



Rochester Hills

Minutes - Draft

City Council Regular Meeting

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

*Greg Hooper, Nathan Klomp, Adam Kochenderfer, James Rosen, Mark Tisdell,
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, September 30, 2013

7:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

*President Hooper called the Regular Rochester Hills City Council Meeting to order
at 7:03 p.m. Michigan Time.*

ROLL CALL

Present 6 - Greg Hooper, Nathan Klomp, Adam Kochenderfer, James Rosen, Mark Tisdell
and Michael Webber

Absent 1 - Ravi Yalamanchi

Others Present:

*Ed Anzek, Director of Planning and Economic Development
Bryan Barnett, Mayor
Tina Barton, City Clerk
Ron Crowell, Acting Fire Chief
Paul Davis, Deputy Director of Planning and Economic Development
Kurt Dawson, Director of Assessing/Treasury
Jean Farris, Supervisor of Procurement
Pam Gordon, Director of Human Resources
Bob Grace, Director of MIS
Mike Hartner, Director of Parks and Forestry
Captain Michael Johnson, Oakland County Sheriff's Office
Tara Presta, Chief Assistant
Chris Russell, Rochester Hills Government Youth Council Representative
Keith Sawdon, Director of Finance
Allan Schneck, Director of Planning and Economic Development
John Staran, City Attorney
Pam Valentik, Manager of Economic Development
Bob White, Supervisor of Ordinance Services*

Mr. Yalamanchi provided prior notice that he would be unable to attend.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

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

Aye 6 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell and Webber

Absent 1 - Yalamanchi

PUBLIC COMMENT

Steven Szoke, 1639 Stony Creek, Rochester, requested that information on consideration of the Older Persons' Commission (OPC) Budget at City Council meetings be posted for public notice at the OPC facility. He commented that no one he spoke with while at the OPC knew that Council would review the OPC Budget at the public hearing on September 16th.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

Mr. Webber reported that the Sixth Annual Brooksie Way was held this past Sunday morning and commented that it was a great community event with a record number of participants.

Chris Russell, Rochester Hills Government Youth Council (RHGYC) Representative, reported that RHGYC members provided manpower for the Brooksie Way, manning a table to distribute drinks to runners along the way. He noted that the RHGYC recently received clearance to schedule visits to middle schools to speak with student councils about the RHGYC. He stated that in the past month, members have volunteered at the Older Persons' Commission to provide assistance to their commodity foods packing program for seniors. He mentioned that the RHGYC's next meeting will be held on October 14th.

Mayor Barnett announced the following:

- *The Sixth Annual Brooksie Way was very successful, with just over 6,500 runners. The City received the least amount of complaints it has in the race's six years, and no incidents were reported. One of the top races in the state, the Brooksie Way puts money back into the community through its grant program.*
- *Yates Cider Mill celebrated its 150th Anniversary in the community and recently was presented a historical plaque from the State of Michigan Historical Society.*
- *He attended the Esteemed Women of Michigan Luncheon this afternoon. 2013 honorees included Mary Lee Kowalczyk, Executive Director of the Rochester Community House, and Lori Blaker, President and CEO of TTI Global.*
- *The new Taco Bell on University Drive near Livernois is now open.*
- *The Southeast Michigan Council of Governments (SEMCOG) issued its*

numbers for the past year's car/deer accident totals. Rochester Hills had 155 car/deer crashes last year. This number is up from the previous year, yet still down considerably from the highest years. October is Deer Safety Awareness Month. Motorists are cautioned to drive slowly during the dawn/dusk hours to help avoid car/deer crashes.

- The Stonewall Pumpkin Festival will be held on Saturday, October 12th, at the Rochester Hills Museum at Van Hoosen Farm. Over 1,000 pumpkins are carved from 10:00 a.m. to 4:00 p.m., with a lighting of all carved pumpkins from 7:00 p.m. to 9:00 p.m. From 3,000 to 5,000 people come out to enjoy the event, sponsored this year by Arteva Homes, Noodles & Company, and Genisys Credit Union.
- The majority of additional Tri-Party dollars available to the City were used for joint repair and section replacement of concrete on Livernois north and south of University. The City is looking toward additional funding to make repairs on Tienken Road near Adams. A project to replace three 600-foot sections in that area will come to Council for consideration at the October 14th meeting.
- An independent statewide organization rated Rochester Hills the third best city in Michigan to raise a young family.

ATTORNEY MATTERS

None.

RECOGNITIONS

2013-0351 Recognition of the City's Planning Department for sponsoring an Oakland University Graduate Internship; Kim Rovinski, presenter

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

Kim Rovinski, Graduate Student in the Masters of Public Administration Program (MPA) at Oakland University (OU), stated that attaining her MPA is a great personal achievement for herself as she expects to graduate this coming December.

She explained that the MPA program at OU consists of 40 core and elective credits, along with a project or internship. After contacting Mayor Barnett about a possible internship, she was granted an interview with Ed Anzek, Director of Planning and Economic Development, and Pamela Valentik, Manager of Economic Development. She stated that she was welcomed as an intern on June 3rd and completed her internship on August 26th.

