



Rochester Hills

Minutes - Draft

City Council Regular Meeting

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

*Erik Ambrozaitis, J. Martin Brennan, Greg Hooper, Vern Pixley, James Rosen,
Michael Webber and Ravi Yalamanchi*

Vision Statement: The Community of Choice for Families and Business

*Mission Statement: "Our mission is to sustain the City of Rochester Hills as the premier
community of choice to live, work and raise a family by enhancing our vibrant residential
character complemented by an attractive business community."*

Monday, August 3, 2009

7:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

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

ROLL CALL

Present 7 - Erik Ambrozaitis, J. Martin Brennan, Greg Hooper, Vern Pixley, James Rosen,
Michael Webber and Ravi Yalamanchi

Others Present:

*Ed Anzek, Director of Planning and Development
Bryan Barnett, Mayor
Tara Beatty, Chief Assistant
Ron Crowell, Fire Chief/Emergency Management Director
Paul Davis, City Engineer
Bob Grace, Director of MIS
Mike Hartner, Director of Parks and Forestry
Captain Mike Johnson, Oakland County Sheriff's Office
Pamela M. Lee, Director of Human Resources
Jane Leslie, City Clerk
Roger Rouse, Director of DPS/Engineering
Keith Sawdon, Director of Finance
John Staran, City Attorney
Doug Walther, Deputy Director of Assessing
Kelly Winters, Deputy Director of Building/Ordinance Compliance
Regina Wong, Rochester Hills Government Youth Council Representative*

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

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

Aye 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

PUBLIC COMMENT

Lee Zendel, 1575 Dutton Road, stated that he visited the Country Club Village Subdivision today and did not consider the noise levels to be as loud as the proponents of Noise Barrier 10 (NB-10) state that it is. He commented that the M-59 freeway was there when those residents purchased their homes. He noted that the M-59 wall has received a fifth-lowest ranking in the City's Capital Improvement Plan and noted that if the residents truly want a wall, a Special Assessment District (SAD) should be created. He estimated that if a SAD were created, each resident who itemizes their taxes would pay approximately 73 cents per day for a wall.

Wayne Waller, 6370 Orion Road, stated that a newly-installed sign at the First Baptist Church of Rochester on Orion Road across from his home was unattractive, inappropriate and affected his property value. He commented that this type of sign does not belong in a residential neighborhood. Displaying various photographs he took at different times of the day depicting the sign's location and lighting, he requested the City intervene prior to final approval.

Alice Benbow, 1582 Northumberland, requested that Greg Hooper resign as City Council President. She announced that the League of Women Voters would hold a Meet the Candidates Night on Wednesday, August 19, 2009 at City Hall. She highlighted information contained in an article regarding campaign funding. She thanked Mayor Barnett for clarifying information regarding roads maintenance. She noted that the City website should be changed to say that DVDs are no longer available at the Library. She read a list of recommendations regarding Police reports and Police Department activities.

Noell O'Neill, 3640 Winter Creek, noted that if a Sound Wall Committee were formed, a preliminary objective review of all ten noise barriers studied would note that three of the barriers do not shelter residential areas, and noted that one barrier is adjacent to St. Paul's Albanian Church, one is adjacent to soccer fields at Lutheran High Northwest and a third shelters Spencer Park. She stated that residents are eager for Council to begin the process of developing a ranking system and requested that Council remember that the area served by NB-10 was the only location along M-59 where a sound wall will be placed on the opposite side of the freeway. She commented that Scot Beaton made a proposal at the Michigan Department of Transportation's (MDOT) Open House regarding M-59 construction and noted that there was a \$1.6 million difference between two alternative proposals for the new Crooks Road interchange. He questioned whether the lesser expensive alternative could be selected and the \$1.6 million difference be directed toward sound walls and noted that MDOT appeared to be receptive to that possibility. He noted that Representative McMillin has written a letter to intervene with Lansing on their behalf. She commented that Council should not consider a millage to increase their taxes without considering protection from noise inside of that millage.

