



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 Tisdel,
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, May 7, 2012

7:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

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

ROLL CALL

Present 7 - Greg Hooper, Nathan Klomp, Adam Kochenderfer, James Rosen, Mark Tisdel, Michael Webber and Ravi Yalamanchi

Others Present:

*Bryan Barnett, Mayor
Tara Beatty, Chief Assistant
Jim Breuckman, Manager of Planning
Alan Buckenmeyer, Parks Operations Manager
Ron Crowell, Fire Chief/Emergency Management Director
Amith Diwakar, Rochester Hills Government Youth Council Representative
Michele Dunham, Museum Staff Assistant
Patrick Endres, Museum Staff Assistant
Todd Gary, Captain/Fire Marshall
Pamela Gordon, Director of Human Resources
Captain Michael Johnson, Oakland County Sheriff's Office
Diane Keller, Accountant
Pam Lee, City Accountant
Jane Leslie, City Clerk
Laisa Magucha, Rochester Hills Government Youth Council Representative
Pat McKay, Supervisor of Interpretive Services
Melanie Nikel, Election Specialist
Keith Sawdon, Director of Finance
Allan Schneck, Director of DPS/Engineering
John Staran, City Attorney*

PLEDGE OF ALLEGIANCE

*Mr. Tisdel introduced **Melanie Nikel** of the Clerk's Office, and noted that Ms. Nikel coordinated Rochester Hills Government Youth Council-led voter registration drives at Rochester, Rochester Adams, and Stoney Creek High Schools, registering over 250 students.*

***Ms. Nikel** led the 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 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

PUBLIC COMMENT

Angela River, Oakland County Commissioner, District 11, reported that State legislation enacted in 2010 allows millage proposals to be presented to three counties for entities such as the Detroit Institute of Arts and the Detroit Zoo. The Oakland County Board of Commissioners has been approached by the Detroit Institute of Arts (DIA) regarding a millage proposal; and on May 17th, will consider whether to include this proposal on the August ballot. She asked constituents to send her an email stating their opinion on whether to include the DIA's proposal on the August Primary ballot at angelariver11@gmail.com.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

Laisa Magucha, Rochester Hills Government Youth Council (RHGHC) representative, announced that the RHGHC is busy preparing for its upcoming 5K Run/Walk on June 16, 2012, to benefit the Boys and Girls Club of Troy. She encouraged anyone interested in participating to register for the race.

Mayor Barnett complimented the RHGHC for the great job they are doing in race preparations. He made the following announcements:

- May is Building Safety Month. The Building Department has information on display emphasizing building safety in the community available at City Hall this week. The display will move to the Older Persons' Center next week.
- The City's Relay for Life team is hard at work continuing their run as a top money-raising team. The Bark for Life will be held on Saturday, May 12th at Bloomer Park, and features one-mile and three-mile walks for participants and their pets. Registration costs are \$15 for the first dog, and \$10 for each additional dog, with all proceeds going to Relay for Life.
- The Green Space Advisory Board will host a Discovery Hike on Saturday, May 19th. Participants can stroll on the Clinton River Trail either beginning at the River Crest on Avon Road or in downtown Rochester and view a couple of the City's Green Space acquisitions.
- Four major road projects are ongoing in the City:
 - * Contractors have progressed through the abutment phase of the Avon Road Bridge project. The City is anticipating a mid-June completion date.
 - * Bids will go out for the Livernois Road Bridge project for a June 1 letting, with

construction commencement targeted for mid-July. The project was originally scheduled for 2014, but has been moved up to this year. While this will create some construction challenges, it will be great for the City to have these two bridge projects finally completed.

* Full closure of Main Street in Downtown Rochester is set for Tuesday, May 15th. Traffic will be rerouted for approximately 65 days during this phase of the project.

* The Crooks Road Rehabilitation Project, encompassing the roadway from Star Batt to Hamlin Road will begin in mid-July.

ATTORNEY MATTERS

City Attorney John Staran had nothing to report.

PRESENTATIONS

2012-0154 Presentation of 2012 Earl Borden Award

Attachments: [Agenda Summary.pdf](#)

Brian Dunphy, Chairperson, Historic Districts Commission (HDC), stated that the Earl E. Borden Historic Preservation Award was created in 1989 and honors the late Mayor. As Rochester Hills' first Mayor, Earl Borden was instrumental in acquiring the Van Hoosen Farmhouse and converting it to a historical museum, and was a proponent of protecting the City's local historic heritage.

He explained that the HDC may present both a Historic Preservation Award, recognizing buildings and structures, and a Preservation Leadership Award, recognizing an individual or group's work toward historic preservation. He noted that these awards are tangible signs of the City's commitment to historic preservation and reaffirms the role that history plays in life.

Historic Preservation Award - Stoney Creek Schoolhouse

Mr. Dunphy expressed his appreciation to Council and to the Administration for their recognition and support of historic preservation, noting that the 1848 Stoney Creek Schoolhouse is the newest addition to the Museum complex and was a gift from the Rochester Community Schools in 2010. He mentioned that since that time, the Museum has raised funds and performed upgrades to the building. He announced that the Stoney Creek Schoolhouse is the recipient of the 2012 Historic Preservation Award.

Pat McKay, Supervisor of Interpretive Services, accepted the award. He noted the contributions of Michele Dunham, Museum Staff Assistant, and Patrick Endres, Museum Staff Assistant; and recognized the Rochester Community Schools Administration for their collaboration efforts. He mentioned that donations have helped to fund needed work at the Museum, and noted that \$100,000 has been raised to date for building upgrades, and \$100,000 has been placed into an endowment fund for future work. He commented that starting in September over 120 additional tours will be scheduled and credited Ms. Dunham's efforts and leadership.

Preservation Leadership Award - Deborah J. Remer

Mr. Dunphy announced that Deborah Remer, a long-time Museum Volunteer and supporter, participated in and provided leadership for an ongoing archaeology dig for the Taylor Log Cabin and Museum Farmhouse. Ms. Remer and several contributors reviewed and catalogued over 150,000 artifacts, and a book heralding the Stoney Creek Farm, Into the Fertile Valley of Stoney Creek, was released last September. He presented the Preservation Leadership Award to Ms. Remer.

Deborah Remer expressed her appreciation for the award, noting that it has been great fun to work on the archaeology project. She commented that one of the artifacts found was a Presidential campaign button for Zachary Taylor from 1848.

Mr. McKay noted that the archaeology project was undertaken over a 20-year period with a five-year process to record the findings; and he noted that volunteers have worked almost every Saturday since 1988. He mentioned that the book is available at the Museum and in the City's resource room.

Mr. Dunphy announced that a reception is scheduled for Wednesday, May 16th at 7:00 p.m. at the Museum to honor the recipients. The reception is open to the public.

He acknowledged City staff members Sandi DiSipio, Planning Assistant, and James Breuckman, Manager of Planning, for their support of HDC activities.

Presented.

2012-0157 Request for Acceptance of Fiscal Year 2011 Comprehensive Annual Financial Report (CAFR) presented by the audit firm of Plante & Moran, PLLC

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

Joe Heffernan, Partner, Plante & Moran, PLLC (PM), stated that his firm performed a review on the City's interim controls surrounding the financial reporting process in order to determine whether the City's financial statements are accurately and fairly stated. He commented that the City is at the top of over 125 communities that Plante & Moran audits each year. He stated that Rochester Hills has been looking ahead in its three-year budget process; and noted that this has allowed the City to see what was going to happen and react to it while it was happening. He commented that the City's financial picture didn't deteriorate during this hard economic time and instead has sustained and become stronger. He cautioned that while the City will see another smaller reduction in property taxes, it is still very well-positioned.

Lisa Manetta, Senior Manager, PM, gave the following presentation to Council of PM's audit:

Audit Presentation to the City Council for the Year Ended December 31, 2011***All Governmental Funds - Fund Balances, December 31***

	2007	2008	2009	2010	2011	2012 (Budget)
Restricted	\$49,470,439	\$45,970,926	\$45,404,810	\$47,181,091	\$47,441,091	\$46,641,511
Nonspendable	\$60,151	\$107,532	\$108,824	\$130,100	\$100,938	\$100,938
Committed	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Assigned	\$3,602,963	\$3,947,103	\$3,810,494	\$3,922,640	\$4,048,008	\$4,095,288
Unassigned	\$12,885,787	\$14,429,937	\$14,153,056	\$18,175,688	\$23,793,530	\$24,384,530

She noted that at the end of 2011, the City had \$76.4 million in Fund Balance, including all governmental funds with the exception of Water and Sewer and Internal Service funds. She pointed out that while the five-year trend indicated slight decreases from 2007 to 2009, fund balance actually increased in 2010 and 2011 and will remain relatively steady in 2012.

