



Rochester Hills

Minutes - Draft

City Council Special 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, August 27, 2012

5:30 PM

1000 Rochester Hills Drive

In accordance with the provisions of Act 267 of the Public Acts of 1976, as amended, the Open Meetings Act, notice was given that a Special Rochester Hills City Council Meeting would commence at 5:30 p.m. on Monday, August 27, 2012, for the purpose of discussing the proposed 2013 Budget, and to conduct regular City business.

CALL TO ORDER

President Hooper called the Special Rochester Hills City Council Meeting to order at 5:32 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
Tracey Balint, Project Engineer
Bryan Barnett, Mayor
Jim Breuckman, Manager of Planning
Scott Cope, Director of Building/Ordinance Compliance
Ron Crowell, Fire Chief/Emergency Management Director
Paul Davis, Deputy Director of DPS/City Engineer
Pamela Gordon, Director of Human Resources
Bob Grace, Director of MIS
Bruce Halliday, Fleet Manager
Mike Hartner, Director of Parks and Forestry
Captain Michael Johnson, Oakland County Sheriff's Office
Jane Leslie, City Clerk
Roger Moore, Professional Surveyor
Kim Murphey, Administrative Coordinator/DPS
Tara Presta, Chief Assistant
Keith Sawdon, Director of Finance*

*Allan Schneck, Director of DPS/Engineering
Joe Snyder, Senior Financial Analyst
John Staran, City Attorney
Pam Valentik, Manager of Economic Development
Kelly Winters, Deputy Director of Building/Ordinance Compliance*

Mr. Yalamanchi provided prior notice that he would not be in attendance.

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

None.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

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.

2012-0277 Approval of Minutes - City Council Special Meeting - July 16, 2012

Attachments: [CC Special Mtg Min 071612.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0171-2012

Resolved, that the Minutes of a Rochester Hills City Council Special Meeting held on July 16, 2012 be approved as presented.

2012-0278 Approval of Minutes - City Council Regular Meeting - July 16, 2012

Attachments: [CC Min 071612.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0172-2012

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on July 16, 2012 be approved as presented.

2012-0289 Approval of Minutes - City Council Regular Meeting - July 30, 2012

Attachments: [CC Min 073012.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0173-2012

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on July 30, 2012 be approved as presented.

Passed the Consent Agenda

A motion was made by Klomp, seconded by Webber, 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

2012-0297 Public Hearing and Adoption of proposed ballot language to repurpose expired or expiring debt millage for local roads

Attachments: [Agenda Summary.pdf](#)
[Proposed Ballot Language.pdf](#)
[Public Hearing Notice.pdf](#)
[081312 Agenda Summary.pdf](#)
[P&RFTRC Resolution.pdf](#)
[Resolution.pdf](#)

President Hooper recapped Council's discussions from the August 13, 2012, Regular City Council Meeting and noted that the Police and Road Funding Technical Review Committee recommended a ballot proposal be considered to repurpose an expiring drain debt millage for Local Roads. He noted that proposed language was prepared utilizing identical language as that which was passed two years ago, and that the Proposal would result in no increase in taxes. The levy would be continued, however, the funds would be used for Local Roads.

President Hooper Opened the Public Hearing at 5:36 p.m.
Seeing no Public Comment, President Hooper Closed the Public Hearing at 5:37 p.m.

Council Discussion:

Mr. Webber expressed his support for the proposed language, and questioned whether there was any additional or clarifying wording that could be included to make it clear to the voters that this Proposal would not change the millage rate or increase taxes.

John Staran, City Attorney, offered the following change to the last sentence of the proposed language "If approved, this proposal will not raise the overall City tax rate and will provide an estimated \$1,408,010 if levied in full in the first year". He commented that the second line of the proposal states that 0.4855 tax mill is being replaced with up to 0.4855 tax mill; however, including the suggested language would make it crystal clear that this Proposal is not intended to be an increase, and is intended to repurpose or replace that which is expiring.

Mr. Webber concurred with the change to the draft Proposal.

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: RES0174-2012

Resolved, that the Rochester Hills City Council hereby approves placing the following Proposal on the November 6, 2012 General Election Ballot:

BALLOT QUESTION

Re-purpose of Drain Bond Millage for Local Roads

Shall the City of Rochester Hills re-purpose and replace expired or expiring drain bond millage of 0.4855 mill with a tax levy of up to 0.4855 mill (\$0.4855 per \$1,000 of taxable value) on the taxable value of all property assessed for taxes in the City for 7 years, beginning in FY 2014 and continuing through FY 2020, inclusive, to be used for maintenance, repair, rehabilitation and reconstruction of local roads and streets and to provide a source of matching funds to support special assessment and grant programs for local roads? If approved, this proposal will not raise the overall City tax rate and will provide an estimated \$1,408,010 if levied in full in the first year.

Yes
 No

NEW BUSINESS

2012-0068 Request for Purchase Authorization - BLDG/FAC: Increase to Contract/Blanket Purchase Order for ADA Site Improvements at Fire Station #1 in the amount of \$10,782.50 for a new not-to-exceed amount of \$93,893.00; Pavex Corporation, Trenton, MI

Attachments: [Agenda Summary.pdf](#)
[031912 Agenda Summary.pdf](#)
[Bid Tabulation.pdf](#)
[031912 Resolution.pdf](#)
[Resolution.pdf](#)

Scott Cope, Director of Building/Ordinance Compliance, noted that this increase to the Contract/Blanket Purchase Order is being requested subsequent to the contractor noticing as they were tearing out the existing asphalt that the pavement as designed would not be sufficient for the truck traffic it would experience. He stated that the engineering consultant has increased the thickness of the asphalt from 4 inches to 6 inches to accommodate fire trucks in that area. The omission was taken into consideration by THA, the firm that did the design work and their civil engineer; and THA is contributing \$3,000 to the change order due to their error.

