



Rochester Hills Minutes City Council Work Session

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*John L. Dalton, Bryan K. Barnett, Jim Duistermars, Melinda Hill,
Barbara L. Holder, Linda Raschke, Gerald Robbins*

Monday, August 30, 2004

7:30 PM

Rochester Hills Museum Dairy Barns
at the Van Hoosen Farms
1005 Van Hoosen Road

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 Budget Work Session would commence at 7:30 p.m. on Monday, August 30, 2004 for City Council to discuss the proposed 2005 Budget.

CALL TO ORDER

President Dalton called the Special Rochester Hills City Council Budget Work Session Meeting to order at 7:32 p.m. Michigan Time.

ROLL CALL

Present: John Dalton, Bryan Barnett, Jim Duistermars, Melinda Hill, Barbara Holder and Linda Raschke

Absent: Gerald Robbins

Others Present:

*Pat Somerville, Mayor
Bev Jasinski, City Clerk
Ed Anzek, Director of Planning/Development
Alan Buckenmeyer, Parks Operations Manager
Scott Cope, Director of Building/Ordinance Enforcement
Ron Crowell, Assistant Fire Chief
Bob Grace, Director of MIS
Mike Hartner, Director of Parks & Forestry
John Hines, Deputy Director of Building/Ordinance Enforcement
Julie Jenuwine, Interim Finance Director
Pam Lee, Director of Human Resources
Linda Osiecki, Deputy Treasurer
Roger Rousse, Director of DPS/Engineering
Joe Snyder, Financial Analyst
Greg Waltherhouse, Fire Chief
Doug Walther, Deputy Director of Assessing
Bob White, Supervisor of Ordinance Services*

PUBLIC COMMENTS

None.

ADMINISTRATION

Ms. Julie Jenuwine, Interim Finance Director, provided a brief overview of changes that impact the entire budget, noting the following:

- * Overall millage proposed for 2005 has remained constant relative to 2004.
- * Personnel costs are budgeted to increase two percent (2%) for directors.
- * Insurance costs will increase as follows:
 - Blue Cross/Blue Shield - 16%
 - HAP and Blue Care Network 8%
 - Delta Dental - 12%
 - Delta Care - 6%
 - Life insurance - 8%
 - Short-term disability - 5.5%
 - Long-term disability - 15.6%
 - Liability insurance - 7%
- * Eight (8) staff positions have been eliminated.
- * Five (5) additional staff positions proposed.
- * Interfund charges for Facilities increased due to the depreciation of the furniture in the new City Hall.
- * General Fund Administration increased due to an increase in funds to which these funds can be allocated.

Ms. Jenuwine then presented a review of the following funds of the Proposed Year 2005 Budget and addressed questions posed by Council:

2004-0710

Discussion on Proposed 2005 Budget - General Fund (100's)

Attachments: Memo J Jenuwine distributed at 9204 WS.pdf; Budget Agenda Summary.pdf; 2005 Budget Answers 1.pdf; 2005 Budget Answers 2.pdf; Minutes CC 022504 Budget WS.pdf; Minutes CC 050304 WS.pdf; Minutes 051004 CC Budget WS.pdf

000 - GENERAL FUND / 000 REVENUES

FUND BALANCE TO BALANCE

401002 Fund Balance

TAXES

404000 Current

- Mr. Barnett questioned the difference in the 2005 tax increase and the 2005 tax increase.
- Mr. Doug Walther, Deputy Director of Assessing, noted that there were large construction projects two (2) years ago that impacted these numbers.

405000 Personal Property

- Decrease in property tax valuation.

424000 Taxes - late Fees

- Based on 2004 actual figures.

426000 Inventory Tax

- No longer being collected in General Fund.

LICENSE & PERMITS - OTHER

- 451001 Comcast
- 451002 Wide Open West
 - Fluctuate as they are based on franchise revenue.