Ms. Rovinski expressed her thanks to Mayor Barnett for supporting the internship program at OU. She acknowledged Mr. Anzek's support, and thanked Ms. Valentik for allowing her to shadow her, commenting that it taught her what it takes to be an effective economic developer. She presented a certificate of recognition to Mayor Barnett and a mentor pin to Ms. Valentik.

Presented.

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.

2013-0321 Approval of Minutes - City Council Special Meeting - August 19, 2013

Attachments: [Special Mtg Min 081913.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0198-2013

Resolved, that the Minutes of a Rochester Hills City Council Special Meeting held on August 19, 2013 be approved as presented.

2013-0355 Approval of Minutes - City Council Special Meeting - August 26, 2013

Attachments: [Special Mtg Min 082613.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0199-2013

Resolved, that the Minutes of a Rochester Hills City Council Special Meeting held on August 26, 2013 be approved as presented.

2013-0350 Request for Acceptance of a Pedestrian Bicycle Pathway Easement granted by Flagstar Bank, FSB, a federally chartered savings bank, for Flagstar Bank

Attachments: [Agenda Summary.pdf](#)
[Pathway Easement 091813.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0200-2013

Resolved, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a Pedestrian-Bicycle Pathway Easement granted by Flagstar Bank, a federally chartered savings bank, 5151 Corporate Drive, Troy, Michigan 48098, for Flagstar Bank, City File #05-030.9, over, on, through and across land more particularly described as Parcel No. 15-30-326-016.

Passed the Consent Agenda

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

Aye 6 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell and Webber

Absent 1 - Yalamanchi

PUBLIC HEARINGS

- 2010-0495 Request for Approval of an Industrial Facilities Exemption Certificate (IFT) by Otto Bock Polyurethane Technologies, Inc. at 2923 Technology Drive for new Personal Property for a period of six (6) years

Attachments: [Agenda Summary.pdf](#)
[Development Agreement 2013.pdf](#)
[Financial Analysis.pdf](#)
[Suppl Presentation.pdf](#)
[091613 Agenda Summary.pdf](#)
[Application.pdf](#)
[062413 Agenda Summary.pdf](#)
[Suppl Presentation 062413.pdf](#)
[022811 Agenda Summary.pdf](#)
[121310 Agenda Summary.pdf](#)
[112210 Agenda Summary.pdf](#)
[Development Agreement Draft.pdf](#)
[Suppl Development Agreement \(Revised\).pdf](#)
[Suppl Presentation 121310.pdf](#)
[Exhibit A 2008 Tax Exemption Chart.pdf](#)
[Application.pdf](#)
[Application Question 6a.pdf](#)
[Application Section 6b.pdf](#)
[Otto Bock Brief History.pdf](#)
[5 Year Analysis.pdf](#)
[112210 Resolution.pdf](#)
[121310 Resolution.pdf](#)
[022811 Resolution.pdf](#)
[091613 Resolution.pdf](#)
[Resolution.pdf](#)

Pam Valentik, Manager of Economic Development, introduced **Tom Matwiczuk**, Otto Bock's Corporate Liaison, and **Steve Foote**, Plant Manager for Otto Bock's facility. She noted that Otto Bock is requesting consideration for a six-year tax abatement for personal property that they plan to invest and locate in Rochester Hills within the next 18 months. She noted that company representatives came before Council a few months ago to report on their tremendous growth since attaining the original tax abatement and mentioned the fact that their investment and jobs created far exceeded that which was a condition for the original abatement. She commented that the next phase for the company is to expand its manufacturing capabilities.

Mr. Matwiczuk stated that the company has made great improvements in groundbreaking technologies and has obtained two brand new customers. He mentioned that September sales were 50 percent larger than the average of the past three months, and October sales are on track to improve at least 20 percent more. He stated that the company needs another building as projections for next year include an additional 50 percent growth. He noted that the company's current dilemma is that their largest customer is asking Otto Bock to direct ship to retail

locations, and stated that additional equipment is going to be required for fulfillment activities. He commented that it is the firm's hope to keep equipment at 2923 Technology Drive and do retail fulfillment from another location.

Mr. Foote displayed a graphic which noted the current layout of the machines in the facility and highlighted where new equipment will be needed. He stated that the firm has been working seven days a week and is constantly hiring new employees. He noted the current employment, and pointed out that the new investment will create 17 additional jobs in the plant, and yield a total machine investment at the end of 2014 of \$9,000,000. He mentioned that the lead time for new equipment is 25 weeks and stated that the machines must be in place, installed and running in March of 2014. He added that a new building lease is planned for the first quarter of 2014. He mentioned that Otto Bock is closing a facility in Pittsburgh and will be relocating employees to Rochester Hills.

**President Hooper Opened the Public Hearing at 7:29 p.m.
Seeing No Public Comment, President Hooper Closed the Public Hearing at 7:30 p.m.**

Council Discussion:

Mr. Kochenderfer expressed his thanks to Otto Bock for their investment in the community. He mentioned that he recently attended a suppliers' association meeting where it was reported that technology-based industries are poised for expansion.

Mayor Barnett questioned how many employees there were when Otto Bock first came to Rochester Hills.

Mr. Matwiczuk responded that three employees were first located in Rochester Hills.

Mayor Barnett thanked Otto Bock for its continued investment in the City and expressed his appreciation to Council for supporting the Administration's efforts to promote economic development. He noted that he has met with Otto Bock's leadership while on a trip to Germany as has Ms. Valentik, and stated that the City has invested in a relationship with the company.