Ms. Manetta stated that approximately two-thirds of fund balance is termed as being restricted, with these amounts designated only for specific purposes. She explained that restricted fund balance includes dedicated tax millages. She pointed out that unassigned fund balance at the end of 2011 is approximately \$24 million. She noted that this signifies that the City is in a good financial position for the future.

Governmental Revenues, Expenditures and Fund Balance - Years Ended December 31 (in thousands)

	2009	2010	2011	2012 (Budget)
Total Revenues	\$54,952	\$53,499	\$50,458	\$45,647
Total Expenses	\$55,603	\$47,334	\$44,595	\$45,767
Total Fund Balance	\$64,477	\$70,410	\$76,384	\$76,222

Ms. Manetta noted that revenues declined from 2009 to 2011; however, as a result of the three-year budgeting process and forecasting, the City reduced expenditures accordingly. She commented that very few communities have been able to do this.

Governmental Revenues - Years Ended December 31 (in thousands)

	Property Tax	State Sources	Charges for Services	Licenses and Fines	Other	Interest
2009	\$32,898	\$8,700	\$7,306	\$2,064	\$3,029	\$955
2010	\$31,668	\$8,466	\$7,558	\$2,718	\$2,296	\$793
2011	\$28,181	\$9,217	\$7,382	\$2,894	\$2,407	\$375
2012 (Budget)	\$26,222	\$8,308	\$7,616	\$2,309	\$619	\$574

She displayed a graph noting a three-year history of governmental revenues over different categories. She commented that property tax is the City's largest source of revenue; and cumulatively, property tax has declined approximately 21 percent, with an anticipated decline for the 2012 budget of seven percent. She mentioned that many communities have experienced even larger declines of as much as 30 to 35 percent. She noted that 2013 projections show property tax declining only slightly with an estimate of a drop of one percent.

She highlighted State Sources of revenue, noting that State Shared Revenue increased in 2011. She explained that based on the City's 2010 Census numbers, the constitutional portion of State Shared Revenue attributed to sales tax collection increased. She commented that the statutory portion was already reduced to zero previously; that portion of revenue was not impacted by further cuts by the State.

Mr. Heffernan stated that the 2012 budgeted numbers for State revenue sources show a small decrease; however, he noted that the State made their adjustments on the Census counts increasing revenues too late to get into 2012 Budgets. He commented that the City's budget will hopefully be able to be amended to reflect additional revenues.

Governmental Expenditures - Years Ended December 31 (in thousands)

	General Government	Public Service	Public Safety	Community & Economic Development	Parks & Museum	Capital Outlay	Debt Service
2009	\$7,327	\$7,187	\$18,306	\$1,061	\$4,802	\$8,880	\$6,579
2010	\$7,076	\$7,162	\$18,038	\$887	\$4,606	\$3,262	\$6,303
2011	\$6,740	\$6,727	\$17,364	\$751	\$4,219	\$4,308	\$4,485
2012 (Budget)	\$7,129	\$8,088	\$18,250	\$878	\$4,255	\$3,387	\$3,780

Ms. Manetta highlighted Governmental Expenditures, noting that the overall trend is a decrease in all categories with the exception of Capital Outlay. She pointed out that there has been a decrease in Debt Service, as Principal and Interest has declined over recent years as a result of the bond refunding the City has undertaken and the bonds that have been fully paid off.

Water and Sewer Fund Activity - Years Ended December 31 (in thousands)

	2009	2010	2011	2012 (Budget)
Total Operating Revenue	\$25,904	\$29,011	\$30,056	\$31,074
Total Operating Expenses	\$26,731	\$26,953	\$27,137	\$28,978
Unrestricted Net Assets	\$18,894	\$24,608	\$31,343	\$31,455

Ms. Manetta noted that in 2009, Water and Sewer Operating Expenses exceeded Revenues slightly; however, in 2010, 2011 and budgeted for 2012, Operating Revenues exceed Expenses. She pointed out that unrestricted net assets in the fund are just over \$31 million, and stated that this signifies a healthy financial condition for this fund.

***Mr. Heffernan** commented that the City's financial position is in excellent shape. He mentioned supplemental information provided to Council which describes the auditing process and findings in detail. He stated that there were no transactions where there was a lack of authoritative guidance, and the City has been relatively conservative in preparing any financial estimates. No difficulties were found requiring corrective statements, and the only larger corrections found related to the Older Persons' Commission (OPC) portion of the audit. He noted that the City has undergone budgetary stress; however, it has dealt with it appropriately by undertaking a three-year budget, delaying and reducing capital improvements, and reducing staff levels.*

He suggested the City continue to move toward sharing services in response to the State's Economic Vitality program and should stay vigilant to the actions of the Legislature. He mentioned that the State most likely will eliminate Personal Property Tax, phasing its collection out over an eight to ten year period, and noted that its elimination will represent approximately \$1.8 million less in collections over a period of time. He commented that while the State has made assurances that it will replace these lost revenues, there has been no announcement of how these revenues will be replaced. He mentioned that the loss of Personal Property Tax may devastate some communities where Personal Property Tax makes up a significant portion of revenue. He pointed out that additional legislation will affect binding arbitration and strengthen the power of emergency managers.

He mentioned that communities receiving more than \$500,000 in Federal grants and awards must complete an audit of whether the City has spent these grant monies in accordance with compliance requirements. A review of the City's grant funds found that they were in compliance.

He commented that one material weakness was found in OPC reporting as revenues received in a prior year and not expended until the following year should have been held off and counted as a revenue or an expense in January or February when the corresponding activity or event takes place. He also noted that while a donation of busses does not constitute a cash transaction, it needs to be recorded as a part of the Federal grant reporting process.

Council Discussion:

***Mr. Yalamanchi** expressed his congratulations to the Administration for receiving a positive report and questioned how the elimination of Personal Property Tax will affect current exemptions.*

***Mr. Heffernan** responded that a final answer has not been determined; however, he expected that the exemptions will either be cancelled or no new property will be added after the elimination takes effect.*

Mayor Barnett noted that current plans are for an eight-year phase-out period starting in 2016.

Mr. Heffernan added that personal property acquired before December 31, 2015 would still be reported; however, as time passes, its value will decrease.

Mr. Yalamanchi questioned whether all accrued vacation and sick time should be recognized as a liability at the end of the year.

Mr. Heffernan responded that the expenditures are presented on two different bases in the financial statement. He explained that vacation and sick time is recognized when paid; and in the cumulative statement, it is recognized when vested.

Mr. Yalamanchi questioned revenues for building permits.

Mr. Heffernan explained that when a City charges for building permits and any other fees under the Construction Code Act, it is only allowed to charge as much as its costs to render these services; and these fees must meet that test on a cumulative basis. The City cannot charge more for permit fees to cover prior deficits.

Mr. Yalamanchi questioned what the Capital Lease long-term liability in the Facilities Fund represents. He commented that the City purchases all its properties.

Keith Sawdon, Director of Finance, responded that this amount represents the Oakland County Sheriff's Substation lease.

Mr. Webber commented that it is good to have a third party confirm that the City's finances are in good shape. He mentioned that the goal of the elimination of Personal Property Tax is to attract more business to Michigan. He noted that while the City will have to address the revenue shortfall created by its elimination, the State should ultimately arrive at a mechanism for revenue sharing utilizing creative ideas to make communities more whole.

Mr. Heffernan commented that individuals he has spoken with in the Governor's Office are convinced that eliminating Personal Property Tax on industrial and manufacturing property will significantly help the state.

Mayor Barnett noted that the strategy is to lower the cost of doing business in Michigan, and upon implementation, Michigan will become the seventh lowest state in the costs of doing business. He commented that it is difficult for a City such as Rochester Hills to find adequate representation at the State level, and noted that many communities are highly-dependent on Personal Property Tax. He expressed his appreciation to the Fiscal and Accounting team for their efforts and noted that the outlook for the City was quite different in 2008.

President Hooper stated that it is comforting to know that the City has received another strong financial audit; and even in times of shrinking revenue, it has been able to properly manage its taxpayers' money.

Mayor Barnett mentioned that a summary report is available in hard copy at City Hall or online on the City's website.