LICENSE & PERMITS - BUILDING

- 452001 Building
 - Additional building inspector.
- 452004 Heating
- 452005 Plumbing
 - Heating and plumbing increased due to historic trends.
- 452008 Temporary Certificate of Occupancy
- 452009 Signs
- 452011 Garbage
- 452013 Fire Alarms
 - Mr. Scott Cope, Director of Building/Ordinance Enforcement, noted that they are considering increasing permit fees based on comparisons with other communities.

FEDERAL & STATE GRANTS

- 575000 State Revenue - Sales Tax

INTERFUND CHARGES

- 606001 Administrative Charge
 - Complicated formula that spreads these charges over other funds.
- 606592 Cross Connection
 - Reclassified to proper fund to show charges between funds.

CHARGE FOR SERVICE - OTHER

- 607009 Accounting Fee
 - * Rochester Avon Recreation Authority (RARA)
 - * Older Persons Commission (OPC)
 - Reflects the cost for services performed by City Staff.
- 607020 Grave Opening / Closing

CHARGE FOR SERVICE - BUILDING

- 609002 Re-Inspection
- 609003 Plan Review
- 609004 Grading Review
- 609005 Weed Control
 - Based on historic trends.

CHARGE FOR SERVICE - PLANNING / ZONING

- 611002 Consultant Review
- 611003 Landscape / Tree Preservation
- 611004 Wetlands
 - Based on City being built out and receiving many requests for wetland areas and Brownfield activity; this is a pass-through.
- 611006 Planning
 - Review services will be performed in-house.

611008 *Tree Removal Permits*

SALES

620001 *Printed Material*

- *Based on the average of actual revenues.*

620002 *Birth & Death*

620005 *Cemetery Lots*

- *Based on 2004 and first six (6) month revenue.*

623003 *Park Concessions*

- *Based on Borden Park vending machines.*

FEES

631001 *Park*

- *Vehicle entry permits at Bloomer Park have increased due to Velodrome and special events.*

- *Spencer Park attendance is variable based on weather.*

- *Bloomer Park increase is "carrying" Spencer Park.*

631002 *Programs*

631006 *Weddings*

- *Advertising has been reduced.*

RENTALS - PARKS

651001 *Fields*

651003 *Golf Course Lease*

INTEREST EARNINGS

664001 *Interest & Dividend Earnings*

- *The 2004 budget was conservative; this item is now more in line with the actual numbers.*

000 - GENERAL FUND / 102 CITY COUNCIL

OPERATING SUPPLIES

727000 *Office Supplies*

- *Reduced due to the elimination of CDs as a form of packet distribution since the inception of Legistar and the use of virtual computers.*

PROFESSIONAL SERVICES

801000 *Professional Services*

* *Citizens Strategic Goal Meeting*

* *Team Building (City Administrator - City Council)*

* *Sign Language Provider*

* *Internet Service Provider*

802001 *Interfund Charges - MIS*

- *Allocation of two (2) desktop computers, seven (7) remote access accounts (virtual PCs), one (1) printer, and five (5) laptops.*

OTHER EXPENSES

954000 Miscellaneous Expense
* Swearing In Ceremony

000 - GENERAL FUND / 171 - MAYOR'S DEPARTMENT

PERSONNEL SERVICES

703000 Salaries & Wages
* Includes Budget for \$20,000 Directors Performance Pay

OPERATING SUPPLIES

727000 Office Supplies
* Mayor's Office / Fiscal / Purchasing / Media
- Reclassified out of Operating Supplies.
748000 Operating Equipment
* Sony DSR-25 DV Cam Players (2)
* Routing Switcher
- These were one-time purchases only.

PROFESSIONAL SERVICES

850000 Membership & Dues
- Elimination of Conference of Mayors.
860000 Travel & Seminars
880000 Community Promotions
* Chair Rental / Other Misc.
- Items include City Hall Open House, proclamation supplies, welcome packet.
- It was suggested that "Chair Rental" be eliminated from this title.
900000 Printing & Publishing
* Hills Herald
- The size and scope of the Hills Herald have increased; every department now contributes articles.