A motion was made by Klomp, 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: RES0175-2012

Resolved, that the Rochester Hills City Council hereby authorizes an increase to the Contract/Blanket Purchase Order for ADA Site Improvements at Fire Station #1 to Pavex Corporation, Trenton, Michigan in the amount of \$10,782.50 for a new not-to-exceed amount of \$93,893.00.

PROPOSED 2013 BUDGET DISCUSSION

2012-0305 Discussion - Special Revenue Funds (200's) - 2013 Budget

Attachments: [082012 Budget Presentation Schedule.pdf](#)
[082712 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl Fire Department Presentation.pdf](#)
[Suppl Parks Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

Keith Sawdon, Director of Finance, noted the Older Persons' Commission (OPC) Millage will be spread identical to FY 2012 to the Headlee limit, and is what is allowed and voted by the electorate.

(See Legislative File 2012-0311 for OPC Discussion.)

Discussed.

2012-0311 Discussion - Component Units (800's) - 2013 Budget

Attachments: [082712 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl Planning Dept Presentation.pdf](#)

Marye Miller, Executive Director, Older Persons' Commission (OPC), and **Jack Dalton**, Chairperson, OPC Board of Directors, were in attendance to present the OPC Operating Fund.

Ms. Miller thanked Council for their support in the past year, and noted that 2012 has been very successful for the Commission. She mentioned that two donors gave substantial funds to OPC this past year: A \$200,000 donation was received from a family to be used toward transportation, as they have a son who was having a hard time getting around and they realized the contribution that the Transportation Program makes to the community. The family of Kathy White has contributed close to \$300,000 as well. She commented that the OPC is in very good shape for 2012 and is now working on 2013.

She pointed out that there were a couple of changes that are proposed for FY 2013, including a five-step compensation plan for employees instead of the current ten-step plan. She noted that Mr. Yalamanchi, as OPC Board Treasurer, has proposed to eventually get rid of the step levels altogether. She stated that a one percent increase is proposed across the board for all OPC Staff, and the same percentage of contribution is proposed for the Pension Plan as FY 2012. She pointed out that there are no legacy costs; once an employee leaves, there are no continued contributions. She mentioned that seniors have been requesting that the OPC be open longer on Saturdays; and starting in FY 2013, the Center will be open for a full day on Saturday. She noted the change will not affect maintenance costs; however, it will add minimal cost to increase hours for a supervisor and for lifeguards, as two lifeguards must be in attendance at all times that the pool is open.

Ms. Miller thanked Mr. Tisdell for his efforts to involve the Faith Works group to provide manpower to help individuals with some physical tasks. She mentioned that the group helped move a refrigerator from a garage to a lower level for two handicapped individuals, and assisted a 93-year-old woman spread dirt that she was able to get home in the trunk of her car, but was unable to spread. She stated that she cannot begin to tell how many individuals they have helped in the past few weeks and was pleased to have them on board.

Mr. Dalton thanked Council for the support given OPC over the years. He stated that the budget stands for itself; no Fund Balance will be used. He commented that monies have been coming in and the Commission is not spending its savings. He mentioned that the OPC will finish out 2012 with a sizeable contribution to Fund Balance.

Council Discussion:

Mr. Webber expressed his appreciation for the efforts of the OPC Board Members, noting that Mr. Yalamanchi did an excellent job in his position as Board Treasurer. He commended Mr. Dalton for his efforts as Board Chairperson, and to Micheline Sommers for her efforts as City resident representative to the Board. He stated that he sees the changes to the step increases as budget reform, noting that a plan is in place to phase that program out. He pointed out that proposed expenditure increases for several programs such as trips are matched with revenue increases, as these programs pay for themselves. He stated that overall it is a good budget for a great organization.

President Hooper questioned whether the OPC Board's approval of the FY 2013 Budget was unanimous.

Ms. Miller responded that all of the Board members in attendance voted for approval.

Mr. Dalton commented that the OPC Board has followed the City's lead in incorporating a three-year budget.

Ms. Miller stated that Rochester Hills' role as paying agent for the OPC has also been of great assistance to the Board. She commented that Finance staff have provided projections for FY 2013, 2014 and 2015.

Mr. Kochenderfer expressed his congratulations for attaining full approval of the proposed Budget. He questioned whether expenses are projected to go down from the amended FY 2012 Budget.

Ms. Miller responded that they are.

Mayor Barnett thanked Ms. Miller for her continued leadership of the OPC. He expressed his appreciation to Mr. Dalton and Ms. Sommers for their representation, noting that the Board has met quite often and has had a plateful of work.

President Hooper commented that he has always believed that decisions should ride with the OPC and Rochester Avon Recreation Authority governing boards.

Discussed.

2012-0305 Discussion - Special Revenue Funds (200's) - 2013 Budget

Attachments: [082012 Budget Presentation Schedule.pdf](#)
[082712 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl Fire Department Presentation.pdf](#)
[Suppl Parks Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

(See Legislative File 2012-0311 for R.A.R.A. Discussion.)

Discussed.

2012-0311 Discussion - Component Units (800's) - 2013 Budget

Attachments: [082712 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl Planning Dept Presentation.pdf](#)

Ron Jewell, Executive Director, Rochester Avon Recreation Authority (RARA), stated that RARA has met one of its long-term goals with the acquisition of its new facility. He commented that the 38,000-square-foot facility will play host to many recreational activities, and is three times the size of their old facility. He mentioned that expenditures for utilities, maintenance and staff supervision will increase;

however, the rise will be offset in various ways. He noted that RARA will no longer pay taxes to a landlord, as the Authority is tax exempt, and offsite rental costs will decrease. He pointed out that RARA will be able to offer current and new programs under its own roof, and commented that the Authority will eventually own the building outright.