Mike McGlynn, 3741 Everett, commented that he wished to see a committee formed to review sound walls. He noted that construction has started on M-59 and stated that the goal should be to protect the tax base of the community and stated that noise issues should have been addressed by the Planning Commission before the Country Club Village Subdivision was approved.

Deanna Hilbert, 3234 Quail Ridge Circle, stated that a representative of the Quail Ridge Homeowners' Association presented information to Council two weeks ago about that subdivision's deteriorating streets. She noted it was mentioned later by a resident that Precinct 14 voted down a road millage and stated that Precinct 14 is not just Quail Ridge. She commented that the road millage failed throughout the City and stated that her subdivision does not want all their roads redone, but just wants replacement slabs where the roads are in poor condition. She stated that the City needs to arrive at a fair and equitable way to pay for street repair.

David DiLaura, 6350 Cherry Tree Court, stated that he was in support of Mr. Waller and his position against the First Baptist Church of Rochester's new sign. He commented that he lives in the same neighborhood, and agrees that the sign is inappropriate to the residential character of the neighborhood.

Doug Siehda, 3277 Quail Ridge Circle, stated that two weeks ago, a Homeowner's Association representative made a presentation regarding the road conditions in Quail Ridge Subdivision. He expressed his thanks to City staff for a quick response, as an inspector came out within the next few days and reviewed the subdivision street conditions.

Bill Black, 2408 Jackson, commented that as Council gets ready to receive the Mayor's Budget, they should note that the active citizen groups in the community, such as the M-59 Sound Wall groups, the Tienken Road group, and the Quail Ridge residents all revolve around financial issues. He stated that whether at the State or the County level, finances are shrinking. He requested that all Budget discussions be available on the web. He questioned the City's contract with the City Attorney and suggested that Council might be able to find someone to do this legal work for half the price.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

President Hooper requested Mayor Barnett follow up with Building/Ordinance Compliance regarding the First Baptist Church of Rochester's sign. He announced the League of Women Voters would host a Meet the Candidates forum at City Hall on August 19, 2009. He stated that the Budget documents will be available on the web, all Budget meetings televised, taped and live on the Internet.

Mr. Brennan concurred that he would like a report from the Mayor and Building/Ordinance Compliance on the First Baptist Church's sign. He commented that the City is striving for transparency and will maintain open, honest disclosure of everything. He extended condolences to the family of a one-and-a-half year old toddler who drowned in a Rochester Hills pool over the weekend.

Mr. Ambrozaitis commented that the individuals who are affected by sound walls have his full support and stated that he would like to see sound walls funded in this years' Budget.

Mr. Pixley expressed his thanks to all Department heads for their attendance noting that a much effort went into Budget development. He thanked President Hooper for his leadership, commenting that his is not an easy job; and stated that things appear much different from this side of the dais.

Regina Wong, Rochester Hills Government Youth Council (RHGYC) Representative, noted that this is the last Council meeting for this year's RHGYC and thanked Mr. Pixley, the Mayor and all Council members for their support during the year. She commented that it has been a tremendous year for the group and stated that she has enjoyed being involved.

Mayor Barnett made the following comments:

- Next week, Council will have an opportunity to recognize the RHGYC members for their efforts. He commented that RHGYC members are actively engaged in the City, noting that the group grows stronger and stronger every year. He thanked Council member Pixley and the Clerk's Office, Leanne Scott, City Council Coordinator and Youth Advisor, and her team, for their efforts with the RHGYC.
- He noted Mr. Waller's concerns regarding the sign at the First Baptist Church on Orion Road, and stated that he will try to get more information on the sign's status. He questioned whether Mr. Waller could verify that the Church has been dimming the lights and turning the sign off from midnight to 6:00 a.m. and stated that in recent contact with the Church, their representatives believe that they are making some appropriate changes.
- He acknowledged the loss of the Rochester Hills toddler in a pool accident and stated that it was a terrible nightmare that unfortunately occasionally occurs.
- The Budget will be presented tonight.
- Scam artists are still in the city attempting to prey on senior citizens. He noted that City employees should always have their badge and if they cannot provide one, residents should immediately contact the Sheriff's Department to verify their identity.