Mr. Webber noted that Otto Bock's recent presentation is a testament to how the abatement has worked up to this point. He commented that Otto Bock is the type of company that Rochester Hills is trying to attract.

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

Aye 6 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell and Webber

Absent 1 - Yalamanchi

Enactment No: RES0201-2013

Whereas, an Industrial Development District was established on September 6, 2006 at 2923 Technology Drive, also known as Parcel Number 15-30-477-012, and further

described as:

THE SOUTH 133 FEET OF LOT 33 AND THE NORTH 142 FEET OF LOT 34, "ROCHESTER HILLS EXECUTIVE PARK" AS RECORDED IN LIBER 199, PAGES 26-30, OAKLAND COUNTY PUBLIC RECORDS. LYING IN THE SOUTHWEST 1/4 OF SECTION 29, AND THE SOUTHEAST 1/4 OF SECTION 30, TOWN 3 NORTH, RANGE 11 EAST, CITY OF ROCHESTER HILLS, OAKLAND COUNTY, MICHIGAN. CONTAINING 132,000 SQUARE FEET OR 3.03 ACRES; and

Whereas, in December 2010, City Council approved a real and personal property tax abatement for the investment Otto Bock made in the building located at 2923 Technology Drive, along with machinery and equipment; and

Whereas, Otto Bock is currently in the third year of that five-year tax abatement and this newly presented investment was not calculated at the time of the first abatement and cannot be added to the existing tax abatement as the two-year window of time to make those investments has closed; and

Whereas, Otto Bock pledged to invest \$3,861,000 in the Rochester Hills operation and create 39 jobs, and as reported to City Council in June 2013, Otto Bock to date has invested \$6,396,000 in the Rochester Hills facility and created 45 jobs; and

Whereas, Otto Bock Polyurethane Technologies, Inc. filed a new application for an Industrial Facilities Exemption Certificate for personal property on September 9, 2013; and

Whereas, in its application, Otto Bock Polyurethane has indicated that it is experiencing tremendous sales growth, especially in non-automotive sectors and plans to purchase \$2,950,000 in additional machinery and equipment within the next two years, creating an additional 17 jobs; and

Whereas, a Public Hearing regarding this request was held at City Council's Regular Meeting of September 30, 2013, in which the taxing authorities, applicant and public were given an opportunity to be heard; and

Whereas, The Rochester Hills City Council has reviewed the application and made the following findings:

- a. The granting of the Industrial Facilities Exemption Certificate, considered together with the aggregate amount of Industrial Facilities Exemption Certificates previously granted and currently in force, does not have the effect of substantially impeding the operation of the City of Rochester Hills or impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Rochester Hills in which the facility is located.
- b. Permanent jobs will be created and retained as a result of this project.
- c. There is a demonstrated need for financial assistance to encourage Otto Bock to retain its production and expansion in Rochester Hills.
- d. The prospects for long-term growth are present.
- e. The investment will increase the economic vitality of the industrial and high technology districts within the City of Rochester Hills.

Resolved, that pursuant to Section 9, (1) and (2) of Act 198 of Public Acts of 1974, as

amended, the City Council of the City of Rochester Hills hereby approves the request of Otto Bock Polyurethane Technologies, Inc. for an Industrial Facilities Exemption Certificate for a period of six (6) years for personal property; and

Be It Further Resolved, that the accompanying agreement between Otto Bock Polyurethane Technologies, Inc. and the City of Rochester Hills is hereby approved and is to be sent to the Department of Treasury and the State Tax Commission along with this resolution no later than October 15, 2013; and

Be It Finally Resolved, that as the City Attorney has reviewed the agreement as to form, the Mayor is authorized to sign the agreement.

ORDINANCE FOR ADOPTION

2013-0343 Acceptance for Second Reading - an Ordinance to amend Section 90-69 of Chapter 90, Special Assessments, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to discontinue improvement proceedings; repeal conflicting or inconsistent Ordinances, and prescribe a penalty for violations

Attachments: [Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[091613 Agenda Summary.pdf](#)
[LF 2013-0040 Attachments.pdf](#)
[012813 CC Min excerpt.pdf](#)
[091613 Resolution.pdf](#)
[Resolution.pdf](#)

Paul Davis, Deputy Director of DPS, explained that the Ordinance Amendment presented for Second Reading for the Ordinance has no changes from the First Reading.

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

Aye 6 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell and Webber

Absent 1 - Yalamanchi

Enactment No: RES0202-2013

Resolved, that an Ordinance to amend Section 90-69 of Chapter 90, Special Assessments, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to discontinue improvement proceedings; repeal conflicting or inconsistent Ordinances, and prescribe a penalty for violations is hereby accepted for Second Reading and Adoption, and shall become effective on Saturday, October 5, 2013, the day following its publication in the Oakland Press on Friday, October 4, 2013.