Mr. Klomp stated that it is a pleasure to serve as Council representative to RARA. He commented that Mr. Jewell has taken a proactive approach, and received unanimous Board support to invest its fund balance in a facility.

President Hooper questioned what the governing board's approval vote was for the proposed Budget.

Mr. Klomp responded that it was unanimous for approval.

Mr. Webber questioned when RARA will occupy the new facility.

Mr. Jewell responded that RARA has a temporary Certificate for Occupancy for its administrative staff. He stated that the warehouse portion buildout is taking place, with the goal of a delivery date of November 30th.

Mr. Webber noted that the increase in expenditures will be offset with increased revenue opportunities.

Mr. Jewell concurred, noting that new programs will be offered and programs currently outsourced to third party rental facilities will be brought to the facility. He stated that staff is ready to occupy the new facilities.

President Hooper pointed out that the FY 2013 Budget for RARA is slightly less than FY 2012.

Discussed.

2012-0304 Discussion - General Fund (100's) - 2013 Budget

Attachments: [082012 Budget Presentation Schedule.pdf](#)
[082712 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl Gen Fnd Rev-Transfer Out Presentation.pdf](#)
[Suppl Mayors Dept Presentation.pdf](#)
[Suppl Assessing-Treasury Presentation.pdf](#)
[Suppl Building-Ordinance Presentation.pdf](#)
[Suppl Clerks Presentation.pdf](#)
[Suppl Human Resources Presentation.pdf](#)
[Suppl Crossing Guards Presentation.pdf](#)
[Suppl Parks Presentation.pdf](#)
[Suppl Planning Dept Presentation.pdf](#)

PLANNING DEPARTMENT
- Planning Commission (400)
- Planning Department (401)
- Zoning Board of Appeals (410)

Ed Anzek, Director of Planning and Economic Development, **Pam Valentik**, Manager of Economic Development and **Jim Breuckman**, Manager of Planning, were in attendance to present the proposed budget for the Planning Department.

Mr. Anzek stated that he has lived in Rochester Hills for 12 years and noted that both Ms. Valentik and Mr. Breuckman have been with the City for slightly more than a year. He stated that the Planning Department is comprised of a five-member staff. He gave the following presentation:

DEPARTMENT OF PLANNING AND ECONOMIC DEVELOPMENT

Charge:

- Support and promote quality development and redevelopment
- Preserve residential neighborhoods
- Enhance tax base
- Jobs, jobs, jobs
- Rochester Hills = premier residential and business address

Our Boards and Commissions:

- Planning Commission
- Zoning/Sign Board of Appeals
- Historic Districts Commission
- Historic Districts Study Committee
- Brownfield Redevelopment Authority
- Local Development Finance Authority
- Economic Development Corporation

A graph of meetings for the Planning Commission, Zoning/Sign Board of Appeals, and the Historic Districts Commission from 2008 to 2012 showed that meeting activity has picked up considerably. He stated that the Planning Commission will have approximately 16 meetings, with full agendas.

He displayed a graph noting site plan activity, highlighting Concept Plans, New Site Plans and Revised Site Plans, and pointed out that submissions are increasing, with a big uptick in Concept Plans in the last six months. He stated that the increases translate to dollars being spent in the community.

Displaying a graph of Residential Units Approved/In Process, Mr. Anzek pointed out that 29 residential units were processed in 2008, zero in 2009, 47 in 2010, zero in 2011, and 286 in 2012. He noted that projects first go through the approval process in the Planning Department, and then go on for Building permits. He summarized Planning activity in the city noting that McDonald's and Taco Bell are adding or rebuilding locations, Crittenton Hospital is expanding, and new developments such as Clear Creek Sub. No. 5 have been approved.

Mr. Breuckman noted that the current planning focus is to facilitate growth in place while preserving the city's residential and natural character. He noted that

the M-59 Corridor Plan is intended to facilitate continued evolution and growth of the corridor, where the City's industrial and technology parks are located. He added that a Value Per Acre Study will be used as a model going forward to improve parts of the city that are not at a high level of desirability. He explained that the Master Plan is scheduled for a five-year update; and noted that the focus will be on a small area planning program rather than major changes. He commented that the Plan's update will tie in with the concept of Place Making, which furthers the idea that places are made on a small scale, one place at a time.

Economic Development Results:

Mr. Anzek presented a graph which showed the number of new jobs and new companies attracted to Rochester Hills. He noted that tracking began in 2004, and showed that the numbers for job creation and companies relocating to Rochester Hills flattened in 2008 and 2009. He pointed out that 2010 was a tremendous year for both job creation and the attraction of new companies, due in part to the Michigan Economic Growth Authority (MEGA) Tax Program, which required the City's participation. He stated that the changing tax structure at the State level, and the question whether Personal Property Tax will be eliminated, caused job growth and development to quiet down in 2011. He commented that companies are waiting to see what will happen before investing in new equipment. He noted that the city has an eight percent industrial vacancy rate and available building sizes are predominantly in the 30,000 to 40,000 square foot range. He commented that there has been a tremendous amount of hiring within the city's existing companies with expansion of their current locations.

He presented a slide which noted unemployment in Rochester Hills, currently at 4-1/2 percent, in comparison to Oakland County, the area served by the Southeast Michigan Council of Government, and the United States overall. He pointed out that while Rochester Hills' unemployment rate hit its peak in 2009, it was quicker to lower the percentage than the region, the state and the county.