OTHER EXPENSES

932000 Maintenance - Equipment
- Maintenance and repairs after warranty for additional equipment for Channel 55.

101 - GENERAL FUND / 191 - ELECTIONS (CLERK'S OFFICE)

PERSONNEL SERVICES

703000 Salaries & Wages
- Increased number of elections per State law.

OPERATING SUPPLIES

- 740000 *Operating Supplies*
 - *Anticipated increase in ballots and related election expenses.*

PROFESSIONAL SERVICES

- 860000 *Travel & Seminars*
 - *Based on actual usage.*
- 900000 *Printing & Publishing*
 - *Increase in legal notices.*

OTHER EXPENSES

- 940000 *Rental - Equipment*
 - *Increased truck rental for delivery of election equipment.*

101 - GENERAL FUND / 201 - ACCOUNTING (CLERK'S OFFICE)

OPERATING SUPPLIES

- 727000 *Office Supplies*
 - *Redirected to other fund.*
- 740000 *Operating Supplies*
 - * *Checks / ACH*
 - *Reduction in costs.*

PROFESSIONAL SERVICES

- 801000 *Professional Services*
 - * *Microfilming*
 - *Based on historical trend.*
- 804000 *Audit Fees*
 - *Based on historical trend.*

101 - GENERAL FUND / 215 - CLERK'S DEPARTMENT

OPERATING SUPPLIES

- 727000 *Office Supplies*
 - *Reclassification from Operating Supplies.*
- 740000 *Operating Supplies*
- 748000 *Operating Equipment*
 - * *Passport Camera*

PROFESSIONAL SERVICES

- 801000 *Professional Services*
 - *Based on actual figures.*
- 900000 *Printing & Publishing*
 - *Increased use of new MITN website for bid process.*

101 - GENERAL FUND / 276 - CEMETERY (CLERK'S OFFICE)

OPERATING SUPPLIES

- 740000 Operating Supplies
- 748000 Operating Equipment
 - Backhoe purchase.

OTHER EXPENSES

- 931000 Maintenance - Cemetery
 - Cost for replacement of poor quality trees and bushes.

Discussed

2004-0727

Discussion on Proposed 2005 Budget - Special Revenue Funds (200's)

211 - STONEY CREEK PERPETUAL CARE FUND - REVENUES

FUND BALANCE TO BALANCE

- 401002 - Fund Balance to Balance

SALES

- 620004 - Foundations
 - Based on historical trend.
- 620005 - Lots
 - Based on historical trend.

INTEREST EARNINGS

- 664001 - Interest & Dividend Earnings
 - Taken from Fund Balance.

211 - STONEY CREEK PERPETUAL CARE FUND - REVENUES

TRANSFER OUT

- 999631 - Facilities Fund
 - * FA-03C - VH Jones Cemetery / Development
 - * FA-03D - Cemetery - Building Addition

Ms. Bev Jasinski, City Clerk, noted anticipated changes and improvements to the cemetery:

- * The addition of Columbaria
- * The sale of grave markers
- * Addition of a poll barn-type structure (\$180,000 estimate cost)

Ms. Jasinski stressed that there are more monies in this fund than is legally required.

Discussed

2004-0710

Discussion on Proposed 2005 Budget - General Fund (100's)

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101 - GENERAL FUND / 210 - LEGAL SERVICES

PROFESSIONAL SERVICES

- 805001 Legal Fees - City Attorney
 - Based on historical trend.
- 805002 Legal fees - labor & Other
 - * Labor Attorney
 - Anticipated labor negotiations.
- 810000 Witness Fees
 - Reclassification from other department based on historical figures.

101 - GENERAL FUND / 233 - HUMAN RESOURCES

OPERATING SUPPLIES

- 727000 Office Supplies
 - Reclassification from Operating Supplies.
- 740000 Operating Supplies
 - Reclassification to Office Supplies.