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

Aye 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0075-2012

Resolved, that the Rochester Hills City Council hereby acknowledges receipt of the Comprehensive Annual Financial Report (CAFR) from the Administration and the auditing firm of Plante & Moran, PLLC for the 2011 Fiscal Year.

2012-0170 Presentation on the recommended changes to the Older Persons' Commission (OPC) Interlocal Agreement; Ravi Yalamanchi, presenter

Attachments: [Agenda Summary.pdf](#)
[Presentation.pdf](#)
[Amended and Restated Interlocal Agreement.pdf](#)

John Dalton, Chairperson of the Older Persons' Commission (OPC), stated that the Interlocal Agreement was signed by the three participating communities 29 years ago; and the proposed changes will allow the OPC to operate more efficiently.

Mr. Yalamanchi noted that the OPC Board has worked over the past nine months to develop the proposed changes to be presented to the three participating communities for consideration. He gave the following presentation:

OPC! A great place to be! Interlocal Agreement (ILA):

Background:

- Charter Township of Avon, City of Rochester and Township of Oakland on January 20, 1983 joined together to establish Older Persons Commission under the Urban Cooperation Act through an Interlocal Agreement.
- The three communities were futuristic in their thinking. The buzz words today in local government are cooperation and collaboration. Which was put into practice by the three communities 29 years ago.

Purpose:

- To provide activities and services for older persons including transportation and actions directed toward the improvement of social, health, housing, educational, emotional, nutritional, recreational and mobility status.

Vision:

- To be the premier community resource for the changing needs of older adults and those who love and care for them.

Mission:

- To provide high quality programs and services that stimulate and advance active and healthy living for all ages of older persons.

Governing Structure - as set under the 1983 Agreement - Seven Member Governing Board:

- Two elected members from Charter Township of Avon.
- Two older persons appointed by Avon Township Board.
- One elected member of Rochester City Council.
- One older person appointed by Rochester City Council.
- One elected member of Charter Township of Oakland.

Amended and restated Agreement - 1985:

- Oakland Township approves one-quarter mill (1/4). (Initially Oakland Township gave funding from General Fund).
- Charter Township of Avon incorporated into City of Rochester Hills.
- Change to Governing Structure - adding an additional board member.
 - * One older person appointed by Oakland Township Board.

First Amendment - January 1988:

- Change of registered address from 1275 West Avon Road to 1000 Rochester Hills Drive, Rochester Hills.
- Clarify Commission's authority to apply for and obtain grants.
 - * Accept funds, grants, voluntary work, or other assistance from any source, public or private, including, but not limited to, local, state and federal, and private donations.

Second Amendment - October 1995:

- Purpose - Incorporate previous amendments and new changes into one document.
 - * New Changes
 - Change in registered office to 312 Woodward Street, Rochester.
 - Treasurer - (Previously City of Rochester Hills Treasurer) shall have the responsibility of custody and control of all funds of the Commission. Treasurer to make a full and complete financial report to the Commission and to the governing bodies at the end of each fiscal year. Report shall include a complete audit by a CPA according to the audit requirements.
 - Administration - Treasurer shall administer financial aspects of the Commission (previously City of Rochester Hills)
 - * Each of the parties shall pay their share of funding to OPC (previously to City of Rochester Hills).
 - Participation - Parties agree to participate in the activities and program and provide funds through 2002 (previously through 1991).
 - All other provisions of previous Amended and Restated are affirmed.

Recommending new changes to the ILA:

- Purpose - For better operations and increase the effectiveness of OPC for the three communities.
- Governing Structure - stays intact.
- Clarification of certain sections.

Recommended Changes:

- Article III - Section 6 QUORUM
 - * A majority of the Commission shall constitute a quorum (simply restates existing language).
- Article III - Section 7 VOTING
 - * A majority of the votes cast is sufficient for adoption of any motion or taking of any official action.
- Article III - Section 10 REGISTERED OFFICE
 - * 650 Letica Drive, Rochester, MI
- Article IV - POWERS
 - * SECTION 1.B. - Delete:
 - ~~Subject to the approval of the governing bodies of each of the parties hereto, contract with any other governmental units, public agencies, or private persons or organizations, as appropriate, to carry out Commission functions or fulfill Commission obligations. Approval of the governing bodies of the parties hereto shall not be required for a contract with private persons or organizations when the contract involves less than \$3,000 in expenditures, or in an employment contract or for a purchase authorized in an approved budget, as provided herein.~~

Mr. Yalamanchi explained that the change proposed regarding expenditures was due to concerns raised that requiring approval of three communities could make it impossible for the OPC to pursue grants or receive funding. He commented that when the OPC was formed, the requirement made sense as its total budget was only \$56,000. The OPC budget is in now the area of \$4 million dollars.

- Article IV - POWERS
 - * SECTION 1.C. - Director changed to Executive Director.
 - * SECTION 2 - LIMITATIONS ON AUTHORITY
 - A. Annually, ~~by August 1, of each year,~~ within 30 days of adoption, the Commission shall submit its approved and/or amended budget to each of the parties participating in the program, which shall outline the programs to be carried on for the ensuing year, together with the costs projected for those programs. ~~Upon the approval of a budget the Commission shall be bound to carry on only such programs and expend such funds as approved in the budget for the ensuing year by the parties hereto who are participating in the program.~~
- Article V - FINANCE
 - * SECTION 2 - ANNUAL BUDGET
 - A. The budget shall be submitted to the clerks of each of the parties hereto ~~by August 1 of each year. The governing bodies of each of the parties hereto shall review and either approve as presented or as modified, an identical budget, no later than October 1 of each year.~~

Mr. Yalamanchi noted that the OPC proposes that it will inform each community within 30 days of adopting a budget; and once submitted, the OPC will stay within the submitted budget. He commented that in OPC's view, the responsibility for budget approval lies with the Commission.

* SECTION 3 - TREASURER

- A. ~~The Treasurer~~ City of Rochester Hills, shall have the responsibility of custody and control of all funds of the Commission.

Mr. Yalamanchi noted that the City of Rochester Hills has custody and control of the OPC's funds and performs accounting duties for the OPC, and the Commission prefers that this authority stays with the City of Rochester Hills.

* SECTION 4 - ADMINISTRATION

- A. The Treasurer shall administer the financial aspects of the Commission. All expenditures shall be approved by the Commission pursuant to ~~the~~ its budget approved by the parties hereto, and paid by the ~~City of Rochester Hills~~ Treasurer according to the methods and procedures established by the Commission.

- C. ~~Each of the parties hereto shall pay to the City of Rochester Hills, in advance, on a quarterly basis, one fourth of the funds to be provided to the Commission, on January 1, April 1, July 1, of each year their share of the funding for the Older Persons' Commission as taxes are collected according to the schedule established by the County for deposit of taxes collected for public schools.~~

He noted that the purpose of this proposed change is to simplify the wording and remove timelines. He stated that as the millage is collected, it is disbursed to the OPC.

- Article VI - ON-GOING RESPONSIBILITIES AND DISSOLUTION

* SECTION 1 - PARTICIPATION

- The parties hereto agree that they will participate in the activities and programs and provide funds on an on-going basis ~~for the period through 2002~~ consistent with a proposition approved by the electors in each of the governmental units, to finance transportation, activities and services for older persons and to operate, equip and maintain an Older Persons' Activity Center ~~to the extent of a levy up to one quarter mill on each dollar of State Equalized Valuation of all taxable property in the Township and the Cities.~~

* SECTION 1 - TERMINATION OF PARTICIPATION

- The parties hereto may terminate their membership only by giving ~~ninety (90) days~~ written notice to the Commission and the governing bodies of the parties hereto, no later than ~~May 1 of any year in which such~~ One Hundred Eighty (180) days prior to the expiration of a millage voted to support the Commission. The termination shall be effective on the millage expiration date. If notice of termination is given, that party shall remain liable for all obligations incurred by it pursuant to this Agreement, prior to the Actual termination and according to the budget approved for that fiscal year.

* SECTION 3 - DISSOLUTION

- Notwithstanding anything contained or otherwise to the contrary, upon receiving the notice of membership termination.....remaining parties may agree to continue the Commission as contemplated in which event the remaining parties shall purchase from the terminating party, its percentage interest as established in Article II and the terminating party's notice shall not cause a dissolution of the Commission.

Mr. Yalamanchi noted that inclusion of a 180-day notice period prior to the expiration of the millage prior to withdrawal of a community from the OPC will allow enough time for the OPC to plan accordingly. He commented that while none of the communities want dissolution, the terminology will be included.

