in the east central portion of the City off of John R Road, between Avon and Bloomer. **Mr. Rydquist** displayed conceptual plans for both of these sites. He also provided pictures of prefabricated reservoirs with domed roofs. He discussed the potential annual savings, as well as an estimated return on investment if the City were to move forward with these reservoirs.

City Council Questions:

- Did the Water Storage Feasibility Study take into account the watering ordinance revision?
- Does the height of the proposed water reservoir(s) affect cost?
- Would it be necessary for water system improvements?
- Is the generator cost necessary or would it be more cost effective to have an on-call emergency generator service contract?

Mr. Upmeyer responded that the water ordinance revision could reduce water usage during the peak hour but ultimately would not eliminate the City's peak hour coinciding with DWSD's peak hour.

Mr. Rydquist stated that the taller the water reservoir with a flat roof, the less costly it would be to build and maintain and that the lower to the ground or by partially burying the water reservoir would result in increased construction and maintenance costs. He further stated that the water main would need to be sized to achieve water delivery to and from the water reservoir and to fill it in a six-hour period. He stated that generators are not needed for the system to work, rather they are more of an insurance policy ensuring that the water could still be pumped out for use during such emergencies similar to the one experienced in 2003 which was a multi-day power failure. He noted that an on-call emergency generator service could cost as much as \$6,000.00 to \$10,000.00 for one day.

Public Comment:

Deanna Hilbert, 3234 Quail Ridge, stated her concerns about the financing and cost of selling bonds for the construction of a water reservoir. She questioned what the impact would be on taxes, water and sewer rates and what the annual maintenance costs of a water reservoir would be. She further questioned if construction of a water reservoir on city park property would have to be approved by the voters.

Alice Benbow, 1582 Northumberland, stated her opinion that voters should decide whether the City builds a reservoir, which could be an 'eyesore' in the community and suggested an ordinance to prohibit lawn watering to lower water rate costs.

President Hooper stated that the financing specifics such as the number of years, interest rates and other factors would be determined with Mr. Keith Sawdon, Finance Director, should this project move forward for planning analysis.

Mr. Rousse responded that sewer bills would not be affected and that the business plan is to enable the City to moderate and stabilize future water rates until the return on investment is realized.

President Hooper asked the representatives of DWSD if the City's water rates would continue to increase after the City builds a water reservoir.

Pamela Turner, Director of the City of Detroit, Water & Sewerage Department, responded that DWSD is supportive of its customers interested in building water storage facilities but cannot ensure that there will be no water rate increases in the future. She added that by constructing a water storage facility, however, could provide the City an opportunity to reduce its frequency of rate increases.

President Hooper inquired about neighboring communities building water storage facilities and questioned if more communities invested in water storage would it have an impact on DWSD's rates.

Ms. Turner responded that it could, but to what extent she could not say at this time.

Mr. Rousse stated that water storage could prompt a lower rate negotiation and the application would have to be submitted to the DWSD by May 2010 for negotiation in September 2010 which would affect the July 2011 rates; however, after September 2010, the City would only be able to negotiate water rates every five years.

President Hooper questioned what the penalty would be for violating the max day/peak hour rates as specified in the contract with DWSD.

Raphael J. Chirolla, Rates Section Supervisor of the City of Detroit, Water & Sewerage Department, responded that when a max day, peak rate customer violates their contract terms, DWSD arranges a meeting for determination of a fire or similar event that may have triggered the violation; the second step would be for DWSD to analyze the violating city's water ordinance for possible revisions and then if there are still violations, the contract's maximum penalties would be enforced in full.

Mr. Rousse stated that he met with Mike Hartner, Director of Parks and Forestry, to discuss the possibility of placing a water storage facility in Nowicki Park. Two of the eighteen acres comprising this park would be needed for this facility. It was determined that incorporating the pump station into the conceptual design being proposed for Nowicki Park by including restrooms and integrating the access road to the reservoir as part of the trail portion of the project will allow for future grant applications for cost sharing. He stated that Attorney Staran confirmed that if the City made ancillary improvements to the park, constructing a water storage facility would be allowed.