PROFESSIONAL SERVICES

- 801000 Professional Services
 - * Examination Expense
 - Due to fewer anticipated external hires.
- 860000 Travel & Seminars
 - Elimination of JDE training program.

OTHER EXPENSES

- 954000 Miscellaneous Expense
 - Reclassification to Operating Supplies.

101 - GENERAL FUND / 209 - ASSESSING

OPERATING SUPPLIES

- 727000 Office Supplies
 - Reclassification from Operating Supplies.

PROFESSIONAL SERVICES

- 850000 Membership & Dues
- 860000 Travel & Seminars
 - Elimination of IAAO seminar.

101 - GENERAL FUND / 247 - BOARD OF REVIEW

101 - GENERAL FUND / 253 - TREASURY

PERSONNEL SERVICES

- 716000 Health & Optical Insurance
 - Based on historical trend.

OPERATING SUPPLIES

- 727000 Office Supplies
 - Reclassification from Operating Supplies.

PROFESSIONAL SERVICES

- 850000 Membership & Dues
 - Elimination of GFOA membership.
- 860000 Travel & Seminars
 - Elimination of national conference.

101 - GENERAL FUND / 279 - BUILDING AUTHORITY

101 - GENERAL FUND / 315 - CROSSING GUARD

101 - GENERAL FUND / 371 - BUILDING DEPARTMENT

PERSONNEL SERVICES

- Requested additional building inspector.
- Mr. Cope proposed implementing an expedited review process for the new inspector wherein developers could pay an increased fee for their project to receive priority with regard to inspections and permits.
- 1,000 hours of additional over time for department.

OPERATING SUPPLIES

- 727000 Office Supplies
 - Reclassification from Operating Supplies.
- 748000 Operating Equipment
 - One-time only purchase of emergency response equipment.

PROFESSIONAL SERVICES

- 850000 Membership & Dues
 - Membership for new building inspector.

OTHER EXPENSES

940000 Rental - Equipment
- Combination of historical trend and additional vehicle for new building inspector.

101 - GENERAL FUND / 372 - ORDINANCE ENFORCEMENT

OPERATING SUPPLIES

727000 Operating Supplies
748000 Operating Equipment
* Truck Strobe Light (5)

PROFESSIONAL SERVICES

801000 Professional Services
850000 Membership & Dues
900000 Printing & Publishing
* Forms, Brochures, Good Neighbor Guide
- Educational brochures.

OTHER EXPENSES

940000 Rental - Equipment
* Fleet Vehicles (5)
- Based on historical average.

101 - GENERAL FUND / 535 - WEED CONTROL

PERSONNEL SERVICES

PROFESSIONAL SERVICES

801000 Professional Services
- Based on historical trend.

Discussed

2004-0727 Discussion on Proposed 2005 Budget - Special Revenue Funds (200's)

226 - SOLID WASTE MANAGEMENT FUND - REVENUES

FUND BALANCE TO BALANCE

401002 Fund Balance

TRANSFER IN

699101 General Fund

226 - SOLID WASTE MANAGEMENT FUND - EXPENSES

Mr. Scott Cope, Director of Building/Ordinance Enforcement, explained that charges for annual garbage truck inspections have always been absorbed by the Building Department and were never charged to the Solid Waste Fund. Ms. Jenuwine noted that the process is being changed.

PROFESSIONAL SERVICES

801000 Professional Services

** SOCRRA*

- Council members questioned this charge; Ms. Jenuwine noted she would examine the issue.*

Discussed

2004-0710

Discussion on Proposed 2005 Budget - General Fund (100's)

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101 - GENERAL FUND / 400 - PLANNING COMMISSION

PROFESSIONAL SERVICES

860000 Travel & Seminars

- Based on historical trend.*
- Ms. Hill questioned this reduction, noting that Planning Commissions in other communities require that members take seminars and classes that relate to zoning issues and knowledge.*

