



Rochester Hills

Minutes

Financial Services Committee

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*Donald Atkinson, David Byrne, John Dalton, Kurt Dawson,
Melinda Hill, Barbara Holder, Julie Jenuwine, Jillian Rataj, Lee Zendel*

Thursday, March 10, 2005

6:00 PM

1000 Rochester Hills Drive

Draft

CALL TO ORDER

Vice Chairperson Holder called the Financial Services Committee meeting to order at 6:06 p.m.

ROLL CALL

Present: Melinda Hill, Barbara Holder and Lee Zendel

Absent: John Dalton and Donald Atkinson

Non-Voting Members Present: Kurt Dawson, Julie Jenuwine

Non-Voting Members Absent: David Byrne and Jillian Rataj

Committee Member Don Atkinson, David Byrne and Jillian Rataj provided previous notice they would be unable to attend and asked to be excused.

APPROVAL OF MINUTES

None Presented

NEW BUSINESS

2005-0185

Acceptance for First Reading - An Ordinance to Amend Sections 54-741 through 54-745 of Article XII, Utilities, of Chapter 54, Fees, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to Modify Water and Sewer Rates and Fees, repeal conflicting ordinances, and prescribe a penalty for violations

Attachments: Agenda Summary Second Reading.pdf; 060105 Agenda Summary First Reading.pdf; Ordinance Water & Sewer Rates.pdf; FINAL Water Rates.pdf; FINAL Sewer Rates.pdf; FINAL Sample Billing.pdf; FINAL Customer Charge.pdf; Proposed Sewer Rates.pdf; Proposed Water Rate

Committee discussed Water & Sewer Rates - July 1, 2005, noting the following:

Julie Jenuwine, Finance Director, reviewed her March 8, 2005, handout regarding July 1, 2005, Water & Sewer Rates noting the following:

** DWSD approved the July 1, 2005/2006 Water and Sewer Rates for Rochester Hills.*

** Preliminary proposal is based on setting operating revenue to equal operating*

expenditures as follows:

- * *Target Fund Balance: Operating Fund to equal (90) ninety days of Operating Expenses plus Annual Depreciation.*
- * *Capital and Lateral Revenue not offsetting the Operating Expenditure but deposited into an Improvement Fund.*
- * *Annual Depreciation to be transferred into the Replacement Fund.*

Ms. Jenuwine explained the proposed adjustable customer rate methodology handout noting the following:

Example A

- * *Reflects Operating Revenues and Operating Expenditures meeting targets in the first year.*

Example B

- * *Reflects not meeting targets over a three (3) year time period due to Operating Revenues equaling Operating Expenditures.*

Example C

- * *Reflects all capital projects from 2005 through 2010.*
- * *Customer charges have increased due to the following:*
 - * *Postage*
 - * *Inter Fund Charges*
 - * *Meter Reading*
 - * *MXU's purchase and installation*

The Ordinance current language is as follows:

Customer charge means a charge on render to each customer of the water and sewer system to cover the cost of servicing customers with such items as Meters, Connections, Bills, Meter Readings, Postage, etc.

Ms. Jenuwine further explained additional Ordinance language when the City's target Fund Balance matches existing Fund Balance that any revenue is then deposited into the Replacement Fund.

- * *Suggested that City increase the percentage rate to an even amount so that the Replacement Fund increases.*
- * *Larger projects will be paid for through Bonding and smaller projects will be paid for by Cash from Replacement/Improvement Fund.*
- * *As the Replacement/Improvement Fund increases, City can opt out of Bonding.*

Requested a Public Hearing on water and sewer rates with amendment to the Ordinance language to remove Receiving Fund and Surplus Fund.

It was mentioned that John Staran, City Attorney, would need to draft ordinance amendment language.

Ms. Jenuwine will get the appropriate information to him.

Discussed

YOUTH COMMENTS

None Presented

ANY OTHER BUSINESS

2005-0186 Southeastern Oakland County Resource Recovery Authority (SOCRRA) 2005 Services - Establish days/hours of operation for compost site for Rochester Hills residents

Attachments: Agenda Summary.pdf; Memo Jenuwine 013105 .pdf; 0186 Minutes and Resolution.pdf; SUPPLEMENTAL INFORMATION SOCCRA.pdf

Committee members discussed SOCCRA hours noting the following:

** Currently there is \$6,100 budgeted.*

Committee members discussed the following options:

** Open the compost site for twenty (20) weeks from 8 am until 2 pm for \$305 per Saturday totaling \$6,100.*

** Open the compost site for thirty-four (34) weeks from 8 am to noon for \$240 per Saturday totaling \$8,160.*

** If City Council determines to approve the thirty-four (34) week program, it would require a budget amendment.*

** Suggested that the City go back to the thirty-four (34) weeks with a reduction in the hours to allow people the opportunity to use the compost.*

** It was noted that the charge drops from \$80 per hour to \$50 per hour after 12:00 pm.*

Discussed

2005-0349 Preliminary 2006 Budget Discussions

Committee members discussed Vacant Positions noting the following:

Ms. Hill wanted clarification on vacant positions that are counted in the budget book and stated the following:

** If there is an open position, then dollars should be budgeted whether position is filled or not.*

** By not budgeting the vacant position dollars creates confusion.*

** Currently, budget book and line items cannot determine if a vacant position is available.*

** Currently the salary range is reflected in the budget book.*

It was mentioned that prior discussion stated the money would not be there until the position was approved.

* *Departments requests to fill vacant positions have been denied.*

Ms. Hill would like determination as follows:

- * *If a position is needed, then position should be funded.*
- * *If a position is not needed, then position should be removed.*

* *Departments will not remove vacant positions due to a possible need for a position in the future.*

* *Develop a procedure to remove or fill vacant positions.*

* *Departments adjust to vacant positions by setting priorities.*

* *Committee expressed concern with employee burnout.*

* *Negative affects that vacant positions create are promoting the possibility of forthcoming resignations due to overwork, Level of service suffers and work responsibilities have the potential to remain consistently unfinished.*

* *A suggestion was made to bench mark against other communities to determine need.*

* *It is the Director's responsibility to show initiative and look for efficiencies for reorganization.*

* *The public's view is primarily focused on the total number of City employees.*

* *Public needs to see the actual head count of employees vs. vacant positions being included in that count.*

* *A suggestion was made to distribute the available Position Control Sheet with the Budget.*

* *It was requested that a end of year accounting be provided on monies saved in wages.*

* *Typically in prior years saved wages are not adjusted down.*

* *Reconciliation sheet is used for position control and reflects Position Title and Employee Name or Position Title, Vacant.*

* *Some Departments are using vacant position monies for over-time.*

Ms. Hill reiterated a need to determine if a vacant position needs to be filled or has it been covered through overtime and, if so, is it adequate, feasible and working appropriately.

Discussed

NEXT MEETING DATE

Regular Meeting - April 14, 2005

ADJOURNMENT

There being no further business to discuss, Vice Chairperson Holder adjourned the meeting at 7:10 p.m.

Minutes were prepared by Sue Busam

Minutes were approved as presented/amended at the October 13, 2005 Regular Financial Services Committee Meeting.