Council Discussion:

President Hooper stated that after reviewing the suggested changes, he sees no problem with them. He acknowledged Marye Miller, OPC's Executive Director, commenting that the OPC would not exist without her leadership.

Mr. Dalton acknowledged that there were several OPC staff members in attendance tonight to lend their support.

Mr. Webber extended his appreciation to Ms. Miller and her staff. He thanked Mr. Yalamanchi and the OPC subcommittee who worked on preparing the proposed ILA changes and urged Council to consider their approval. He suggested further discussion be scheduled on a future agenda to formally discuss the proposed changes and determine whether there were any additional recommendations to pass on to the OPC board.

Mr. Klomp concurred, noting his appreciation of the work of Ms. Miller and thanking Mr. Yalamanchi and Mr. Webber. He questioned whether a meeting could be scheduled between the leaders of all three communities to discuss the proposed changes.

Mr. Yalamanchi responded that the Commission wanted to schedule a meeting between all three communities, but found that everyone's calendar is extremely busy. He stated that in order to move the proposal forward, a presentation would be made individually to each community, tonight, tomorrow before the Oakland Township Board of Trustees, and next Monday before the Rochester City Council.

Mr. Klomp commented that the changes are overdue, and he looks forward to a collaboration of the three communities to protect an important asset in the community.

Mr. Rosen stated that there is no question in his mind that the OPC is one of the finest facilities in the country. He commented that these are fairly serious issues and the ILA is an intricate, well-developed agreement integrating three very different communities into one facility. He stated that the OPC is not an

independent agency, and the communities should work together very closely. He pointed out that no elected official in any of the three communities would let themselves be responsible for the collapse of the OPC; and stated that there must be a way to force the communities to work together. He commented that he did not wish to see any community find it cheaper to pull out and let its residents use the facility with nonresident status; and stated that he is afraid that the OPC will lose the ability to force cooperation.

Mr. Yalamanchi responded that it is not the OPC's choice to allow a community to step away from the ILA. The OPC wishes to keep the three communities intact and wants the communities' appointments to the Commission to stay; however, the OPC Board should have the authority for its own decisions. The intent is to let OPC operate as an independent entity, adopt its own budget for submission to the communities, and subsequently present an audit at the end of each year to prove it is fiscally responsible.

Mr. Rosen stated that while he understands that the OPC is clearly a legal entity, he does not view it as an independent entity. As four elected officials and four citizens comprise the Commission, it becomes a part of the elected officials' responsibilities. He stated that it is his belief that the communities' participation has made the OPC stronger.

Mr. Dalton stated that he is accountable to the City as he is appointed by Council.

Mr. Kochenderfer stated that the OPC has served the community extremely well and the Commission has taken a focused task to clean up the language in the ILA.

Mayor Barnett stated that the OPC is an incredible organization which is highly valued by all three communities. He thanked Mr. Yalamanchi, Mr. Webber, Mr. Dalton and Ms. Sommers for their work on the Commission and expressed appreciation for Council's strong stand in support of the governing board.

Mr. Dalton invited any Council member to visit the facility to review the programs available to the community.

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.

- 2012-0141** Request for Acceptance of a Watermain Easement granted by Opdyke, Inc., a Michigan Non Profit Corporation, for Thomas Thewes Conquest Worship Center

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0076-2012

Resolved, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a watermain easement granted by Opdyke, Inc., a Michigan Non Profit Corporation, 1460 Opdyke Rd., Bloomfield, MI 48304-2223, for the construction, operation, maintenance, repair and/or replacement of a watermain, over, on, under, through and across land more particularly described as Parcel No. 15-02-200-016.

Further Resolved, that the City Clerk is directed to record the easement with the Oakland County Register of Deeds.

Passed the Consent Agenda

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

Aye 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

The Following Consent Agenda Item was Discussed and Adopted by Separate Motion.

2012-0147 Request for Purchase Authorization - DPS/FLEET: Purchase of three (3) Ferris Zero-Turn Commercial Lawn Mowers in the amount not-to-exceed \$31,869.00; Rochester Lawn Equipment Center, Inc., Rochester Hills, MI

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

Public Comment:

Lee Zendel, 1575 Dutton Road, expressed concern that the City request for proposal indicated a specific brand of mower. He questioned whether mowers from other manufacturers could exceed the chosen vendor's specifications, have a wider cutting area, and faster operating speeds, potentially saving manpower and requiring fewer machines.

Scot Beaton, 655 Bolinger Street, commented that the City's DPS employees are phenomenal, and he wants to see the best equipment selected for their use. He noted that he read some poor reviews on the mower selected.

President Hooper questioned whether this was a sole-source bid.

Alan Buckenmeyer, Parks Operations Manager, responded that the Ferris mowers were specified because they have four-wheel suspension. He noted that City employees have sustained back injuries, and this suspension will lessen the possibility of an injury occurring. This particular model is the only one that has that type of suspension, and is comparable in cost to other manufacturers. He noted that the City has been using this manufacturer for four years and has had no problem with them.

President Hooper questioned what other manufacturers have comparable models.

Mr. Buckenmeyer noted several other manufacturers that were reviewed and evaluated.

Allan Schneck, Director of DPS/Engineering, stated that the department partners with the Purchasing Division on the solicitations and while the solicitation may indicate a preference, an approved equal will also be considered. He explained that the solicitation process included 73 vendors through the Michigan Intergovernmental Trade Network (MITN). Upon review, it was determined that the lowest responsible, responsive bidder is Rochester Lawn Equipment. He noted that the mowers do have 72-inch mower decks and speeds ranging from zero to 12 miles per hour.

Mr. Klomp questioned who maintains the side lawn adjacent to Borden Park and whether weed and feed is applied to grassy areas.

Mr. Schneck responded that medians and pathways are maintained under contract.

Mr. Buckenmeyer stated that the City uses as little weed and feed as possible. He noted that the grassy areas are still considered park land and dandelions are naturally-occurring wildflowers. While they do not allow dandelions on the ball fields, they do grow on the berms.

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

Aye 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0077-2012

Resolved, that the Rochester Hills City Council hereby authorizes the purchase of three (3) Ferris Zero-Turn Commercial Lawn Mowers from Rochester Lawn Equipment Center, Inc., Rochester Hills, Michigan in the amount not-to-exceed \$31,869.00.

PUBLIC HEARINGS

2012-0155 Public Hearing on Recommendations proposed by the Police and Road Funding Technical Review Committee

Attachments: [Agenda Summary.pdf](#)
[Presentation.pdf](#)
[Staran Letter 050212.pdf](#)
[Draft Ballot Proposals.pdf](#)
[Police Funding Article.pdf](#)
[Election Dates and Deadlines.pdf](#)
[Public Hearing Notice.pdf](#)

President Hooper stated that the Police and Road Funding Technical Review Committee (PRTRC) developed three draft ballot proposals which were presented to Council at the April 23, 2012 meeting. Tonight Council will hold a Public Hearing to gain public input.

President Hooper Opened the Public Hearing at 8:55 p.m.

Lee Zendel, 1575 Dutton Road, stated that he fully supports the need for additional police funding, and has often called for an additional four mills to properly fund Police Services in the City. He displayed a chart with information gathered by the Federal Bureau of Investigation, citing a national average of 2.3 officers per 1,000 residents. He noted that the lowest average for any group of cities in any region of the country is 1.2 officers per 1,000 residents. He stated that Rochester Hills has just 0.77 officers per 1,000 residents.

Scot Beaton, 655 Bolinger, stated that to not ask for a straight renewal of existing millages would be a mistake. He commented that his recommendation is to ask for the additional millage separately. He requested that the three officers cut from the budget be rehired and that a renewal be placed on the next ballot. He commented that the idea of a millage for additional officers will need to be conveyed to the community.

Ivan Neubauer II, 85 Bellarmine, commented that he is in favor of adequate funding for police. He cautioned that Council should not only make a verbal commitment, but should include wording in the ballot proposal to obligate Council to reduce General Fund spending by 2.5 mills.

Linda Davis-Kirksey, 1337 N. Acre Drive, expressed support for a millage renewal proposal. She commented that while she would support an increased millage, she does not believe that the community will allow it to pass. She suggested that the two expiring millages should be consolidated and clearly defined, and she would volunteer to be a part of any efforts to educate the voters about the proposals.

Dee Hilbert, 3231 Quail Ridge Circle, commented that Mr. Zendel's statistics include officer counts for many communities that have their own police departments. She questioned how long a 0.4 mill increase would be able to fund eight officers and whether over time, fewer officers would be able to be funded with that amount.