He explained that the City has incorporated the COSTAR database, providing information on available commercial listings of property to companies considering Rochester Hills. He noted that the Mayor's Business Council has been beneficial to companies, and has included RHISE (Rochester Hills Innovative and Senior Executive) programs for participants such as hiring specific talent to meet needs.

Ms. Valentik continued, presenting the Planning strategy for the future, and incorporating the following:

Economic Development Strategy 2.0:

- Changed environment for business attraction*
- New Michigan tax structure*
- Asset-based economic development*
- Automotive sales growing*
- Partners and municipalities getting competitive*

She noted that change is coming from Lansing; such as a change in the corporate tax structure, elimination of Personal Property Tax, and a significant change in and reduction of incentives offered to retain or attract new companies. She commented that the State is taking an asset-based approach, promoting the talent available and quality of life to major sectors and companies located within those sectors. She commented that the city is also seeing the automotive sector coming back and thriving. Tier I and Tier II suppliers are having a hard time keeping up, and have been moving toward expanding their footprint and employee count. The City's neighbors and partners in economic development realize that Michigan is positioned for additional investment and growth and are becoming very aggressive in their attraction efforts. The City has moved to also look at an asset-based approach to development.

- International Business attraction

- * 30% of businesses moving to town in last 5 years foreign owned*
- * Over 28 foreign companies representing 10 countries*

Ms. Valentik noted that the City has been impressed to see the amount of foreign businesses moving into the city with no direct investment on the City's part to attract them. She commented that the Administration is looking at any resources and targeted marketing efforts that could increase this figure and bring in additional international business. She noted that seven companies have relocated to Rochester Hills in the last few years, including several from Germany.

- Cluster mapping

She stated that the Administration is looking at major companies currently in Rochester Hills and neighboring communities expanding efforts to attract partners within their supply chain to the area. She noted that three companies so far have come to Rochester Hills to locate closer to FANUC Robotics. Efforts to view suppliers and partners to Chrysler and Fiat are ongoing.

- Oakland County Medical Main Street

Ms. Valentik noted that efforts to promote the Medical Main Street concept tie into Oakland County's efforts to focus on health and human services, where it is projected that the largest sectors for job growth will be. Medical Main Street is a program to try and brand Oakland County as an area for job growth and investment. She stated that Rochester Hills has two strong assets in Crittenton Hospital and the William Beaumont School of Medicine. The Administration plans to focus on these areas in the next year.

Mr. Anzek continued, presenting a graph of Planning's General Fund cost. He noted that the Local Development Finance Authority (LDFA) contributes a portion of Ms. Valentik's salary. He pointed out that 2011 was a low point for expenditures, as the department went almost half the year without two staff members. He noted that budgeting is flat with FY 2012, as the Administration sees no reason to add staff at this time. He commented that the changing Economic Development strategy will also help moving forward and highlighted the Department's changes for FY 2013.

Changes for 2013:

- Increased activity requires additional Planning Commission meetings
- SmartZone property values re-approaching base year
- LDFA
 - * M-59 Corridor Plan
 - * Research Drive/concrete slab repair
 - * Economic Development activities

He commented that if Personal Property Tax is eliminated by the State, there will be no funding to participate in the Oakland University INCubator.

Mr. Anzek noted that the LDFA identified \$23 million in capital projects to improve that area, including enhancement projects to promote the inclusion of sidewalks in the city's industrial parks. He commented that many workers walk in the streets at lunchtime in the city's industrial parks and efforts are moving forward toward a Complete Streets concept and public/private partnerships to attract business and begin to build a walkable community in the business parks.

He stated that in previous three-year budgets, \$900,000 was included to reconstruct Research Drive. He explained, however, that working with the City Engineer and Traffic Engineer, it was determined that the Drive has several more years of usable life. Instead of full reconstruction, the City will undertake concrete slab repair and new techniques for crack-sealing the concrete to prolong life. Instead of the standard \$200,000 for that repair process, \$300,000 is proposed.

He pointed out that proposed Economic Development activities will include some travel, possibly to meetings and trade shows, and stated that the City will be partnering with the Michigan Economic Development Corporation and Oakland County to attract companies to Rochester Hills. He commented that Oakland County offers itself as the place a business wants to be, and the City wants to make itself available to businesses. He pointed out that the LDFA has unanimously approved including monies toward travel expenses and targeted seminars in its budget.

He thanked Council for its support.

Council Discussion:

President Hooper questioned whether the OU INCubator will be able to continue to exist without the City's funding contribution.

Mr. Anzek responded that the City has been assured that it will continue. He noted that there are several tax tribunal appeals to be settled that will provide a minimal, but significant amount for this year and next year.

Mayor Barnett stated that he met with Oakland University President Gary Russi last Friday. He noted that based on the Assessing Team's calculations, the City will be able to contribute \$100,000 in FY 2013 and \$100,000 projected in FY 2014 to the OU INCubator. He commented that unless Personal Property Tax is treated differently, that will probably be the last dollars contributed. He stated that the INCubator is now more focused, and they are committed to see that project continue to be successful.

President Hooper questioned how the City's contribution to the INCubator is reflected in the proposed Budget.

Mr. Anzek responded that funding will be brought forward as a budget amendment; right now the contribution is shown at zero.

President Hooper questioned what the status is of the Brownfield credits program.