ATTORNEY MATTERS

City Attorney John Staran had nothing to report.

PRESENTATIONS

2009-0306 Update on Major and Local Roads Capital Projects

Attachments: [Agenda Summary.pdf](#)
[Major Rd 2010 - 2016 CIP.pdf](#)
[Major Rd Capital in Budget Model.pdf](#)
[Major Rd Fund Balance Preview based on budget model.pdf](#)
[Local Rd 2010 - 2016 CIP.pdf](#)
[Local Rd Capital in Budget Model.pdf](#)
[Local Rd Fund Balance Preview based on Budget Model.pdf](#)
[Suppl Presentation - Charts.pdf](#)

Keith Sawdon, Director of Finance, provided information to update the list of road projects in the Capital Improvement Plan (CIP), provide a listing of those projects that will move forward into both the current Budget and a long-range Budget, and highlight what the current effects those capital plans have on Fund Balance moving out into the future for long-range planning. He noted that the CIP process is a wish list and could be likened to a Christmas list, noting that Santa could not possibly afford everything on the list. He noted that projects in the CIP are narrowed by the Mayor and the Department Directors to isolate a certain dollar amount for projects that can be afforded in the Budget process.

Roger Rouse, Director of DPS/Engineering, gave a summary of road conditions as viewed by the City's road rating system:

Major Roads:

- Condition: 8.84 Miles considered Poor (24 percent); 28.42 Miles considered Good/Fair (76 percent)
- By Pavement Type: 3.43 Miles of concrete roads considered Poor (39 percent); 5.41 Miles of asphalt roads considered Poor (61 percent)
- By Road Class: 4.13 Miles of Collector Roads considered Poor (47 percent); 2.81 Miles of Industrial Area Roads considered Poor (32 percent); 1.90 Miles of Section Line Roads (other categories) considered Poor (21 percent)

Local Roads:

- Condition: 23.50 Miles considered Poor (11 percent); 195.44 Miles considered Good/Fair (89 percent)
- By Pavement Type: 13.51 Miles of concrete roads considered Poor (57 percent); 9.99 Miles of asphalt roads considered Poor (43 percent)

Mr. Rouse stated that a road's design life is twenty years. He noted that in general, the condition of the road falls off at a very rapid rate in the last stage of life. He explained that an asphalt road deteriorates differently than a concrete road, and noted that asphalt roads deteriorate all at once by turning to gravel.

Council Discussion:

President Hooper stated that it appears that Fund Balance will be negative in 2012 based on the forecasting provided, and noted that these figures included only funding a small percentage of what is in the Capital Improvement Plan (CIP) for road projects.

Mr. Yalamanchi questioned what portion of the Major Road Revenue projected for 2010 was from Act 51 funding and whether the General Fund still contributed to Major Roads.

Mr. Sawdon replied that Mayor Road Revenues include Act 51 Revenues plus a small contribution from the General Fund.

Mr. Yalamanchi questioned the projected drop in Local Road revenues and why the revenues were projected to substantially decline in 2012. He questioned whether there were some plans included for road reconstruction.

Mr. Sawdon responded that Act 51 generates roughly \$1 million for Local Roads. He stated that the City's maintenance bill for roads is roughly \$4 million annually and noted that the General Fund is not contributing at a level to support reconstruction. He explained that the General Fund supports both Local Roads and Police and will not be able to support both levels of maintenance and reconstruction. He stated that there will be a movement strictly toward maintenance in 2012.

Mr. Yalamanchi questioned whether any consideration was given to the proposed millage discussions.

Mr. Sawdon stated that possible millage figures are not included.

Mr. Yalamanchi questioned whether all projected Major Road projects would proceed and whether there are projects that are not critical that the City could forego. He questioned whether the Adams Road and Technology Drive project was moving forward with Local Development Finance Authority (LDFA) dollars.

Paul Davis, City Engineer, responded that it was.

Mr. Yalamanchi questioned whether any projects could be eliminated for 2010 to provide cushion.