President Hooper questioned out of the communities that DWSD serves, how many have water reservoirs.

Mr. Chirolla responded that DWSD has contracts with large utilities in addition to communities. Currently, they have roughly 85 contracts, of those approximately 12 have water reservoirs.

Council Discussion:

Mr. Rousse responded to Mr. Brennan's request for clarification by stating that the water reservoir project will be financed with bonds. The cost for maintenance will come out of the Water and Sewer Fund.

Discussion ensued relative to how installing a water reservoir may help to minimize the rate increases by reducing the peak hour and max day rates. It was noted, however, that as more and more of DWSD customers add water storage, diminishing their peak usage, the actual reduction the City would see in water rates would decrease. Conversely, if the City chose not to move forward with the construction of water reservoirs, a relatively higher rate may be experienced based on not storing water in order to reduce rates thereby being charged peak hour/max day rates. The City negotiates with DWSD for the demand, or amount of water the City will need, based on historical records; however, the rate for that set demand can change every year.

Paul Davis, City Engineer, stated that DWSD has the benefit of the City's Supervisory Control and Data Acquisition System (SCADA) data and can review years of data which could aide in the planning of the amount of water storage that may be necessary.

Mr. Rosen stated that water usage patterns, or peaks, are dominated by lawn irrigation and that changes could be made to these usage patterns without building anything. He suggested that educating residents and business owners as to the City's watering ordinance would be a major component to reducing costs. He expressed his reservations about the cost projections within the study and the possibility of an unrealized payback, or that it may take much longer to be partially realized.

Mr. Pixley stated that with water rates increasing, that water storage reservoirs could leverage the City's ability to keep its costs from going up faster than other DWSD customers.

Mr. Klomp stated his concern that the peak usage will increase in 2011 and 2012, noting that he believes current usage is down due to the recession. In light of this fact, he stated that he is in favor of pursuing the possibility of constructing water reservoirs.

President Hooper questioned the possibility of stimulus funding for construction of water reservoirs.

Mr. Rousse responded that to even be considered for stimulus funding, the project must be 'shovel ready', but that is still not a guarantee.

A motion was made by Pixley, seconded by Brennan, that the Water Reservoir Feasibility Study be accepted and referred to the Water and Sewer Technical Review Committee to review and make recommendation to City Council, be Adopted by Resolution. The motion CARRIED by the following vote:

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

Nay 1 - Rosen

Enactment No: RES0010-2010

Resolved, that the Water Reservoir Feasibility Study be accepted and referred to the Water and Sewer Technical Review Committee to review and make recommendation to City Council, be Adopted by Resolution.

(Recess - 9:28 p.m. - 9:40 p.m.)

NEW BUSINESS

2009-0521 Request to Amend the 2010 Refunding Bond Resolution by designating the bonds as Qualified Tax Exempt Obligations

Attachments: [Agenda Summary.pdf](#)
[112309 Agenda Summary.pdf](#)
[OPC Building Bond Refunding 2009.pdf](#)
[112309 Resolution.pdf](#)
[Resolution.pdf](#)

Keith Sawdon, Director of Finance, stated he was requesting an amendment to the resolution Council adopted on November 23, 2009 that authorized the refunding of the Older Persons Commission (OPC) Building Bonds in 2010. He reported that at that time there was not much of a spread difference between qualified and non-qualified bond offerings, however, now they are seeing a rate differential and he is confident that it would be in the best interest of the City to have the bonds designated as Bank Qualified. He explained that Bank Qualified is another name for tax-exempt and allows banks to purchase the bonds while receiving tax-free status from Federal Income Tax.