Mr. Anzek noted that the current incentive program includes \$50 million toward business attraction, \$25 million designated for Brownfield Redevelopment and \$25 million for historic preservation. He noted that these are not tax credits; projects are capped at \$10 million for loans and \$1 million for grants. He commented that a project must meet a substantial amount of criteria to qualify. He explained that the City intentionally left the Madison Park Brownfield tax capture intact, and stated that they have the option to seek credits under the old corporate tax structure or abandon it and move forward. He pointed out that it keeps the 313 Work Study Plan alive at the State and a minimal dollar amount is collected each year. The developers would be entitled to the revenue if they perform a qualifying activity.

Mr. Klomp commented that if he had to choose, he would take job growth over seeing companies come in. He stated that it makes perfect sense that companies that have planted their seeds are now hiring. He questioned how the Administration is obtaining the data on job creation.

Ms. Valentik responded that part of the job numbers are coming from the new companies relocating to the City. Companies are asked for their anticipated job numbers. She also noted that she made 160 retention visits to companies last year, and during these visits, she always asks what their employee counts and hiring practices are.

Mr. Klomp stated that when companies invest in the city, the city becomes more attractive. He commented that it is terrific to see positive things happening and mentioned that he appreciates the pragmatic approach to finding companies, including a proactive push to think about the companies that are suppliers to those already in the area. He stated that he has the opportunity to attend trade shows in his profession, and he sees cutting-edge cities introducing themselves.

Mr. Anzek stated that while it is good to have businesses come in to the city and occupy buildings, it is the jobs that bring workers in to purchase homes, enroll their children in schools and spend money in the stores. He mentioned that it is interesting how the City has evolved from a tax-base driven entity to one that is jobs respectful. He pointed out that the Assessing Department noted that foreclosure numbers in the city are down.

Discussed.

2012-0311 Discussion - Component Units (800's) - 2013 Budget

Attachments: [082712 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl Planning Dept Presentation.pdf](#)

- Historic Districts Commission (804)
- Brownfield Redevelopment (843)
- Local Development Finance Authority (848)
- SmartZone (851)
- Economic Development Corporation

(See Legislative File 2012-0304.)

Discussed.

2012-0305 Discussion - Special Revenue Funds (200's) - 2013 Budget

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DEPARTMENT OF PUBLIC SERVICES

- Major Road Fund (202)
- Local Street Fund (203)
- Pathway Maintenance Fund (214)
- Pathway Construction Fund (403)
- Water Resources Fund (244)
- Sewer - Operating Division (510)
- Water - Operating Division (530)
- Water & Sewer - Capital Fund (593)

Allan Schneck, Director of DPS/Engineering, **Paul Davis**, Deputy Director of DPS/City Engineer, and **Bruce Halliday**, Fleet Manager, were in attendance to present the proposed budget for the Department of Public Services. Mr. Schneck noted that Tracey Balint, Project Engineer and the City's Public Utilities Engineer, Roger Moore, Professional Surveyor and Water Resource Manager, and Kim Murphey, Administrative Coordinator/DPS were also in attendance. He noted that the Department was proud to submit the FY 2013-2015 Budget, and stated that it is designed to maintain central service levels for the effective management of the City's infrastructure.

Mr. Schneck gave the following presentation:

DEPARTMENT OF PUBLIC SERVICES

Public Services Functions:

- Water and Sewer
- Fleet
- Water Resources
- Administration
- Roads and Pathways

He stated that these five business units work seamlessly to ensure that the City's infrastructure is reliable, promote communication, sound and informed decisions and provide recommendations for capital improvement.

Mr. Davis continued:

Public Services Functions:

Organization of Public Services Staff is divided into five primary work groups. Responsibilities are shared during peak times.

- Water & Sewer
 - * 320 miles of sewer
 - * 7,800 sanitary sewer manholes
 - * 420 miles of water main

Mr. Davis stated that Water and Sewer work group comprises the wealth of the City's infrastructure, with tens of millions of dollars in assets. He noted that the water and sewer system was originally constructed when the city's homes were first constructed.

- * 4,500 isolation valves

He stated that isolation valves allow workers to block off sections of the water main to minimize impact while repairs are being made to water mains.

- * 33,000 water meters

He pointed out that the City has 22,000 accounts, and approximately half of these accounts have area maintenance meters.

- Roads and Pathways
 - * 38 miles of Major Roads
 - * 218 miles of Local Roads
 - 24 miles are gravel
 - * Over 6,000 Traffic Signals
 - * 87 miles of Pathways

Mr. Davis explained that the City's 38 miles of Major Roads include nine miles of major mile roads including Hamlin and John R, half-mile point roads such as Old Perch and Brewster, and collector subdivision roads. Industrial business streets are included as well, including Waterview and Austin Drive. He pointed out that through Act 51 reporting, the State of Michigan recognizes 218 miles of Local Roads; however, the City actually has 237 actual travel miles, taking into account divided subdivision entrances, boulevards, and cul-de-sacs.

- Water Resources (Drains)
 - * Administration of the City's drainage and floodplain regulations
 - * Compliance with:
 - National Pollutant Discharge Elimination System (NPDES)
 - Municipal Separated Storm Sewer System (MS4) regulations

He explained that the Water Resources Fund is similar to roads within the City as there are different jurisdictions. The City owns some of these drains, as do

homeowner's associations, and the Oakland County Water Resources Commission owns Chapter 20 drains. He stated that the City does have some responsibilities for maintenance of these drains; and mentioned that the recently-completed Avon Creek Restoration Project in front of City Hall was budgeted through this Fund.