Mr. Davis responded that some adjustments have been made. He noted that some projects are beyond the City's control, are led by the Road Commission for Oakland County (RCOC), or may be delayed. He pointed out that the M-59 Widening Project is proceeding due to Federal Stimulus Funding.

Mr. Yalamanchi questioned whether there had been changes to any project status from the City's Master Thoroughfare Plan.

Mr. Davis responded that the RCOC is again moving the Dequindre Road Project forward; it had previously been one of the casualties when the State balanced its budget. He noted that this was the number one project listed in the City's Master Thoroughfare Plan and that its progress is still not entirely under City control.

Mayor Barnett explained that the Dequindre Road Project was submitted to Congressman Peters' office as an unfunded high-priority project for next year.

Mr. Yalamanchi questioned whether the Adams Road Irrigation Project was required to be completed.

Mr. Rousse responded that the Adams Road Irrigation Project is funded by Metro Act funds, collected from utility companies for maintenance of the right-of-ways. He noted that these are targeted dollars and will improve the condition of the boulevard.

Mr. Yalamanchi thanked the Administration for providing a broad perspective of where the City's road projects are. He noted that a review of which Major Road projects could be eliminated to move funding to Local Roads should be undertaken.

Mr. Rosen questioned how the project summary figures and rankings are assembled.

Mr. Sawdon responded that the CIP is developed by the Department Director and staff, who present ideas to the committee for ranking and for subsequent review by the Planning Commission. Based on recommendation, the projects then fall within the available funding.

Mr. Rosen concurred that the CIP is a wish list and noted that if totaled out to 2015, it includes \$40 million in just the City's share for Major Road projects. He commented that it is up to the Administration and staff to select projects to submit to Council. He noted a shortfall of approximately \$1 million per year for roads and stated that he wished to have this information to make decisions. He commented that he was hoping to have a list of projects the City was already committed to.

Mayor Barnett noted that this information provides all the projects that could be done and the proposed Budget will include the projects the City can afford to do, with an explanation of why the Administration believes those projects are priorities. He stated that the City would not spend into a deficit.

Mr. Rosen stated that the City could accomplish only a significantly small fraction of the projects contained in the CIP.

Mayor Barnett noted that there are additional companion projects that must be included.

Mr. Rosen noted that he would like to see a projection forward for a few more years to provide Council latitude in where to direct funds. He stated that this information would be helpful in considering whether the City could utilize Fund Balance for the Avon Road Bridge.

Mr. Pixley commented that the information presented this evening demonstrates that the City has a substantial gap between revenues and what the City needs to spend over the next few years.

Mayor Barnett noted that there is a large Fund Balance; however, some of the funds are Metro Act or LDFA funds and are limited in their use. He noted that contributions mandated by Act 51 are difficult to forecast as project timelines are moved around by others. He explained that the City's Fund Balance Policy

also requires that a certain percentage be kept in Fund Balance. He pointed out that the Oakland County Commissioners are considering eliminating Tri-Party Funding and noted that if this occurs, the City's share of some projects would jump to one-hundred percent. He further noted that Act 51 cannot sustain Major and Local Roads beyond approximately 18 months and the City must be cautious about the projects it advances.

Mr. Yalamanchi questioned how the LDFA-funded projects are included in these cost projections.

Mr. Sawdon responded that the revenue source includes the LDFA funds; however, the figures included in the CIP consist of the total cost of these projects.

Mr. Rosen reiterated that he wanted to see additional information regarding specific projects the City is committed to participate in, to ascertain how to get through the downturn and plan for the next three to six years.

President Hooper suggested that the Administration could provide this information to Council by e-mail.

Mr. Davis commented that Council could provide direction regarding several specific projects, including Crooks Road, from Star Batt to Hamlin Road, which will not be included in any Michigan Department of Transportation (MDOT) or RCOC funding. He noted that it appears that the interchange work will occur next year and Council should decide if it wishes for that portion of Crooks to be constructed.

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.