Gordon Duda, 340 Silvervale Drive, expressed support for the continuing of the levy of 1.2 mills; and stated that he would support an additional 0.4 mills. He mentioned that he would be happy to work with Council to promote proposals to his homeowner's association. He commented that a proposal levying 2.5 mills of new taxes could encounter difficulties at the polls and suggested Council opt for a zero net increase in taxes.

Melinda Hill, 1481 Mill Race, noted that the City has been fiscally conservative and has a sound fund balance. She stated that the City should never have started subsidizing police services above the millage collected, and an opportunity now exists to correct it. She commented that the City should place a proposal on the ballot in 2013 for 3.7 mills to fund police services for the next ten years, and stated that this will allow a year for voter education. She mentioned that it would be up to Council to make a commitment not to spend 2.5 mills, keeping the City's millage rate to 9.7. She commented that the request for 0.4 mills should not be made at this time and would confuse voters.

Seeing no further public input, President Hooper Closed the Public Hearing at 9:16 p.m.

Council Discussion:

President Hooper noted that it is a well-known fact that the City's officer-to-resident ratio is the lowest in Oakland County. He commented that he did not believe that the City could ever sustain 1.2 officers per thousand residents. He stated that either a ten-year year renewal of what is currently being spent or a Charter Amendment proposal for 3.7 mills will go on the ballot. He questioned how to convey that the 2.5 mills currently spent out of the General Fund will not be spent and what options Council has to ensure that the residents view the proposals as revenue-neutral.

John Staran, City Attorney, stated that the law does not allow this Council to bind future councils as to how they may spend, or not spend General Fund dollars. He commented that at most, an expression of Council's intent can be put forth, which is what the current language is intending to do. He stated that he would be hesitant to go too far and risk being misleading that you are committing to something that you cannot lawfully commit to - to bind future city councils to not spend money or to approve a budget and appropriations that they see fit to do based on current times and circumstances. He commented that the only way that Council can make that assurance is to opt for a Charter Amendment to add a dedicated police millage and make an offsetting rollback of your permissible general fund millage; however, that would leave a serious concern that by rolling back the General Fund millage, future Councils would be limited in its ability to deal with emergencies and circumstances.

President Hooper commented that when the City was established, the Fire Millage was set at 2.5 mills, well above what was needed at the time. He pointed out that it was not until this year that the City actually reached the authorized levy that was established 20 years ago. While more money would be authorized by the voters, Council does not levy everything authorized. Adding 2.5 mills to fund Police Services would provide breathing room for the next 20 years. He questioned whether Council could have a resolution stating its intent beyond what is in the ballot language.

Mr. Staran responded that Council is free to make a formal statement of that nature, through resolution or informal statement, of its intent to levy, or not levy the 2.5 mills that is currently being levied and appropriated out of the General Fund to fund Police Services.

President Hooper questioned whether that statement could be phrased in a Charter Amendment.

Mr. Staran replied that it would be through a resolution.

President Hooper stated that the more informed voters are, the more they will understand the issues. In response to Ms. Hilbert, he stated that 0.4 mills would look to fund eight officers for a ten-year period of time.

Mr. Webber stated that it would provide the ability to fund up to eight officers. He commented that due to the forces of the Headlee Amendment, it would most likely not be possible to pay for a full eight officers for the entire duration of the millage.

President Hooper commented that he does not want to wait until next year to go to the voters, and give up two chances. He stated that going to the voters this year would be proactive.

Mr. Kochenderfer stated that the ballot language must be as clear and transparent as possible. He noted that the wording in Question A regarding levying up to 2.5 new mills could be construed as a new tax. He questioned whether reference to current police services funding could be included in the ballot language for additional clarity.

Mr. Staran stated that this could be done to a limited degree, as long as the language is a fair, objective and balanced presentation of the proposal.

Mr. Klomp commented that as much language should be included as possible without confusing the voters. He stressed the importance of having a resolution or other strong assurance to the voters that this will not be a tax increase. He noted that several individuals expressed a desire to be a part of the campaign process to assure the voters that this will not be an increase.

Discussion ensued regarding whether the draft proposal wording should refer to 2014 or 2015, considering the last levy of the expiring millage and the commencement of collection of an approved millage. It was subsequently determined that the proposal wording should reference Fiscal Year 2015.

Mr. Rosen stated that timing is critical and stated that a proposal should not go before the voters multiple times. He commented that Mr. Zendel's statistics do not imply that the City is receiving less protection than other communities, as many cities count officers used for administration issues when arriving at their counts. He pointed out that the original reason for looking toward a police or parks millage was to free up General Fund monies for other uses such as Local Roads; and stated that for Council to talk about not increasing spending is disingenuous. He questioned whether both a 3.7 mill levy for Police and a reduction in the General Fund millage could be included in the same ballot proposal. He mentioned that Council could also consider a reduction somewhat less than 2.5 mills.

Mr. Staran responded that a corresponding reduction would have to be through Charter Amendment.

Mr. Rosen questioned whether that type of levy could be temporary.

Mr. Staran responded that it could not, as Council cannot say something now that a future Council cannot change.

Mr. Rosen commented that Council must have interaction with the entire community for education and should plan to place proposals on the ballot in August of 2013.

Mr. Staran pointed out that the City cannot spend taxpayers' money advocating for a position for or against a candidate or ballot proposal; however, it is lawful for Council to provide objective factual information.

Mr. Rosen stated that he is pleased to hear that 3.7 mills should provide appropriate funding for a ten-year period.

Mr. Webber commented that the PRTRC was charged to look at ways to find sustainable police funding, to alleviate the burden on the General Fund. He noted that the Committee heard soundly from the residents that this is not what they want; and residents conveyed that they want secure police funding with an offset of reducing the General Fund. He pointed out that a straight renewal would be an easy approach; however, it would not eliminate the need to transfer from the General Fund each year. There are concerns that future administrations may not have a focus on public safety, and may turn funds toward roads, parks or capital improvement. He suggested that a resolution could convey the intent of lowering General Fund discretionary spending. He mentioned that every year, during the Budget workshops, Council votes on what it will levy each year; and the number is oftentimes different than the total authorized to be levied. He stated that Council should keep the tax rate at the same level and lower expenses to balance the budget. He noted the choice will be whether to fund through the Charter to stabilize funding or to do a ten-year millage. He commented that waiting until next year could jeopardize police funding.

Discussion ensued into how wording to limit General Fund spending could be incorporated into a renewal versus a Charter Amendment.

Mr. Staran noted that should Council limit General Fund spending by Charter Amendment, it may at some time find pressing public works needs for those funds.

President Hooper noted that the goal is to arrive at a revenue-neutral ballot question.

Mr. Tisdell commented that he favored placing a proposal on the ballot for every scheduled election, to avoid the need for a Special Election. He stated that education efforts should stress the dollar amounts residents would pay, not simply mills to be levied.

Mr. Yalamanchi noted that Council received a good report from the auditors tonight, and General Fund fund balance grew from \$19.2 million to \$24.793 million, along with increases in other fund balances as well. He stated that the City has done a very good job in sustaining itself and has changed practices. He pointed out that reducing the millage will take away Council's flexibility and will force other concerns to the front, such as how to fund parks and the museum. He commented that Council has done a good job in allocating dollars, and there has been an uptick in revenues. He suggested that as the Drain Millage and Green Space Millage

expire in future years, the voters could be requested to replace those funds with a new millage in 2016. He suggested that any increase should not specify the number of officers in the ballot proposal to keep flexibility. He commented that any increases should be separate from renewals, as families are still struggling and have seen incomes stagnate. He suggested going for the renewal now, and plan in 2013 to capture expiring millages.

President Hooper questioned whether Mr. Yalamanchi supported a millage of 3.7 or a straight 1.208 renewal, with a continuance of the General Fund transfer.

Mr. Yalamanchi responded that he would not decrease the General Fund millage through a Charter Amendment.

President Hooper stated that a straight renewal will not provide a long-term solution, and a General Fund reduction cannot be accomplished without a Charter Amendment. He directed Mr. Staran to prepare revised ballot questions incorporating tonight's comments, along with a draft resolution to state Council's intent for no tax increase, to be brought forward at the next Council meeting. He pointed out that Clerk Leslie advised that a decision will be necessary at the May 21st meeting for placing a ballot proposal on the August Primary ballot.

Discussed.

(RECESS 10:05 P.M. to 10:16 P.M.)