Mr. Halliday continued the presentation, highlighting Fleet Services:

- Fleet Services - Assets Managed:
 - * 33 Pieces of Fire Apparatus
 - * 78 Cars, Pickup Trucks and Vans
 - * 19 Dump Trucks
 - * 13 Pieces of Heavy Equipment
 - * 19 Specialty Vehicles
 - * 18 Trailers
 - * 200 Pieces of Power Equipment

He noted that vehicles keep the City moving, and the goal of Fleet Services is to provide safe, dependable vehicles to meet the needs of City personnel. He mentioned that the Department continues to provide fleet repair services for various entities, including the City of Rochester and the Older Persons Commission.

Mr. Schneck continued, highlighting the DPS Administration:

- Administration
 - * The support personnel that allow the other Divisions to operate at their peak capacity by:
 - Provide for the overall coordination of DPS activities
 - Field customer inquiries
 - Process permits for water/sewer and right-of-way
 - Process invoices

Challenges:

- Aging infrastructure

He noted that a large portion of the City's 237 miles of residential streets are nearing the end of their design life.

- Providing the same high level of service to a larger infrastructure

He pointed out that DPS staff has been reduced by 12 percent over previous levels.

- Greatly increased regulatory requirements

He commented that the Department must comply with the mandates of the Environmental Protection Agency and the Michigan Department of Environmental Quality regarding stormwater discharge.

- Competition for limited General Fund revenues

He noted that there will be a greater need for General Fund support if dedicated resources are not identified.

Innovative by Nature - Budget Highlights:

- An organizational transition plan to remove one (1) DPS Supervisor position and add two (2) Laborer I positions at no additional net cost to the City
- Broad banding of job descriptions
- Explore alternative pavement repair options for Major Road and Local Street maintenance
- Stabilization of the Major Road fund by implementing a four-year phase out plan of Major Road funding to Local Road funding for operations
- Supervisory Control and Data Acquisition (SCADA)

He noted that the SCADA system is relied on to gain insight into the Water and Sewer infrastructure. He explained that the current technology is approaching the end of its useful life and updates are proposed for the coming year.

- Continued utilization of the Asset Management Program
 - * Inventory, condition assessment, maintenance costs, replacement schedules, budgeting, and performance indicators
- Maintain and explore additional collaborative partnering relationships and in-sourcing opportunities
- Continue to pursue Federal, State, County and/or Private funding opportunities for capital and maintenance projects

He thanked Council for their support of the Asset Management Program, noting that it is a great benefit in effectively managing DPS assets.

Leveraging City Road Dollars:

Mr. Schneck noted that for Major Road construction projects from 2006 to 2012, \$16 million in City contributions were leveraged to receive over \$143 million in improvements to the City's Major Road Network through Federal, State, Tri-Party and LDFA funds.

Mr. Davis noted the following Projects for 2013:

MAJOR ROADS 2013 PROJECT PLAN

Construction Projects for 2013:

- MR-02G - Hamlin Boulevard Irrigation (Crooks to Livernois)
- MR-03A - Major Road Concrete Slab Replacement Program
- MR-03B - LDFA Road Rehabilitation
- MR-12 - Major Road System: Traffic Calming Program (Up to 16 locations at a 50/50 match)
- MR-40A - Tienken Road Improvements (Livernois to Sheldon)
- MR-49D - Avon Road Rehabilitation (Crooks to Livernois)

- MR-49E - Avon Road Rehabilitation (Adams to Crooks)
- MR-53 - Falcon Drive Rehabilitation
- MR-54 - Firewood Drive Rehabilitation

Mr. Davis noted that the City has been told that construction on the Tienken Road Project will commence in late 2013, with the bulk of the project slated for 2014. He mentioned that Falcon and Firewood Drive will be similar to the Rain Tree Project undertaken last year, and will include Pathway portions. He listed the project slated for Preliminary Engineering and Right-of-Way Acquisition

Preliminary Engineering Projects for FY 2013:

- MR-02B - Hamlin Road Reconstruction (Livernois to Rochester)

ROW Acquisition Projects for FY 2013:

- MR-13A - Dequindre Road Reconstruction (Auburn to South)

He noted that the Hamlin Road project will include improvements at the intersection of Hamlin and Rochester Roads, with improvement from two to three lanes in that section. An Environmental Assessment is underway for Dequindre Road with right-of-way acquisition in 2013.

Local Streets 2013 Project Plan:

- \$3,000,000 proposed for Local Street Reconstruction in FY 2013
 - * LS-01 - Local Street Asphalt Rehabilitation Program
 - * LS-03 - Local Street Concrete Slab Replacement Program
 - * LS-12 - Bloomer Road Paving

He noted that the amount proposed for Local Street Construction is double that for FY 2012. He stated that the exact locations have not been determined; after the passage of the Budget, staff will determine the locations and set up the programs for concrete slab and asphalt rehabilitation. He explained that the City of Rochester is currently working on a paving project for their portion of Bloomer Road/South Street. The two municipalities will work together to pave 700-foot stretch between the end of their project and the City's boundary just west of John R and efforts are underway to seek a funding source.

Pathway 2013 Project Plan:

- PW-01 - Pathway Rehabilitation Program
- PW-08B - Tienken Pathway (Livernois to Sheldon)
- PW-19 - Firewood Pathway (Walton to Teakwood)
- PW-49D - Avon Pathway (Old Perch to Stag Ridge)
- PW-49E - Avon Pathway Gaps (Castlebar to Wilwood)

Mr. Davis noted that the Administration will fill in gaps and replace poor pathways in conjunction with road projects to gain economies of scale on Tienken, Firewood and the two Avon Road pathways.

Water and Sewer 2013 Project Plan:

- SS-01B - SCADA System Upgrade
- SS-02B - Sanitary Sewer Rehabilitation Program
- No CIP Number - Urgent Water and Sewer Repairs

He noted that it is an ongoing project to identify and repair defects in the sewer system. He noted that it has been found useful to have funds allocated to allow a quick reaction to problems found beyond the capability of City crews to respond to, such as deep sanitary sewer repairs.