101 - GENERAL FUND / 401 - PLANNING & DEVELOPMENT

OPERATING SUPPLIES

740000 Operating Supplies

- Reclassification to Office Supplies.*

PROFESSIONAL SERVICES

801000 Professional Services

** PS-08 - Master Thoroughfare Plan*

- Cost will be split with Major Roads Fund.*

808001 Consultant Fees - Services

- This is an 80% pass-through fund.*
- Anticipated reduction as the City becomes less reliant on outside contractors.*

808006 Consultant Fees - Wetlands

- This is a 95% pass-through fund.*
- Need to add a category for Consultant Fees - Environmental.*

860000 Travel & Seminars

** Professional Development*

900000 Printing & Publishing
* Economic Development Marketing

101 - GENERAL FUND / 410 - ZONING BOARD OF APPEAL

PERSONNEL SERVICES

707000 Fees & Per Diem
- Reduced by three (3) meetings.

101 - GENERAL FUND / 804 - HISTORIC DISTRICT COMMISSION

PERSONNEL SERVICES

707000 Fees & Per Diem
- Based on historical trend.
- Ms. Hill urged the committee to meet more frequently to expedite "house keeping" issues.

OPERATING SUPPLIES

740000 Operating Supplies
- Based on historical trend.

Discussed

2004-0730

Discussion on Proposed 2005 Budget - Component Units (800's)

848 - LOCAL DEVELOPMENT FINANCE AUTHORITY - REVENUES

FUND BALANCE

401002 Fund Balance
- Does not need to be balanced.

INTEREST EARNINGS

664001 Interest & Dividend Earnings

TRANSFER IN

699101 General Fund
- Calculation based on ineligible parcels.

848 - LOCAL DEVELOPMENT FINANCE AUTHORITY - EXPENSES

CAPITAL OUTLAY

973000 Land - ROW
- City is working on the final appraisal for SOCRRRA and prefers to keep the information confidential.

893 - ECONOMIC DEVELOPMENT CORPORATION - REVENUES

893 - ECONOMIC DEVELOPMENT CORPORATION - EXPENSES

Discussed

2004-0710

Discussion on Proposed 2005 Budget - General Fund (100's)

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101 - GENERAL FUND / 448 - STREET LIGHTING

101 - GENERAL FUND / 666 - COMMUNITY DEVELOPMENT BLOCK GRANT

PROFESSIONAL SERVICES

801000 Professional Services

* HAVEN

* Neighborhood House

[Based on previous requests; have yet to receive this year's requests.

801008 Other

* Environmental Studies

* ADA Compliance Issues

801592 Home Repairs

* Minor Home Repair

807000 Contractual Services

* Spring / Fall Yard Clean-Up

* Lawn Mowing Service

Ms. Raschke questioned why the City does not use CDBG funds for Holiday Helpers. Mr. Joe Snyder, Financial Analyst, explained that the City had not received a request for assistance from Holiday Helpers. It was noted that receipt of CDBG funds entails a great deal of paperwork for the receiving charitable organization.

101 - GENERAL FUND / 756 - PARKS DEPARTMENT

PERSONNEL SERVICES

Elimination of one (1) clerical position.

OPERATING SUPPLIES

741000 Operating Supplies - Programs

- Based on historical trend.

751000 Supplies - Concessions / Gift Shop

- Based on historical trend.

PROFESSIONAL SERVICES

- 850000 Membership & Dues
 - Elimination of Borden Park related membership.
- 860000 Travel & Seminars
 - Elimination of Bloomer Park training program.

OTHER EXPENSES

- 929000 Repairs and Maintenance
 - Elimination of Museum specialized maintenance.

Council members asked that the Parks budget be broken down into more detail.

101 - GENERAL FUND / 774 - FORESTRY

OPERATING SUPPLIES

- 740004 Programs
 - * Arbor Day and Gypsy Moth Supplies
 - Elimination of Gypsy Moth supplies; problem is currently under control.