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

Absent 1 - Ravi Yalamanchi

ORDINANCE FOR INTRODUCTION

2012-0148 Acceptance for First Reading an Ordinance to amend Section 58-58 of Article III of Chapter 58, Fire Prevention and Protection, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify fireworks regulations, repeal conflicting Ordinances and prescribe a penalty for violations

Attachments: [Agenda Summary.pdf](#)
[Staran Letter 041912.pdf](#)
[Ordinance.pdf](#)
[Michigan Fireworks Safety Act.pdf](#)
[Resolution.pdf](#)

Chief Crowell, Fire Chief/Emergency Management Director, explained that the proposed Ordinance Amendment will align the City's Ordinance with Public Act 256 of 2011, the Michigan Fireworks Safety Act, which makes the State responsible for regulating the sale and distribution of consumer fireworks. He noted that the City will still regulate a tent used for the sale of fireworks under the Building Code.

A motion was made by Klomp, seconded by Kochenderfer, that this matter be Accepted for First Reading by Resolution. The motion carried by the following vote:

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

Absent 1 - Yalamanchi

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

(Mr. Yalamanchi re-entered at 10:18 P.M.)

Present 7 - Greg Hooper, Nathan Klomp, Adam Kochenderfer, James Rosen, Mark Tisdell, Michael Webber and Ravi Yalamanchi

NOMINATIONS/APPOINTMENTS

2012-0150 Acceptance of Resignation from Lois Golden from the Cemetery Citizen Advisory Technical Review Committee

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

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

Aye 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0078-2012

Resolved, that the Rochester Hills City Council hereby accepts the resignation of Lois Golden as a member of the Cemetery Citizen Advisory Technical Review Committee effective April 11, 2012.

NEW BUSINESS

2012-0060 Request for Approval of a Conditional Land Use - To construct a drive-through for a proposed 2,640 square-foot Taco Bell at Campus Corners Plaza, on one acre on Walton Blvd, east of Livernois, zoned B-3, Shopping Center Business, part of Parcel No. 15-15-101-026, WT Development Corp. for Taco Bell of America, LLC, Applicant

Attachments: [Agenda Summary.pdf](#)
[Map.pdf](#)
[Revised Site Plans.pdf](#)
[Revised Staff Report.pdf](#)
[EIS.pdf](#)
[Lighting Plan.pdf](#)
[Minutes PC 041712.pdf](#)
[Minutes PC 030612.pdf](#)
[Public Hearing Notice.pdf](#)
[Resolution.pdf](#)

Jim Breuckman, Manager of Planning, explained that the conditional land use is requested for the location which is currently overflow parking in the shopping center adjacent to the Mobil Station. He stated that the request has come before the Planning Commission two times, and was recommended for approval at their April meeting.

Mr. Yalamanchi questioned how the access to the site will be configured.

Mr. Breuckman responded that the site plan was adjusted to include a one-way traffic flow around the building with angled parking on one side to accommodate both access and a stacking lane. Pedestrian access concerns were addressed. The site will utilize an existing drive off Walton Boulevard and the existing shopping center parking lot exit at a light on Livernois. He stated that both roads will easily handle the traffic flow and no new curb cuts will be required.

Mr. Webber questioned why the portion of the shopping center property which was previously the Big Boy Restaurant was not considered.

Bill Beckett, in attendance to represent Taco Bell of America, LLC, responded that the former Big Boy site was reviewed; however, it was not made available to Taco Bell. He commented that the proposed location fits the needs as an infill site and will hold a facility smaller than the Taco Bell location on Rochester Road.

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

Aye 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0079-2012

Resolved, that the Rochester Hills City Council hereby approves the Conditional Land Use for Taco Bell at Campus Corners, located east of Livernois, south of Walton, zoned B-3, Shopping Center Business, part of Parcel no. 15-15-101-026, WT Development Corp. for Taco Bell of America, LLC, Applicant, with the following findings:

Findings:

1. The proposed building and other necessary site improvements meet or exceed the standards of the Zoning Ordinance.

2. The expanded use will promote the intent and purpose of the Zoning Ordinance.
3. The proposed building has been designed and is proposed to be constructed, operated, maintained, and managed so as to be compatible, harmonious and appropriate in appearance with the existing and planned character of the general vicinity, adjacent uses of land, the natural environment and the capacity of public services and facilities affected by the land use.
4. The proposal should have a positive impact on the community as a whole and the surrounding area by further offering jobs and another dining option.
5. The proposed development is served adequately by essential public facilities and services, such as highways, streets, police and fire protection, drainage ways and refuse disposal.
6. The proposed development should not be detrimental, hazardous or disturbing to existing or future neighboring land uses, persons, property or the public welfare.
7. The proposal will not create additional requirements at public cost for public facilities and services that will be detrimental to the economic welfare of the community.

2012-0156 Request for Approval of the Tentative Agreement between the City of Rochester Hills and the Michigan Association of Fire Fighters (MAFF) Local 50, effective May 8, 2012 through December 21, 2014

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

Pamela Gordon, Director of Human Resources, noted that the three-year contract is the first for Paid-On-Call Firefighters, represented by the Michigan Association of Fire Fighters. She stated that contract was reviewed with Council in Closed Session on April 23, 2012.

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

Aye 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0080-2012

Whereas, the Michigan Association of Fire Fighters (MAFF) was certified as the exclusive bargaining representative for Rochester Hills Paid on Call Fire Fighters by the Michigan Employment Relations Commission on June 27, 2011; and

Whereas, negotiations between the City of Rochester Hills and MAFF Local 50 have resulted in an initial agreement that was ratified by the membership on April 11, 2012.

Resolved, that the Rochester Hills City Council hereby approves the agreement between the City of Rochester Hills and MAFF Local 50 as presented in closed session on April 23, 2012.

2012-0167 Request for Approval of the allocation of the RARA fund balance for the purchase of property located at 500 E. Second Street, Rochester, MI

Attachments: [Agenda Summary.pdf](#)
[RARA Letter 050712.pdf](#)
[Annual Budget Projection Comparison.pdf](#)
[Financial Summary of Building Acquisition.pdf](#)
[RARA Purchase Agreement.pdf](#)
[RARA Appraisal Report.pdf](#)
[Facility Planning Report.pdf](#)
[Resolution.pdf](#)

Ron Jewell, Executive Director, Rochester Avon Recreation Authority (RARA), explained that a new venue for RARA will allow the facility to grow in both size and scope. He noted that RARA has been diligently allocating funds to a specific building fund within its budget, and the RARA Board has narrowed their search to a specific building. He stated that a Letter of Intent is in place with the property owner, an appraisal supports the purchase price, and a Purchase Agreement was developed in cooperation with both Rochester and Rochester Hills City Attorneys. A report reviewing how the proposed facility will be configured to meet RARA's needs is included for Council's review.

He noted the following:

- The building, located at 500 East Second Street in Rochester, is 34,000 square feet, three-and-a-half times larger than RARA's current location. The RARA Board feels strongly that the proposed facility will allow current programs to thrive and promote the development of new programs.
- The site provides safe and adequate parking.
- RARA will be able to invest in its future, saving over \$130,000 in rental payments over the year.
- An allocation of \$500,000 from Fund Balance will serve as a downpayment. A ten-year land contract will be signed for \$900,000. Build-out costs will be \$600,000.

Mr. Klomp stated that it is a happy evening for RARA to have come to this point after quite some time accumulating a healthy fund balance with the intent to invest in its program. He mentioned that he has served on RARA's Board since 2006, and its current location is too small for its needs. He stated that the proposed location will serve the facility's needs well, for a reasonable price given the economic climate.

Public Comment:

Scot Beaton, 655 Bolinger, questioned why a Rochester Hills site was not chosen, as 61 percent of RARA's participants reside in Rochester Hills and only 16 percent are from Rochester. He stated that the proposed property does not have any outdoor field space, and at a price of \$77 per square foot, he cannot support the proposal. He questioned why the City's Hamlin Road property could not be used.

Lee Zendel, 1575 Dutton Road, questioned why RARA is willing to pay at the top of the independent appraiser's value for the building when the City's Assessor

suggested that the value should be just over \$1 million. He questioned the appraiser's qualifications, and noted that none of the reports submitted reviewed the condition of the roof. He suggested that there may not be enough parking on the site and questioned why the proposed basketball courts are not full size.

Council Discussion:

President Hooper questioned what other properties were reviewed and why this building was selected.

Mr. Jewell responded that properties on Livernois, Leticia and Hamlin were also reviewed. He stated that the Second Street property has the desired square footage to meet current and future program needs.