UNFINISHED BUSINESS

- 2013-0339** Request for Purchase Authorization - BLDG/FACILITIES: Contract/Blanket Purchase Order for roof repairs and reconstruction at Fire Station #1 in the amount of \$84,330.00 with a 10% contingency of \$8,433.00 for a total not-to-exceed amount of \$92,763.00; Garland/DBS, Inc., Cleveland, OH

Attachments: [Agenda Summary.pdf](#)
[Building Dept memo 091913.pdf](#)
[Garland DBS Proposal 091813.pdf](#)
[Garland DBS Proposal 090413.pdf](#)
[Resolution.pdf](#)

President Hooper stated that this item was postponed from the previous Regular City Council Meeting noted that Bob White, Supervisor of Ordinance Services, was in attendance to answer any questions on the additional information that was provided.

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

Aye 6 - Hooper, Klomp, Kochenderfer, Rosen, Tisdel and Webber

Absent 1 - Yalamanchi

Enactment No: RES0203-2013

Resolved, that the Rochester Hills City Council hereby authorizes a Contract/Blanket Purchase Order to Garland/DBS, Inc., Cleveland, Ohio for roof repairs and reconstruction at Fire Station #1 in the amount of \$84,330.00 with a 10% contingency of \$8,433.00 for a total not-to-exceed amount of \$92,763.00 and further authorizes the Mayor to execute a contract on behalf of the City.

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

NEW BUSINESS

- 2013-0040** Request for Approval of the Draft Special Assessment District (SAD) Policy recommended by the Police and Road Funding Technical Review Committee

Attachments: [Agenda Summary.pdf](#)
[SAD Policy \(Final Approved\).pdf](#)
[SAD Policy 092513.pdf](#)
[012813 Agenda Summary.pdf](#)
[Draft SAD Policy - P&RFTRC.pdf](#)
[Draft SAD Policy - Finance.pdf](#)
[P&RFTRC Resolution.pdf](#)
[Resolution.pdf](#)

Paul Davis, Deputy Director of DPS/Engineering, stated that Council was provided with a draft policy in January for paving roads, and stated that consideration of the Policy was put on hold until the Ordinance Amendment language was provided. He noted that based on the Amendment language, several additional changes are proposed. He highlighted the changes for the final policy.

President Hooper questioned whether City Attorney John Staran was aware of the additional proposed changes.

John Staran, City Attorney, responded that he was aware of the changes and found them appropriate and satisfactory.

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

Aye 6 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell and Webber

Absent 1 - Yalamanchi

Enactment No: RES0204-2013

Resolved, that the Rochester Hills City Council hereby approves the Special Assessment District (SAD) Policy for paving gravel road that includes for buildable lot: 1) a 60 (city)/40 (resident) cost split; and 2) a \$5,000.00 resident cost cap utilizing local street construction funds approved in the 2013 Budget

2013-0348 Request for Contract Authorization - BUILDING: Waiver of Section 2-273(b) of the Purchasing Ordinance; Amended and Restated Solid Waste, Yard Waste and Recycling Collection, Transportation and Disposal Services 5-year contract; Allied Waste Services of North America, LLC dba Allied Waste Services of Detroit North, Republic Services of Southeast Michigan, Pontiac, MI

Attachments: [Agenda Summary.pdf](#)
[Contract.pdf](#)
[Current Future Program.pdf](#)
[Suppl Presentation.pdf](#)
[Resolution.pdf](#)
[Resolution \(Revised\).pdf](#)

Jim Frey, President, Resource Recycling Systems, explained that he worked closely with the City's Purchasing Division on the process of reviewing the city's Single Hauler Waste Services Contract. He gave a presentation which highlighted the review of the 2009 contract, and the process toward a decision whether to recommend renewing or rebidding the contract. He noted the following from his presentation:

- *Out of 19,585 homes served, citizen complaints average approximately 50 per year, or 0.26 percent of homes.*
- *The City's recent Public Opinion Survey noted that 96 percent of respondents are very satisfied with the program.*
- *Over 70 percent of the homes have signed up for the Recycling program.*
- *Waste diversion from landfills for 2013 is at 40 percent.*

Mr. Frey commented that the City has a solid foundation in recycling that surpasses communities that have been recycling for decades, and noted that this foundation was a part of the program design when the original Request for Proposal (RFP) was issued. He commented that 70 to 80 percent of the users recycle each month. He mentioned that approximately \$15,000 to \$20,000 is redeemed in the form of recycling rewards each month.

He explained that the City went to the marketplace for bid in 2008, and offered a long-term arrangement. He stated that offering an extension is commonplace, noting that over \$2 million was expended in carts alone at the outset of the contract, along with numerous expenditures in trucks. He mentioned that the process included a point-based evaluation, with weighted, quantitative components. After shortlisting bidders, an interview process included financial analysis, which resulted in a best and final offer, with subsequent negotiations. He mentioned that the contract is similar to other arrangements in southeast Michigan and nationwide and stated that one neighboring community has a ten-year contract with a ten-year renewal option. He noted that the program provides for minimal oversight through the City's Building Department and all billing is handed off to the vendor.

He stated that during the information collection process, it was determined that there was an opportunity for a price reduction and incorporation of future contract goals. He explained that the fuel adjustment clause was eliminated, yard waste collection dates increased, and the snowbird discount was increased to 12 weeks. The program will also be expanded to include condominium and apartment complexes, should they desire to take advantage of the pricing. Negotiations with the current vendor resulted in a 12.7 percent reduction from \$51.54 to \$45 per household per quarter, the snowbird maximum credit is increased to \$30 from \$20, and a reduction in the annual increase from three percent to two percent. Residents will also have the opportunity to pay to increase the size of their recycling cart. Additionally, the carts will be fully amortized and transferred to City ownership at the end of the five-year extension and an issue before the Tax Tribunal has been withdrawn.