Mr. Davis displayed a map showing the areas for upcoming projects.

Mr. Halliday presented the proposed fleet acquisitions:

Fleet Services 2013 Project Plan:

- Vehicles/Equipment needed to be replaced
 - * 3 Pickup Trucks with Snow Plows
 - * 2 Pickup Trucks
 - * 1 Cargo Van
 - * 4 Tandem-Axle Dump Trucks
 - * 1 Single-Axle Dump Truck
 - * 1 Radar Smart Cart (OCSO)
 - * 1 Pressure Washer
 - * 2 Wheel Load Scales (OCSO)

Mr. Schneck listed the Department's recent achievements:

DPS Achievements:

- Recent Grants Awarded:
 - * Transportation Enhancement grant from the Michigan Department of Transportation (MDOT)
 - * MillerCoors (Water Resources) grant
 - * Risk Avoidance Program (RAP) grant from the Michigan Municipal Risk Management Authority (MMRMA)
- Entered into a DPS shared services agreement with:
 - * City of Rochester
 - * City of Auburn Hills
 - * Oakland County Water Resource Commission
- Expanded our Fleet shared service agreements:
 - * Oakland County Water Resource Commission
 - * Rochester Hills Public Library

A video was displayed showing a day in the life of a DPS worker. Mr. Schneck recognized the DPS and Engineering team for their commitment to the City, noting that those in attendance tonight represent 180 collective years of experience.

Council Discussion:

Mr. Kochenderfer stated that a chief complaint he hears from residents of gravel roads is the amount of dust generated. He questioned how many chloride applications are done each year throughout the city and what the cost is for each application.

Mr. Schneck responded that four applications per year are budgeted for roads under the City's jurisdiction. He noted that the actual number of applications is dependent on weather and traffic volume. Applications are scheduled for every four to six weeks and the roads are prepared prior to the chloride application. He stated that the cost for each application to the City's local roads is approximately \$30,000. He mentioned that the Road Commission for Oakland County (RCOC) schedules four applications as well.

Mr. Kochenderfer questioned what the City would be required to pay to have additional applications on County-maintained roads.

Mr. Davis responded that he would have to check with the RCOC. He explained that the City has annual maintenance agreements in place for Winkler Mill, Washington and Livernois Roads. He noted that Dutton is also maintained by a private vendor contract through Oakland Township, with the County preparing and grading the road and the contractor applying the chloride.

President Hooper questioned why there was a proposed decrease to that line item.

Mayor Barnett noted that contractual services include a sidewalk repair item that is an every-other-year expense. He stated that the amount specifically allocated for chloride application is unchanged.

Mr. Webber questioned why the Avon Road project work was not done this year while the bridge projects were underway, and if drivers will still be able to pass through the area.

Mr. Davis stated that the bridge projects were funded from the State's Local Bridge Program and the Avon Road projects will be funded by the Oakland County Federal Aid Task Force Committee. He commented that the City tries to coordinate projects; however, that was not possible in this instance.

Mayor Barnett pointed out that the bridge project and road reconstruction were actually scheduled for the same year; however, the bridge project was moved forward.

Mr. Schneck responded that drivers should still have access to the road during the project.

Mr. Webber stated that he believes that the City is moving in the right direction to identify monies for Local Road reconstruction with the dedicated millage passed in 2010 and the ballot proposal for November. He noted that the Police and Road Funding Technical Review Committee (PRTRC) has had discussions regarding putting money aside for a possible Special Assessment District (SAD) for paving. He commented that he sees funding challenges for FY 2015 and beyond.

Mr. Klomp noted that Woodlane Drive is in poor condition and questioned how roads are prioritized for reconstruction.

Mr. Davis stated that the City uses various tools to review the condition of a road. A Pavement Quality Index is used to determine if a road is considered in good, fair or poor condition. He commented that the program takes into account various data, including a road cross section, traffic patterns and projections for continued deterioration. He added that City crews are out on the roadways and report poor areas that should be reviewed; and construction inspectors review areas and rank them based on visual judgment. He explained that the City focuses on repairs in places that will benefit the most road users, such as subdivision entrances. Next, intersections within subdivisions are targeted; and lastly, areas of the roadways that have few users. He mentioned that cul-de-sacs are the most frustrating, as many are in poor condition; however, they serve the fewest homes. He stated that there is limited funding versus need.

Mayor Barnett noted that a breakdown of Major and Local Roads and their condition assessment is available in the CIP and online.

Mr. Tisdell questioned what a current aggregate amount would be for the backlog of local road repairs and reconstruction, and the cost differential between concrete and asphalt.

Mr. Schneck responded that the aggregate dollar amount in the CIP for road reconstruction was estimated in 2008 at approximately \$30 million; and as of today, he would estimate that amount at \$40 million. He noted that the City's road rehabilitation program has been focused two-thirds on concrete and one-third on hot mix asphalt. He pointed out that subdivision roads in the northwest portion of the city are concrete.

Mr. Davis commented that the extensive reconstruction costs are the reason why the City does not want a road to deteriorate to the level that it must be reconstructed. He stated that reconstructing concrete roads is estimated at \$1.5 million per mile; and asphalt roads are estimated at \$1 million per mile. He pointed out that an overlay may be one-fifth of that cost; and stated that efforts to make repairs to extend the life cycle are preferred. He commented that the City is stuck in a "worst first" scenario; however, the preferred method would be to do the right fix at the right time. He stated that if it is determined that an asphalt overlay would extend a road's life and defer reconstruction, that is the way to go.