Samuel Ashley, Jr., Vice President, Pre-Construction Services, Cunningham-Limp, explained that the Second Street location is a masonry bearing building with an interior steel bearing grid and a flat roof structure. The location reviewed on Livernois is a pre-engineered building, constructed as a kit with insulated metal panel siding and a metal roof that will require servicing. The Livernois location has an extensive two-story section which would require an elevator and additional Americans With Disabilities Act access. The Second Street location is single floored except for a storage mezzanine, with a larger footprint. The facility itself is self-contained into five major compartments and RARA's office and programming needs will fit within the existing facility.

President Hooper questioned how RARA will continue to provide outdoor programs.

Mr. Jewell responded that RARA currently utilizes school and municipal fields and pointed out that its current facility does not provide outdoor space. He explained that the proposed facility will provide a sufficient green area for its toddler programs.

President Hooper questioned whether the building's roof condition was explored.

Mr. Ashley responded that the roof was walked for a visual inspection. Roof core samples will be conducted as a part of the due diligence process.

President Hooper questioned whether any issue of concern arising during due diligence could affect the purchase price.

Mr. Ashley responded that it could.

John Staran, City Attorney, stated that there would definitely be a due diligence opportunity to allow all appropriate inspections and provide the opportunity to back away from an agreement if dissatisfied.

President Hooper questioned what zoning changes or redesignations will be required.

Mr. Ashley responded that the building is currently zoned for industrial use, and the zoning use group would need to change. He explained that the rezoning will follow a process similar to that required in Rochester Hills for special land use. He noted that the site currently accommodates 81 parking spaces. He stated that meetings were held with Rochester City staff, its Planning Department and Fire Chief and noted that a determination of final occupancy will determine parking count requirements. He mentioned that additional parking can be made available through shared use of adjoining parking lots, as the adjacent facilities have different peak use hours.

Mr. Tisdell questioned whether there might be opportunities to supplement RARA's space with school facilities.

Mr. Jewell responded that RARA will utilize both indoor and outdoor school facilities for years to come. He explained that the schools themselves, their athletics activities, and community education programs all have priority over RARA's needs.

Brandy Boyd, Recreation Coordinator, RARA, stated that over 1,000 children take part in RARA dance programs, and she explained that a ten-week karate program often requires 14 or 15 weeks to complete because the rental facility is not available for every date.

Mr. Jewell pointed out that ten gyms are needed for Saturday programs. He added that adult basketball programs on smaller courts are actually preferred.

Discussion ensued regarding RARA's contributions to fund balance.

Mr. Jewell noted that user fees cover program costs plus administration and overhead. Overages have been placed into fund balance. Participation trends are rising, and during the 2010 to 2011 period, RARA received \$50,000 in increased registration monies and was able to place overages into fund balance.

Mr. Tisdell commented that RARA will continue to supplement its program needs through the Rochester Community Schools facilities.

Mr. Kochenderfer stated that he shared concerns expressed regarding the appraisal report and questioned whether the appraiser provided additional information on comparables.

Mr. Jewell responded that there is no additional data available on comparables.

Mr. Kochenderfer commented that the appraisal seems high and questioned whether the land contract interest rate is high, considering the low risk for an entity such as RARA.

Mr. Jewell responded that RARA does not have the option to purchase a plot of vacant land and build a facility. He stated that this site is viewed as ideal, with

high ceilings, all on one level, and only three-tenths of a mile from its current facility. He requested Mr. Sawdon comment on the interest rate, and pointed out that the Land Contract will have an option to pay out early. He stated that RARA's programs will be allowed to thrive and more money will be able to go toward principal payments.

Keith Sawdon, Director of Finance, commented that a land contract at 5.75 percent is not too high, considering today's market. He mentioned that a normal land contract could run as high as eight to nine percent. He stated that it appears that RARA's budget is sufficient to make the land contract payment.

Mr. Kochenderfer cautioned that the property is currently light industrial and suggested that at least five phase-one environmental reports should be done.

Mr. Klomp acknowledged Kim Russell, Rochester Council Member in attendance, and noted that Mr. Jewell has also worked with City staff, and with Jaymes Vettraino, City Manager for the City of Rochester. He requested Mr. Ashley comment on the option of constructing a facility on a vacant site.

Mr. Ashley stated that a review of sites included estimated costs for building a new facility. He commented that adding in costs for site infrastructure and build-out, it was estimated that constructing a new facility could result in costs 30 to 40 percent higher than the proposed site.

Mr. Klomp stated that RARA's needs are quite specific; and it was disappointing to learn that the parcel on Livernois would not meet their needs. He commented that if this property is not secured, their efforts would be set back. He noted that the additional square footage has revenue-generating capacity and will allow RARA to run more programs.

Mr. Webber concurred with the efforts for RARA to secure its own building and commented that the RARA program has come to a plateau because of its facility needs. He stated that moving from renting to ownership is a step in the right direction.

Mr. Yalamanchi expressed his support and questioned how Council's approval is required.

Mr. Jewell responded that any line item expenditure exceeding \$3,000 requires the participating communities' approval.

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

Aye 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0081-2012

Resolved, that the Rochester Hills City Council hereby approves an allocation of the RARA fund balance in the amount of \$500,000.00 for the downpayment on a 10 year land contract for the purchase of property located at 500 E. Second Street, Rochester, MI 48307

(Mr. Kochenderfer exited at 11:13 P.M.)

Present 6 - Greg Hooper, Nathan Klomp, James Rosen, Mark Tisdell, Michael Webber and Ravi Yalamanchi

Absent 1 - Adam Kochenderfer

2012-0146 Request for Purchase Authorization - DPS/FLEET: Purchase of one (1) new John Deere 4320 Tractor, 400CX Loader and RB2307 Backhoe utilizing the State of Michigan MiDeal Extended Purchase Program in the amount of \$37,264.13; John Deere Company, Cary, NC

Attachments: [Agenda Summary.pdf](#)
[Tractor Loader Backhoe Quote.pdf](#)
[Resolution.pdf](#)

Allan Schneck, Director of DPS/Engineering, explained that this purchase will be made through the Michigan MiDeal Extended Purchase Program at a lower-than-retail price. He noted that the budget shortfall for this item will be made up by a lower purchase price than budgeted for the mowers previously approved this evening.

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

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

Absent 1 - Kochenderfer

Enactment No: RES0082-2012

Resolved, that the Rochester Hills City Council authorizes the purchase of one (1) new John Deere 4320 Tractor, 400CX Loader and RB2307 Backhoe utilizing the State of Michigan MiDeal Extended Purchase Program from John Deere Company, Cary, North Carolina in the amount of \$37,264.13.

(Mr. Kochenderfer re-entered at 11:15 P.M.)

Present 7 - Greg Hooper, Nathan Klomp, Adam Kochenderfer, James Rosen, Mark Tisdell, Michael Webber and Ravi Yalamanchi

2012-0149 Request for Purchase Authorization - DPS/ENG: Contract amendment for Bridge Rehabilitation Program - Vehicular and Pedestrian in the amount of \$126,458.60 with a 10% contingency of \$12,645.86 for a total revision of \$139,104.46; Z Contracting, Inc., Shelby Township, MI

Attachments: [Agenda Summary.pdf](#)
[Fiscal Memo.pdf](#)
[Bid Tabulation.pdf](#)
[HRC Report_2008-10-28\[1\].pdf](#)
[Location Map.pdf](#)
[S13 plot.pdf](#)
[S14 plot.pdf](#)
[S15 plot.pdf](#)
[Resolution.pdf](#)

Allan Schneck, Director of DPS/Engineering, noted that per Council's direction, a funding source for the Paint Creek Trail portion of the Bridge Rehabilitation

Program project was identified; and Council is being asked to approve this portion of the project.

President Hooper noted that funding will be from the Capital Improvement Fund Balance.

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

Aye 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0083-2012

Resolved, that the Rochester Hills City Council authorizes the amendment of the contract for Bridge Rehabilitation Program - Vehicular and Pedestrian to Z Contracting, Inc., Shelby Township, Michigan in the amount of \$126,458.60 with a 10% contingency of \$12,645.86 for a total revision of \$139,104.46 and further authorizes the Mayor to execute a contract on behalf of the City.

Further Resolved, that the City's acceptance of the bid 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.

(The following two Legislative Files relate to rescinding a previous resolution and approving corrected language.)