He noted that a comparison was made to neighboring communities. He pointed out that while Troy residents pay \$7.50, this fee does not include cart or disposal fees and cannot be considered comparable. Shelby Township was the closest comparison; and once the contracts were viewed side by side, Rochester Hills' program was seen as only marginally higher, with a price difference of only \$4.00 to \$5.00 on an annual basis, for a higher quality program. He stated that furthermore, a new vendor would have to contribute a pro-rated amount for carts of \$984,410.00.

He stated that in summary, it is recommended to approve the Amended and Restated Solid Waste, Yard Waste and Recycling Collection, Transportation and Disposal Services Contract with Republic Services and allow a Waiver of the three-year requirement for long-term contracts and the requirement for formal competition in the Purchasing Ordinance.

Public Comment:

Nancy Stepanian-Bennett, 2970 Heidelberg, stated that 24 hours ago, she received a robocall regarding the waste hauler contract and alluding to a conspiracy. She commented that the current waste hauler service is wonderful, what has been presented tonight is a good decision, and she resented receiving the call.

Patrick McFawn, 718 Fieldstone, stated that he has been a Rochester Hills

resident for the last 26 years and very much favors retaining the same contract. He commented that he is very pleased with the level of service.

Dennis Brown, 501 Oakhill Court, commented that he is satisfied with the waste hauler, noting that his experience with Allied/Republic has been that they are very efficient. He stated that he supports the renewal and there is no need to go through the cost of an RFP.

Lee Zendel, 1575 Dutton Road, stated that he believes in competition and wants to see the City go out for bid. He commented that \$2.00 less a month could be over \$2 million over the life of a five-year contract. He mentioned that 30 percent are not using the RecycleBank program.

Michael Packer, 550 Golfview Court, commented that the presentation shows that it makes economic sense to retain the same contract and noted that the company has dedicated women and men who have provided services to the community.

Kevin Kendall, 221 Chalmers, stated that he represents Republic Services, and expressed his thanks for the great relationship the company has had with the City for the past four years. He commented that the company is committed to the community and mentioned that he has lived in Rochester Hills for 23 years.

Lorraine McGoldrick, 709 Essex, commented that while she likes the one-point hauler and one collection system, competitive bidding brings out the best. She questioned why an Oakland County Sheriff's Deputy was following a garbage truck through her subdivision on September 12th. She noted that she made a complaint to the company regarding recycling that was scattered in the street, and received a response that she should bag her recyclables.

Lisa Winarski, 194 Bedlington, stated that she would request that the RFP be opened up for bids. She mentioned that the current contract does not take into consideration snowbirds, condominiums and apartments. She requested clarification of mention during the presentation of an item going to the Tax Tribunal.

Hugh Patterson, 561 Oakhill Court, stated that he supports continuing service with Allied Waste. He mentioned that he wished all the residents had a chance to review the presentation material, and commented that media reports constituted scare tactics for the uninformed. He reported that during their recent three-week street repaving project, the company provided advance notice for an alternate pickup location and trash pickup performed seamlessly.

Chris Hughes, 1408 New Life Lane, stated that Council "got it right", noting that previously trucks were on the streets every day of the week, pickups were missed and trash receptacles were non-uniform. She commented that after the RFP, Allied came out on top as they would most likely do now. She stated that it would cost money to issue an RFP. She requested that the contract extension include pickup up of animal carcasses.

Deborah Whyman, Citizens for Accountable Government, Canton, stated that while it sounds like residents are happy with their pickup, residents get the best service when competitive bidding is opened up. She reported that New Baltimore opened up their bidding, and subsequently retained the same hauler. She questioned why the City does not do one-year renewals.

President Hooper noted that misinformation was placed into the community through robocalls, noting that it was a scare tactic. He stated that he responded to many voicemails and phone calls. He questioned the Tax Tribunal filing.

John Staran, City Attorney, responded that there was a personal property assessment appeal filed for the 2012 Tax Year, appealing the value assessed for the carts, and suggesting that the Assessor placed a higher value on the carts than was appropriate. He commented that it was not limited to Rochester Hills, and was done on a broad basis by the company. He stated that they voluntarily withdrew their appeal, and noted that the issue took minimal legal or staff time.

President Hooper stated that he would disagree that it could save much money to go back to an RFP and commented that he believes through negotiations a best and final decision can be reached. He noted that it is his belief that the City has achieved market price for trash service for an apples-to-apples comparison, and an RFP could result in a price that may or may not be cheaper. He pointed out that five years ago, he personally was paying \$353 a year for trash service. He requested Captain Johnson address the question regarding trash pickup in Eddington Farms Subdivision.

Captain Michael Johnson, Oakland County Sheriff's Office, noted that a deputy is assigned to inspect all garbage trucks in the City and a part of his job is to visit subdivisions having garage sales to ensure that the waste hauler trucks have access to do their routes. He stated that a deputy did have a request to spend some time in Eddington Farms that day.