Mr. Tisdell questioned how much reconstruction work could feasibly be done if unlimited funding became available.

Mr. Schneck noted that the process includes design, administration, analysis of human resources, pavement cross sections and the solicitation process. He commented that the City does not have the capacity in-house to undertake more than \$5 to 7 million in reconstruction work in a year.

Mr. Davis added that while consultants could be utilized as much as possible, there is still a demand on staff.

President Hooper noted that the total task is insurmountable and road reconstruction is a never-ending cycle. He commented that while repurposing the millage will help, the City needs \$4.5 million each year for maintenance alone. He stated that the 2010 Proposal brings in \$1 million and Act 51 Funding brings in \$1.2 million. If the current ballot proposal passes, the amounts raised will chip away at the amount needed for maintenance, and will still not provide funds for reconstruction. He stated that while the City is taking small positive steps to address the problem, it is still a problem that will take more effort than the City can give. He noted that he does support \$3 million for limited worst-case-first reconstruction for Local Roads and questioned whether it is ever possible to get away from a worst-first situation.

Mr. Schneck responded that appropriate fixes at certain times extend service life. He stated that an overlay or microsurfacing can extend service life. He noted that the PRTRC could provide a forum to brainstorm for different methods. He suggested that in certain instances, concrete roads can be given a hot melt asphalt overlay, which can be milled and resurfaced.

President Hooper noted that Mr. Yalamanchi submitted several questions and suggestions, including a consideration for SAD projects for Local Roads. He stated that it has been a number of years since the City had a project to convert gravel roads to asphalt and questioned what the interest might be in the subdivisions and what the City's match was the last time a SAD was established.

Mr. Davis stated that the City receives approximately one request per year. He explained that an SAD is a petition process; and the City looks for a majority of the homeowners wanting to proceed. He stated that the homeowner's contribution was capped at \$4,700 with an intent of a forty-sixty split. He pointed out that considering the true cost, it was more in line with a thirty-seventy split, with the City contributing 70 percent of the true cost.

President Hooper questioned what dollar figure could be included to encourage SADs.

Mr. Davis responded that he could think of a couple of streets, such as Crestline north of Hamlin and Hillview; and stated that a couple hundred thousand dollars might be considered to start.

President Hooper commented that a straw poll question will be included regarding SADs. He stated that \$200,000 would be included as a suggested amount; with a second question if not \$200,000, then what amount should it be. He commented that he supports including \$3 million for road reconstruction and suggested that roads be reviewed yearly to establish those in the poorest condition. He questioned whether the purchase of the tandem axle trucks will complete the renewal of the City's inventory of dump trucks.

Mr. Halliday responded that the City has changed the life cycle for its dump trucks. They were previously on an eight to ten year replacement schedule; and now their life cycle has been extended to 12 or even 15 years. He commented that vehicle replacement is an ongoing process.

Mayor Barnett stated that Council should also review its SAD Policy and suggested that the PRTRC could review some options.

He recapped the budget process, noting that the Budget preparation is undertaken to meet the needs of the residents. He stated that there is a refined focus on the City's foundation and infrastructure; and pointed out that the budget appropriately prioritizes 67 percent of its Capital Budget on Major and Local Roads. He stated that \$9 million is invested from funds on hand or revenues, with no debt financing. He commented that the approach of the planning process is one built on strategy, to meet the City's Vision and Mission Statements.

President Hooper asked for any final comments or concerns, and noted additional items that will be included in the straw poll:

- He requested a straw poll question be added for the addition of one detective position to the Police Budget. He proposed that this position will be funded from the reduction of excess funds contributed from the General Fund to Fund Balance.
- He suggested a question be added whether to include an additional \$250,000 for Local Roads Reconstruction, also coming from the General Fund Fund Balance contribution.
- He noted that the request to include message boards and the flyover for deer management will be included.

Seeing no additional comments from Council, he announced that a Public Hearing would be held for the Budget at the September 10th Regular Meeting.

Discussed.

2012-0307 Discussion - Capital Funds (400's) - 2013 Budget

Attachments: [082012 Budget Presentation Schedule.pdf](#)
[082712 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl Fire Department Presentation.pdf](#)

(See Legislative File 2012-0305 for Pathway Construction Fund.)

Discussed.

2012-0305 Discussion - Special Revenue Funds (200's) - 2013 Budget

Attachments: [082012 Budget Presentation Schedule.pdf](#)
[082712 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl Fire Department Presentation.pdf](#)
[Suppl Parks Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

(See Legislative File 2012-0305 for Water Resources Fund.)

Discussed.

2012-0308 Discussion - Water and Sewer Funds (500's) - 2013 Budget

Attachments: 082712 Budget Presentation Schedule (Revised).pdf
Suppl DPS Presentation.pdf

(See Legislative File 2012-0305 for Sewer - Operating Division; Water - Operating Division; Water & Sewer - Capital Fund.)

Discussed.

2012-0309 Discussion - Internal Service Funds (600's) - 2013 Budget

Attachments: 082012 Budget Presentation Schedule.pdf
082712 Budget Presentation Schedule (Revised).pdf
Suppl MIS Dept Presentation.pdf
Suppl DPS Presentation.pdf

(See Legislative File 2012-0305 for Fleet Fund.)

Discussed.

NEXT MEETING DATE

Regular Meeting - Monday, September 10, 2012 - 7:00 p.m.

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 7:43 p.m.

GREG HOOPER, President
Rochester Hills City Council

JANE LESLIE, Clerk
City of Rochester Hills

MARY JO WHITBEY
Administrative Secretary
City Clerk's Office

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