2009-0297 Approval of Minutes - City Council Special Meeting - June 22, 2009

Attachments: [CC Special Meeting Min 062209.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0222-2009

Resolved, that the Minutes of a Rochester Hills City Council Special Meeting held on June 22, 2009 be approved as presented.

2009-0298 Approval of Minutes - City Council Regular Meeting - June 22, 2009

Attachments: [CC Min 062209.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0223-2009

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on June 22, 2009 be approved as presented.

2009-0299 Approval of Minutes - City Council Regular Meeting - June 29, 2009

Attachments: [CC Min 062909.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0224-2009

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on June 29, 2009 be approved as presented.

Passed the Consent Agenda

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

Aye 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

NEW BUSINESS

2009-0305 Appointment of Youth Members to the 2009/2010 Rochester Hills Government Youth Council (RHGYC)

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

Mr. Pixley stated that he is very pleased to bring forward a report from the Nominating and Interviewing Committee of the Rochester Hills Government Youth Council (RHGYC). He reported that he, Jane Leslie, City Clerk, Leanne Scott, City Council Coordinator and Youth Advisor, and departing RHGYC seniors Regina Wong and Sam Kilberg interviewed 25 candidates, and ranked and scored each applicant on their interview and responses. He commented that the team spent a great deal of time reviewing scoring, Council Districts, schools, and grades represented to arrive at a good cross-section of both young and experienced students. He noted that as a result of the interview team's efforts, a great group of candidates was selected. He commented that the group's legacy includes extensive and amazing leadership and work ethic, pointing out that exiting RHGYC members include individuals accepted to both high ranking schools such as Harvard and MIT, and are at the top of their class while still finding time to give back to the community. He read the list of candidates recommended for

membership in the RHGYC and announced that, if accepted, these individuals will be sworn in during a ceremony at the August 10, 2009 Council meeting.

Mr. Ambrozaitis stated that he respects and admires all 25 students who applied. He noted that he has watched one successful applicant grow up and is pleased that she has been selected.

A motion was made by Pixley, seconded by Ambrozaitis, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:

Aye 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0225-2009

Resolved, that the Rochester Hills City Council hereby concurs with the recommendation of the Rochester Hills Government Youth Council (RHGYC) Interview Team and Waives Article II, Membership and Terms, Section 1.a. of the RHGYC Bylaws and Rules of Procedure to allow the appointment of fifteen (15) members to the RHGYC for the 2009/2010 term;

Be It Further Resolved, the Rochester Hills City Council concurs with the recommendation of the RHGYC Interview Team and appoints the following students to the RHGYC for the 2009/2010 term beginning September 1, 2009 and ending August 31, 2010:

Name	High School	Council District
Trip Brennan	Rochester HS	2
Jenna Clarkson	Marian	4
Aly Difilippo	Rochester HS	1
Amith Diwakar	International Academy	4
Sara Etienne	Rochester HS	4
Kaitlyn Forbes	Notre Dame Prep	2
Sean Kosecki	Rochester HS	4
Susanna Jang	Adams HS	2
Harvey Li	International Academy	1
Ishan Patel	Avondale HS	3
Sresht Rengesh	Avondale HS	1
Jessica Ruiz	Stoney Creek	2
Rachel Schlagel	Rochester HS	3
Michelle Thorpe	Adams HS	2
Alex Zelinski	Brother Rice	2

2009-0308 Request for Nonprofit Designation for a Charitable Gaming License from the State of Michigan - Heavenly Paws of Michigan, applicant

- Attachments:** [Agenda Summary.pdf](#)
[Heavenly Paws Memo.pdf](#)
[IRS Nonprofit.pdf](#)
[Fundraiser Flyer.pdf](#)
[Heavenly Paws Bylaws.pdf](#)
[Articles of Incorporation.pdf](#)
[Resolution.pdf](#)

Denise Rayner, representing Heavenly Paws of Michigan, the Applicant, stated

that all proceeds will go to help animals in need, including animals that are victims of foreclosure and abandonment; funds will also be used for spaying and neutering.