In response to Public Comment, **President Hooper** noted that the snowbird credit has been increased and condominiums and apartment complexes now have the opportunity to participate in the program. He added that pickup of deer carcasses will also be a part of the contract extension. He questioned the comparison to Shelby Township services and whether trash carts were included in their price.

Mr. Frey responded that in Shelby, residents will begin to pay extra for carts after three years, building the cost in later on in the contract. He added that the same applies to recycling as well. The adjusted comparison takes these costs in account.

Council Discussion:

Mr. Tisdell requested the following information regarding the RFP process in 2008:

- What weight was given to the price component in the RFP.
- Whether the lowest price bidder of a subsequent RFP would be awarded a contract.
- Whether a five-year extension was included as a part of the original RFP.

- Whether Council waived the three-year Contract limitation in 2008.
- Whether there is another community that receives similar services for \$6 less each quarter.
- It is his understanding that deer carcasses will now be included and stated that he learned that their removal costs the City approximately \$125.

Mr. Frey responded with the following:

- Price was given approximately 50 percent weight in the original RFP consideration.
- The evaluation considered the best service for the best price.
- He is not aware of another community that receives similar services for \$6 less per quarter.

Jean Farris noted the following:

- A five-year extension was included as a part of the original RFP.
- The entire package came to Council for consideration in 2008.
- Both deer carcasses and street sweeping of debris is included in the renewal contract.
- The City also waived its Purchasing Ordinance based on length of contract for AccuMed for EMS Billing. She explained that the length was waived for that contract as the contract not only included billing services, but also reporting to County and State EMS divisions, and required a significant investment in software on the part of the City, along with education. She commented that this has been a good investment for the City.

President Hooper added that the price for AccuMed has gone down with each renegotiation, and has proved to be an excellent source of revenue for the City as well.

Mr. Rosen thanked Mr. Frey for his analysis and commented that he appreciates the information that a resident can pay extra to increase the recycling cart size. He stated that it would be easy to decide to go for a new RFP if service were poor; however, it is not. He commented that the difference of only approximately \$1 a month, while not insignificant, is not enough to warrant a new RFP. He noted that originally, the hauler began with all new trucks and equipment; and he mentioned that previously, multiple haulers led to some of the worst vehicles being throughout the neighborhoods. He commented that this is a good deal and service is consistent. He stated that he would like to see the contractor keep the City happy in order to get another chance at an additional five years.

Mr. Webber stated that he is a condominium owner and would like to be a part of the recycling program. He commented that four years ago, the bottom line was cost and service, along with getting the additional trucks off the roadways. He noted that many communities have long-term contracts with extensions, and commented that the media wants to make it sound like Rochester Hills is the only ones to do so. He stated that he is comfortable with what the City has been able to negotiate, and suggested that the extension language be eliminated going forward.

Mr. Kochenderfer stated that the City's main responsibility is to be as responsible as possible with resident dollars. He commented that he believes that as a general rule, a contract should be bid out unless there is a compelling reason otherwise; however, it cannot be the case that every contract has to be bid out every single

time. He noted that other communities were reviewed, and commented that there are costs in hiring consultants and issuing RFPs. He stated that after asking many questions, he sees this as a very responsible process. He noted that he would also like to support Mr. Webber's request to eliminate extension language going forward.

Mr. Rosen stated that he believes that the right thing has been done this time. A Committee looked at numbers and reviewed the plusses of the contract. He commented that he would request that the record and the contract ensure that the Administration should do essentially what has been done this time five years from now when a future Council has the decision to make.

Mr. Staran stated that the original contract was drafted with pricing based on a ten-year amortization, yet was a five-year contract with the possibility of an extension. He noted that it was discussed at that time, that the five-year contract gave the City the opportunity to bail out of the contract if things were not working well. He stated that having said that, he understands Mr. Webber's desire to ensure that ten years is a long-enough time and promises should not be made that Council will extend the contract any further. He noted that a future Council could still opt to do just that.

Mr. Rosen stated that Council could opt to duplicate exactly what has been done this time. He stated that he would like an incentive for the contractor to want to keep the City happy. He commented that Council may be doing the City a disservice by leaving out the possibility of an extension. He stated that this is big business for the contractor and he would like them to continue to be eager.

Mr. Webber stated that during the City's RFP process in 2008, a five-year contract with a five-year extension was discussed. He commented that he looks at the suggested change as doing the City some good going forward to take the exclusive negotiating window out of the process. He noted that this would not mandate that a future Council or Administration would go out to bid; however, it would provide that mechanism would be available. He stated that leaving the language regarding a five-year extension in the contract could result in an arrangement that was actually more years than the original RFP intended.

Mr. Klomp stated that the City has a great program, happy residents and improved recycling trends. He commented that he does not find it prudent to spend a significant amount of time to go for a new RFP and stated that he is comfortable approving the resolution in the packet.

Mayor Barnett noted that previous councils tried to move to a single hauler. He commented that he received approximately 25 calls and emails and noted that after conversations, the callers were upset with the organization putting out the robocalls. He extended his appreciation to the City's Purchasing Division, and commented that the RecycleBank program has resulted in discounts and redemptions by residents and contributions to several area schools for recycling activities.

Discussion ensued regarding the first paragraph of Item 2 on page 1 of the proposed contract, and **City Attorney Staran** suggested a revision to that

paragraph to eliminate language regarding the five-year renewal, and noting that Council may approve an extension after performing due diligence.