2012-0117 Request to Rescind the Resolution adopted at the April 23, 2012 City Council Meeting authorizing a contract for the Bridge Rehabilitation Program-Vehicular and Pedestrian for eleven (11) structures to Z Contracting, Inc., Shelby Township, Michigan in the amount of \$423,006.00 with a 10% contingency of \$42,301.00 for a total not-to-exceed amount of \$465,307.00; and that the Administration provide a report on the three (3) Paint Creek Trail Pedestrian Bridge Rehabilitation structures as to their safety and the urgency for rehabilitation of these structures, as well as identification of a firm budget source, at the May 7, 2012 City Council Meeting

Attachments: [Agenda Summary.pdf](#)
[042312 Agenda Summary.pdf](#)
[Map.pdf](#)
[Bid Tabs.pdf](#)
[Suppl Budgetary Concerns.pdf](#)
[042312 Resolution.pdf](#)
[Resolution.pdf](#)

President Hooper noted that Council is asked to rescind their prior resolution as the dollar amounts approved at the last Council meeting were not accurate.

Allan Schneck, Director of DPS/Engineering, explained that the figures approved on April 23rd were incorrect as the contingency amounts were doubled in error and the actual amount should be \$42,000 less.

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

Aye 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0084-2012

Resolved, that the Rochester Hills City Council hereby rescinds the resolution adopted at its April 23, 2012 meeting authorizing a contract for the Bridge Rehabilitation Program-Vehicular and Pedestrian for eleven (11) structures to Z Contracting, Inc., Shelby Township, Michigan in the amount of \$423,006.00 with a 10% contingency of \$42,301.00 for a total not-to-exceed amount of \$465,307.00; and that the Administration provide a report on the three (3) Paint Creek Trail Pedestrian Bridge Rehabilitation structures as to their safety and the urgency for rehabilitation of these structures, as well as identification of a firm budget source, at the May 7, 2012 City Council Meeting.

- 2012-0168** Request for Purchase Authorization - DPS/ENG: Authorization of a revised resolution for a contract for Bridge Rehabilitation Program-Vehicular and Pedestrian for eleven (11) structures to Z Contracting, Inc., Shelby Township, Michigan in the amount of \$384,541.40 with a 10% contingency of \$38,454.14 for a total not-to-exceed amount of \$422,995.54; and that the Administration provide a report on the three (3) Paint Creek Trail Pedestrian Bridge Rehabilitation structures as to their safety and the urgency for rehabilitation of these structures, as well as identification of a firm budget source, at the May 7, 2012 City Council Meeting

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

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

Aye 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0085-2012

Resolved, that the Rochester Hills City Council hereby authorizes a contract for Bridge Rehabilitation Program-Vehicular and Pedestrian for eleven (11) structures to Z Contracting, Inc., Shelby Township, Michigan in the amount of \$384,541.40 with a 10% contingency of \$38,454.14 for a total not-to-exceed amount of \$422,995.54; and that the Administration provide a report on the three (3) Paint Creek Trail Pedestrian Bridge Rehabilitation structures as to their safety and the urgency for rehabilitation of these structures, as well as identification of a firm budget source, at the May 7, 2012 City Council Meeting.

Resolved, that the Rochester Hills City hereby further authorizes the Mayor to execute a contract on behalf of the City.

Further Resolved, that the City's acceptance of the bid 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.

- 2012-0124** Request for Purchase Authorization - DPS/ENG: Professional Services Agreement to provide construction engineering services for the Paint Creek Trailway portion of the Bridge Rehabilitation Program-Vehicular and Pedestrian in the amount of \$18,216.00 for a new not-to-exceed amount of \$75,900.00; Hubbell, Roth & Clark, Inc., Bloomfield Hills, MI

Attachments: [Agenda Summary.pdf](#)
[042312 Agenda Summary.pdf](#)
[HRC Letter 040912.pdf](#)
[042312 Resolution.pdf](#)
[Resolution.pdf](#)

Allan Schneck, Director of DPS/Engineering, explained that Council is being asked to approve an amendment to the original construction engineering contract to include construction oversight for the Paint Creek Trail bridges.

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

Aye 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0086-2012

Resolved, that the Rochester Hills City Council authorizes the Professional Services Agreement to provide construction engineering services for the Paint Creek Trailway portion of the Bridge Rehabilitation Program-Vehicular and Pedestrian to Hubbell, Roth & Clark, Inc., Bloomfield Hills, Michigan in the amount of \$18,216.00 for a new not-to-exceed amount of \$75,900.00 and authorizes the Mayor to execute a contract on behalf of the City.

COUNCIL COMMITTEE REPORTS

2012-0169 Strategic Planning Technical Review Committee Report to City Council

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

Mr. Rosen noted that the Strategic Planning and Policy Review Technical Review Committee spent much time reviewing Council's Goals and Objectives and came to the conclusion that there was no need for any great change.

Mr. Webber noted that very few changes were made. He thanked Mr. Rosen for his committee leadership, and Mr. Sawdon for his participation.

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

Aye 7 - Hooper, Klomp, Kochenderfer, Rosen, Tisdell, Webber and Yalamanchi

Enactment No: RES0087-2012

Resolved, that the City Council establishes the following as its Fiscal Year 2013 Goals and Objectives:

GOAL: PUBLIC SAFETY

To protect the residents, businesses, and visitors of Rochester Hills by providing high quality public safety.

Objective: Develop strategies to secure a long-term funding source for Police Services.

Objective: Review any strategies possible for delivering the current level of service more

effectively/efficiently.

GOAL: INFRASTRUCTURE MANAGEMENT

To provide reliable, safe and effective infrastructure (roadways, utilities, buildings, etc...) throughout the City.

Objective: Establish a comprehensive local street policy and develop a short and long term funding strategy.

Objective: Establish a neighborhood drain maintenance policy (including sump pump discharge) and study solutions for drain maintenance funding.

Objective: Study and establish a Special Assessment District (SAD) Policy for development and funding gravel roads to asphalt.

GOAL: ECONOMIC / TAX BASE

To retain investment, maintain the tax and employment base, support redevelopment, and uphold high property values in the City.

Objective: Continue to attract businesses that focus on R&D and "High-Tech".

Objective: Implement the Brownfield Redevelopment policy.

Objective: Continue development of Ordinances for maintenance of existing residential and commercial buildings.

GOAL: FISCAL MANAGEMENT

To establish policies for fiscal responsibility that ensures short and long-term prosperity through effective fiscal planning and efficient management of the taxpayers' assets.

Objective: Continue the policy of forecasting revenue, budget and critical factors for the next five years on a rolling basis and begin strategic analysis of the years beyond.

Objective: Evaluate non-tax, tax, and structural issues in the City Charter for possible amendment.

GOAL: COMMUNITY / NEIGHBORHOODS

To protect the family-oriented community from adverse events and conditions by strategic planning and proactive management in all aspects of municipal governance.

Objective: Maintain strong relationships with homeowner associations to further neighborhood stability and to make the community a better place to live.

Objective: Implement code enforcement/blight ordinance effectively to preserve existing neighborhoods.

Objective: Continue to evaluate and make recommendation(s) to reduce the adverse impact of the deer population in the City.

GOAL: COMMUNITY TRUST & PARTICIPATION

To promote effective communication between City Council, administration, residents, businesses, and visitors so that decisions reflect the community's desires and expectations.

Objective: Maintain openness and transparency in conducting City business by way of cable broadcast and web cast of City Council meetings, and accessibility to City documents.

Objective: Utilize web and technology to further enhance communication with residents and allow for online delivery of certain services.

Objective: Develop a policy to obtain public input via a community survey.

Objective: Involve youth in leadership growth and in the development of City's future by

way of encouraging their participation on the Rochester Hills Government Youth Council.

GOAL: EFFECTIVE GOVERNANCE

To provide clear policy direction to the administration for the execution of City programs and services.

Objective: Promote cooperative purchases with other communities, i.e. MITN

Objective: Explore opportunities for new public/private partnerships, and possibilities for consolidation of City services.

Objective: Explore privatization of certain city functions and develop a plan of action for implementation.

GOAL: RECREATION, PARKS, CULTURAL

To preserve Rochester Hills' natural resources and recreational character.

Objective: Develop and implement funding strategy for maintenance of acquired Green Space.

Objective: Review the need and feasibility of a Parks Millage.

GOAL: ENVIRONMENT

To promote conservation of water, electricity, etc.

Objective: To move towards a more green city - not only city hall and facilities but promotion within the community and businesses and which businesses we attract.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Regular Meeting - Monday, May 21, 2012 - 7:00 p.m.

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 11:21 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.