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

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

Enactment No: RES0011-2010

Whereas, pursuant to Resolution No. 0308-2009 (the "Bond Resolution") adopted by the City Council of the City of Rochester Hills (the "City") on November 23, 2009, the City Council authorized the issuance of the City's General Obligation Unlimited Tax Refunding Bonds, Series 2010 (the "Refunding Bonds") in the aggregate principal amount of not to exceed \$7,500,000 for the purpose of refunding all or part of the City's outstanding General Obligation Unlimited Tax Bonds, Series 2001; and

Whereas, it is necessary and in the best interests of the City to amend the Bond Resolution as hereinafter provided.

Now, Therefore, Be It Resolved:

1. AMENDMENT TO BOND RESOLUTION. The Bond Resolution is amended by adding thereto a new Section 22, which shall read as follows:

"22. QUALIFIED TAX EXEMPT OBLIGATIONS. The Refunding Bonds are hereby designated as Qualified Tax Exempt Obligations as described in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended."

2. RATIFICATION OF BOND RESOLUTION; CONFLICTING RESOLUTIONS. The Bond Resolution, as amended herein, is ratified and confirmed. All other resolutions and parts of other resolutions insofar as they may be in conflict are hereby rescinded.

2009-0565 Request for Purchase Authorization - DPS/FLEET: Blanket Purchase Order for the purchase of diesel and unleaded fuel in the amount not-to-exceed \$600,000.00 through January 31, 2012; Mansfield Oil Company, Gainesville, GA

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

Mr. Webber asked if the City of Sterling Heights is the lead city for all issues for the Michigan Intergovernmental Trade Network (MITN) Agreement as listed on the Agenda Summary in Council's packet.

Mr. Rousse responded that the City of Sterling Heights is the lead city in terms of the purchase only. The City of Rochester Hills handles its own issues with regard to delivery and fuel problems.

Mr. Yalamanchi asked for a status report of the City's annual fuel usage.

Mr. Rousse responded that volume has decreased as the City's fuel efficiency has increased, but costs have increased as well.

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

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

Enactment No: RES0012-2010

Resolved, that the Rochester Hills City Council authorizes a blanket purchase order to Mansfield Oil Company, Gainesville, Georgia for the purchase of diesel and unleaded fuel in the amount not-to-exceed \$600,000.00 through January 31, 2012.

2009-0566 Request for Purchase Authorization - DPS/FLEET: Purchase of two (2) tandem axle truck chassis for the not-to-exceed amount of \$168,240.00; Tri-County International Trucks, Dearborn, Michigan and two (2) tandem axle truck bodies for the not-to-exceed amount of \$151,112.00; Knapheide Truck Equipment, Flint, Michigan

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

Mr. Rousse stated that the proposal replaces two trucks, both of which have reached their depreciation cycle of ten years. The new trucks have an

extended depreciation cycle of twelve years. He stated that brine tanks were added onto the trucks to allow for application of wet salt to the roads which activates the salt quicker.

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

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

Enactment No: RES0013-2010

Resolved, that the Rochester Hills City Council hereby authorizes the purchase of two (2) tandem axle truck chassis from Tri-County International Trucks, Dearborn, Michigan in the not-to-exceed amount of \$168,240.00 and two (2) tandem axle truck bodies from Knapheide Truck Equipment, Flint, Michigan in the not-to-exceed amount of \$151,112.00.

2009-0571 Request to Schedule a Public Hearing regarding Tax Abatement Transfer for IFT #2007-447 from Ovonyx Technologies, Inc. to Ovonyx, Inc.

Attachments: [Agenda Summary.pdf](#)
[Letter Connolly 011110.pdf](#)
[011110 Agenda Summary.pdf](#)
[Letter Connolly 120709.pdf](#)
[Application - Transfer.pdf](#)
[011110 Resolution.pdf](#)
[Public Hearing Notice.pdf](#)
[Resolution.pdf](#)

Dan Casey, Manager of Economic Development, stated that about two years ago, Ovonyx Technologies, Inc. had received a tax abatement. The company contacted the City about three months ago to report that the subsidiary that received the abatement was being eliminated and they were rolling all of the administrative functions into the parent company, Ovonics, Inc. According to State procedure, they need to request a transfer.