A motion was made by Rosen, seconded by Tisdel, that this matter be Adopted by Resolution. The motion carried by the following vote:

Aye 6 - Hooper, Klomp, Kochenderfer, Rosen, Tisdel and Webber

Absent 1 - Yalamanchi

Enactment No: RES0205-2013

Resolved, that the Rochester Hills City Council hereby waives Section 2-273(b), the requirements for long term contracts and Section 2-275(c)(1) the requirement for formal competition, under Section 2-281, which allows City Council the authority to waive any regulation or procedure pertaining to purchasing, deeming it to be in the best interest of the City.

Further Resolved, that the Rochester Hills City Council authorizes the Amended and Restated Solid Waste, Yard Waste and Recycling Collection, Transportation and Disposal Services 5-year contract with Allied Waste Services of North America, LLC dba Allied Waste Services of Detroit North, Republic Services of Southeast Michigan, Pontiac, Michigan and authorizes the Mayor to execute the contract on behalf of the City.

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

(Recess 9:34 p.m. to 9:43 p.m.)

2013-0363 Request for Approval of the ratified Settlement Agreement between the City of Rochester Hills and AFSCME Local 2491, effective January 1, 2013 through December 31, 2015

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

Pam Gordon, Director of Human Resources, stated that the settlements with the AFSCME bargaining units have been ratified by the membership for two-year contracts. She explained that the agreements meet the goals established by City Council. She noted that the concept was introduced of a high deductible health care plan and health savings accounts, and legal requirements under the Right to Work Legislation have been addressed.

Public Comment:

Lee Zendel, 1575 Dutton Road, noted that details of the agreements were not included in the meeting packet.

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

Aye 6 - Hooper, Klomp, Kochenderfer, Rosen, Tisdel and Webber

Absent 1 - Yalamanchi

Enactment No: RES0206-2013

Whereas, negotiations between the City of Rochester Hills and AFSCME Local 2491 have resulted in a tentative two-year agreement, for the period January 1, 2013 through December 31, 2015.

Resolved, that the Rochester Hills City Council hereby approves the agreement between the City of Rochester Hills and AFSCME Local 2491 as presented on September 30, 2013.

2013-0364 Request for Approval of the ratified Settlement Agreement between the City of Rochester Hills and AFSCME Local 1917.28, effective January 1, 2013 through December 31, 2015

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

See Legislative File 2013-0363.

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

Aye 6 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell and Webber

Absent 1 - Yalamanchi

Enactment No: RES0207-2013

Whereas, negotiations between the City of Rochester Hills and AFSCME Local 1917.28 have resulted in a tentative two-year agreement, for the period January 1, 2013 through December 31, 2015.

Resolved, that the Rochester Hills City Council hereby approves the agreement between the City of Rochester Hills and AFSCME Local 1917.28 as presented on September 30, 2013.

2013-0353 Request for Approval to amend the City's non-union benefit plans to provide the same health care program as that provided to AFSCME Local 2491 and AFSCME Local 1917.28 members for benefit plan year 2014

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

Pam Gordon, Director of Human Resources, stated that the proposed resolution relates to compliance under Public Act 152 (PA 152). She stated that in the past, Council has voted to allow the City to opt-out under PA 152 which requires a mandatory hard cap or twenty percent employee contribution for health care. She mentioned that this year, the two AFSCME units also fall under the opt-out. She stated that the Administration is looking for Council support to continue to opt-out based on the ratified contract agreements, and applies the same health care strategy.

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

Aye 6 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell and Webber

Absent 1 - Yalamanchi

Enactment No: RES0208-2013

Whereas, Public Act 152 mandates specified health care premium contributions by City employees unless the governing body elects to exempt employees by a two-thirds majority vote,

Whereas, recent contract settlements between the City and its two AFSCME unions will hold the City's projected health care cost increases for 2014 and 2015 to an amount consistent with the City Council's objectives,

Whereas, the City administration intends to maintain the same health care strategy for the City's non-union employees in 2014.

Resolved, the City of Rochester Hills shall be exempt from the requirements of Public Act 152 of 2011 to the extent necessary to maintain the same health plans and contributions consistent with those identified in the ratified agreements between the City and AFSCME Locals 2491 and 1917.28 for the plan year beginning January 1, 2014.

2013-0284 Adoption of the Fiscal Year 2014 Budget

Attachments: [Agenda Summary.pdf](#)
[Straw Poll Results.pdf](#)
[091613 Agenda Summary.pdf](#)
[081913 Agenda Summary.pdf](#)
[081913 Budget Presentation Schedule.pdf](#)
[082613 Budget Presentation Schedule.pdf](#)
[081213 Agenda Summary.pdf](#)
[Suppl Presentation.pdf](#)
[Suppl Budget Overview Presentation.pdf](#)
[Public Hearing Notice.pdf](#)
[081213 Resolution.pdf](#)
[Resolution.pdf](#)

Keith Sawdon, Director of Finance, stated that the Budget process begins in March, and noted that two meetings were held with City Council in August to review the proposed spending plan, along with a Public Hearing at the September 16th Regular Council Meeting. He explained that the final Budget proposed includes adjustments made subsequent to the Public Hearing and in accordance with the results of City Council's Straw Poll. He stated that a vote tonight would be the final step to approve the Budget for 2014.