PROFESSIONAL SERVICES

- 807000 Contractual Services
 - * Tree Maintenance, Removal of Failing Ash Trees on City Property
- 900000 Printing & Publishing
 - * Door Tags, Notices and Press Releases
 - Increase in notices associated with the removal of ash trees.

OTHER EXPENSES

- 932000 Maintenance - Equipment
 - * Maintenance for Chainsaws, Stump Grinder, Chipper
 - Based on historical trend.

In response to Mr. Barnett's inquiry as to the expenses for clean up of the previous year's ice storm, it was explained that those expenses were divided between the DPS Department and the Forestry Department.

Discussed

2004-0727

Discussion on Proposed 2005 Budget - Special Revenue Funds (200's)

232 - TREE FUND - REVENUES

FUND BALANCE TO BALANCE

401002 Fund Balance

232 - TREE FUND - EXPENSES

PROFESSIONAL SERVICES

Transferred one (1) full-time position.

Council members questioned whether Tree Fund monies could be used to improve the landscaping on the median along Livernois Road. Mr. Hartner explained that the environment in that area is too harsh, with the heat from the two lanes of traffic and the road salt used during winter. He stressed it would require a complete overhaul of the area including expensive irrigation and dirt. He further noted that Tree Fund money is to be used for trees and for matching funds for grants.

Discussed

2004-0710

Discussion on Proposed 2005 Budget - General Fund (100's)

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101 - GENERAL FUND / 852 - RETIREE HEALTH

101 - GENERAL FUND / 999 - TRANSFER OUT

TRANSFER OUT

- 999202 Major Roads
 - 2004 is the final year of a fifteen (15) year program; continuation is optional.
- 999203 Local Roads
 - Elimination except to cover utilities.
- 999207 Special Police
 - No change; transfer will remain constant.
- 999232 Tree Fund
- 999335 Local Road Bond - 1989
 - Will retire in 2004.
- 999370 Municipal Building Debt
 - * Annual Debt Service Payment
- 999420 Capital Improvement Fund
 - * Sony 0.2500 Mill - Policy
 - * Proposed CIF Expenditures 2005
- 999512 Building Authority
- 999631 Building & Grounds
 - * City Hall Common Areas
 - Result of depreciation of furniture in City Hall.
- 999661 Fleet Fund
 - * Forestry - Stump Grinder
 - Needed for increased level of removal of ash trees.
- 999848 LDFA

Discussed

2004-0729

Discussion on Proposed 2005 Budget - Capital Funds (400's)

420 - CAPITAL IMPROVEMENT FUND - REVENUES

TRANSFER IN

699101 General Fund

420 - CAPITAL IMPROVEMENT FUND - EXPENSES

FUND BALANCE TO BALANCE

701001 Fund Balance

TRANSFER OUT

- 999631 Transfer Out - Facilities
 - * PK-04A - Spencer Park / Parking Lot Paving (eliminated)
 - * PK-17B - Bleacher Replacement (eliminated)
 - * PK-18 - Outdoor ADA Site Compliance (eliminated)

Ms. Hill expressed concern that funds being transferred from the General Fund to "subsidize" other funds, such as Police, sends the wrong message to residents and would undermine efforts to pass dedicated millages, particularly in the case of the impending local streets millage vote. President Dalton stressed his belief that police protection, fire safety, and the repair and maintenance of local roads takes priority over Parks projects. Mr. Mike Hartner, Director of Parks & Forestry, indicated the Parks projects outlined in the CIP address the health and safety of citizens who utilize the City's parks and trails.

Discussed

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Special Budget Work Session Meeting - August 31, 2004 at 7:30 p.m.

ADJOURNMENT

There being no further business before Council, President Dalton adjourned the meeting at 10:53 p.m.

JOHN L. DALTON, President
Rochester Hills City Council

*BEVERLY A. JASINSKI, Clerk
City of Rochester Hills*

*MARGARET A. STRATE
Administrative Secretary
City Clerk's Office*

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

Complete proceedings recorded in the Official Minutes Book on file in the office of the City Clerk and by this reference is made a part hereof.