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

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

Enactment No: RES0016-2010

Whereas, on September 5, 2007 the Rochester Hills City Council established an Industrial Development District identified as 2956 Waterview Dr., Parcel Number 15-30-376-022, further identified as:

T3N, R11E, SEC 30 ROCHESTER HILLS CORPORATE CENTER SUB LOT 4 EXC SLY 27 FT, ALSO ALL OF LOT 5 5-18-95 FR 012 & 013; and

Whereas, the Rochester Hills City Council approved an Industrial Facilities Exemption Certificate, IFT #2007-447, on September 5, 2007 for Ovonyx Technologies, Inc. for a period of six (6) years, to be located at the Industrial Development District described above; and

Whereas, Public Act 198, 207-571, Sec. 21 (1) states that the holder of an IFT may transfer it to another entity with the approval of the local government unit and the commission after application by the new owner, and notice and hearing in the same manner as provided in section 5 for the application for a certificate; and

Whereas, the City received an application from Ovonyx, Inc., the parent company of Ovonyx Technologies, Inc. on December 8, 2009 requesting the transfer of IFT #2007-447; and

Whereas, the application further states that this request is the result of a planned merger of Ovonyx Technologies, Inc. with Ovonyx, Inc., the latter of which will assume all rights and obligations under existing agreements.

Resolved, that the Rochester Hills City Council hereby schedules a Public Hearing to consider the request on Monday, January 25, 2010 at 7 p.m. in the Council Chambers of the Rochester Hills City Council, located at 1000 Rochester Hills Dr., Rochester Hills, Michigan 48309; and

Be It Further Resolved, to authorize the City Clerk to publish notice of the Public Hearing in a paper of general circulation on or before Thursday, January 14, 2010; and

Be It Finally Resolved, to authorize the City Clerk to notify the taxing authorities of the Public Hearing by certified mail no later than Monday, January 18, 2010.

2010-0013 Discussion regarding updating the purpose and charge for the Police and Road Funding Technical Review Committee

Attachments: [Agenda Summary.pdf](#)
[Purpose and Charge.pdf](#)
[Spreadsheet 1.pdf](#)
[Spreadsheet 2.pdf](#)
[Spreadsheet 3.pdf](#)
[Resolution.pdf](#)

Mr. Webber commented that he had revised and updated the Committee's previous purpose and charge document in an effort to assist them in moving forward with some of their previous recommendations.

Mr. Rosen stated he would like to see the Technical Review Committee take their previous report and rank their recommendations in order of importance and identify why they feel that way.

Mr. Yalamanchi requested that Mr. Sawdon run the millage numbers incorporating the .4395 bond millage that will be expiring to aide in their upcoming budget discussions.

A motion was made by Webber, seconded by Klomp, that the Police and Road Funding Technical Review Committee be recharged with the task of reviewing the updated recommendations and reporting back to Council by May 2010, be Adopted by Resolution. The motion CARRIED by the following vote:

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

Enactment No: RES0015-2010

Resolved, that the Rochester Hills City Council has agreed to recharge the Police and Road Funding Technical Review Committee with the task of reviewing the updated recommendations and reporting back to Council by May 2010.

COUNCIL COMMITTEE REPORTS

None.

ANY OTHER BUSINESS

Mr. Yalamanchi requested a status update on the implementation of a twenty-five mile per hour speed limit in the historic districts as proposed by the Historic Districts Commission. He then requested a business versus residential breakdown of the false alarm fees collected in 2009.

President Hooper explained that he had a matrix of the Boards and Commissions and Technical Review Committees. He went down the list of Committees and identified which Council member would be responsible for taking the lead and reporting to Council their respective Committee or Committees' progress.

NEXT MEETING DATE

Regular Meeting - Monday, January 25, 2010 - 7:00 PM

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 10:49 p.m.

*GREG HOOPER, President
Rochester Hills City Council*

*JANE LESLIE, Clerk
City of Rochester Hills*

*CHRISTINE A. WISSBRUN
Administrative Secretary
City Clerk's Office*

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