Mr. Webber expressed his appreciation for the Budget process and stated that he is willing to support the Budget. He commented that through the savings realized over the last four to five years, the City has been able to put more money into Local Roads. He noted that the City will see some of the recommendations of the Police and Road Funding Technical Review Committee come to fruition as money has been set aside for Police Funding. He added that the proposed Budget maintains proper staffing levels, without adding much additional staff.

Mr. Tisdell congratulated the veteran members of Council, and pointed out that it will be Mr. Rosen's and Mr. Klomp's last budget vote. He mentioned that in the time that Mr. Rosen has served on Council, the population of Rochester Hills has grown by six percent, housing prices have fallen by 33 percent, and Taxable Values have been reduced by 22 percent, yet the City has been able to contribute to Fund Balances. He commented that many hard decisions were made before he and Mr. Kochenderfer were elected.

Mr. Rosen commented that it is very interesting that the population of Rochester Hills is just about where it was when he was elected to Council in 2005. He stated that he believes that Council did the right thing by cutting spending. He noted that companies like Otto Bock are coming to the City because this is where they want to be, as the City weathered the most difficult period of the automotive industry decline and is now coming back. He cautioned that going forward the City should not overspend and must keep doing all the right things in moderation.

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

Aye 6 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell and Webber

Absent 1 - Yalamanchi

Enactment No: RES0209-2013

Whereas, in accordance with the provisions of Public Act 2 of 1968, Public Act 621 of 1978, the Uniform Budgeting and Accounting Act for Local Government, the Special Appropriations Act pursuant to PA 493 of 2000, and Section III of the Charter for the City of Rochester Hills, the Mayor as the Chief Executive Officer prepared the proposed budget for the ensuing year and submitted it to the Council at its first meeting in August; and

Whereas, at its August 12, 2013 meeting City Council acknowledged receipt from the Mayor of the Proposed fiscal year 2014 Budget Plan and set a Public Hearing to be held September 16, 2013 at 7:00 p.m. to solicit comments on the proposed budget plan from the public; and

Whereas, at its September 16, 2013 meeting City Council held said Public Hearing on the proposed budget plan and the related millage rates to defray the fiscal year 2014 proposed budget expenditures; and

Whereas, subsequent to the City Council's review and comments, the Mayor adjusted the original proposed budget; and

Resolved, the following list of funds sets forth the general appropriations for the City and adopts the following City Budgets for fiscal year 2014.

Be it further resolved, the Mayor is hereby authorized to administratively adjust the operating budget line items up to \$25,000 per event, but in no case may total expenditures of a particular fund exceed that which is appropriated by the City Council without a budget amendment. Adjustments from capital accounts and fund balances shall be made only by further action of the City Council.

**Adoption of the FY 2013 Annual Appropriation Budget(s)
for the City of Rochester Hills, Michigan**

Fund 101 - General Fund	\$ 26,475,140
Fund 202 - Major Road Fund	5,256,360
Fund 203 - Local Street Fund	10,317,880
Fund 206 - Fire Fund	7,462,770
Fund 207 - Special Police Fund	9,197,870
Fund 213 - RARA Millage Fund	581,380
Fund 214 - Pathway Millage Fund	554,950
Fund 232 - Tree Fund	55,680
Fund 244 - Drain Maintenance Fund	531,240
Fund 265 - OPC Millage Fund	982,090
Fund 299 - Green Space Millage Fund	32,820
Fund 313 - Street Improvement Bond - 2001 Series Fund	284,280
Fund 314 - SAD Street Improvement Bond - 2001 Series Fund	286,230
Fund 331 - Drain Debt Fund	312,590
Fund 369 - Older Persons Building Bond Refunding Fund	759,010
Fund 393 - Municipal Building Refunding Bond - 2010 Series Fund	719,080
Fund 394 - Local Street Refunding- 2011 Series Fund	461,220
Fund 402 - Fire Capital Fund	848,270
Fund 403 - Pathway Construction Fund	392,700
Fund 420 - Capital Improvement Fund	996,520
Fund 510 - Sewer Operations	14,938,290
Fund 530 - Water Operations	18,212,590
Fund 593 - Water & Sewer Capital Fund	7,688,830
Fund 595 - Water & Sewer Debt Fund	1,184,820
Fund 631 - Facilities Fund	5,233,580
Fund 636 - MIS Fund	3,746,380
Fund 661 - Fleet Fund	2,807,540
Fund 677 - Insurance Fund	409,000
Fund 736 - Retiree Health Care Trust	141,180
Fund 752 - Stoney Creek Perpetual Care Fund	-
Fund 843 - Brownfield Redevelopment Fund	-
Fund 848 - LDFA Fund	537,580
Fund 851 - SmartZone Fund	100,000
Fund 893 - EDC Fund	720
Total	\$ 121,508,590

COUNCIL COMMITTEE REPORTS

None.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Regular Meeting - Monday, October 14, 2013 - 7:00 p.m.

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 9:58 p.m.

*GREG HOOPER, President
Rochester Hills City Council*

*TINA BARTON, Clerk
City of Rochester Hills*

*MARY JO PACHLA
Administrative Secretary
City Clerk's Office*

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