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

Aye 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0226-2009

Resolved, that the request from Heavenly Paws of Michigan located at 2839 Portage Trail, Rochester Hills, Michigan 48309, Oakland County, asking that they be recognized as a nonprofit organization operating in the community for the purpose of obtaining a charitable gaming license, be considered for approval.

2009-0296 Request for Purchase Authorization - DPS/FLEET: Purchase of one (1) new 2009 Trackless MT6 articulated municipal tractor in the amount of \$103,100.00; Fredrickson Supply, LLC, Wyoming, MI

Attachments: [Agenda Summary.pdf](#)
[Municipal tractor photo.pdf](#)
[Bid Tab.pdf](#)
[Resolution.pdf](#)

Roger Rousse, Director of DPS/Engineering, stated that this tractor is a specialized piece of equipment used to sweep aprons after the grading of roads, cleaning intersections, and will be used in the wintertime for snow plowing. He noted that the second lowest bidder is recommended, whose bid is \$1,600.00 higher than the lowest bid, and stated that this bid was selected as a result of past experience with the lowest bidder. He noted that the low bidder had not met all the City's bid specifications and commented that the additional cost was warranted.

President Hooper questioned whether the City has a "Buy American" policy.

Mayor Barnett responded that the City's Purchasing Ordinance dictates the lowest responsible bidder. He stated that there have been discussions relative to providing incentives to select local businesses; however, he noted that purchasing experts typically do not recommend this.

Mr. Ambrozaitis commented that he realizes that this tractor is ten years old and replacement is warranted.

Mr. Rosen questioned whether it would be prudent to go with the low bidder based on its proximity to the City.

Mr. Rousse commented that based on the City's prior experience with the lowest bidder, they are recommending Council accept the second lowest bid. He noted that although the lowest bidding distributor is local, the machine specified in their bid is German-made, and availability of parts and maintenance has been difficult in the past with this manufacturer. He stated that the second-lowest bidder, located in western Michigan, provides an American-made machine with better availability of parts and maintenance.

Mr. Yalamanchi questioned how the equipment cost is established and whether the trade-in value is firm.

Mr. Rousse responded that the cost of the equipment is \$103,000.00 less \$10,000.00 for trade-in, making the total expense \$93,000.00.

Mr. Brennan questioned why the total cost is not shown net of the trade-in value.

Mr. Rousse stated that policy dictates that trade-in monies, as from the sale of used equipment, be treated as revenue and the full price of the tractor be noted as an expense.

Mr. Brennan questioned how Michigan Department of Transportation (MDOT) Act 51 Schedule C rental rates are reported.

Mr. Rousse responded that each year, MDOT issues Schedule C rates; and noted that the intention is that for each hour a piece of equipment goes out on a job, money is set aside in the Fleet Fund for the equipment's eventual replacement. He commented that replacing this tractor now is the least expensive option, as the current tractor is in need of tires and additional maintenance; and further noted that it still has a significant resale value.

A motion was made by Ambrozaitis, seconded by Brennan, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:

Aye 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0227-2009

Resolved, that the Rochester Hills City Council hereby authorizes the purchase of one (1) new 2009 Trackless MT6 articulated municipal tractor to Fredrickson Supply, LLC, Wyoming, Michigan in the amount of \$103,100.00.

2009-0153 Request for Purchase Authorization - DPS/ENG: Contract for the 2009 Concrete Road Slab Replacement Program in the amount of \$1,800,000.00 and a 10% contingency in the amount of \$180,000.00 for a total not-to-exceed amount of \$1,980,000.00; Tony Angelo Cement Construction Company, Novi, MI

Attachments: [Agenda Summary.pdf](#)
[Bid Tab.pdf](#)
[2009 Intersection City Wide Map.pdf](#)
[Cumberland Woods Map.pdf](#)
[Section 5 w-contracted work only.pdf](#)
[Section 6 w-contracted work only.pdf](#)
[Section 7-Avon Meadows Langley Rd w-contracted work only.pdf](#)
[Rochdale Valley Stream and LDFA w-contracted work only.pdf](#)
[042009 Agenda Summary.pdf](#)
[042009 Resolution.pdf](#)
[Resolution.pdf](#)

President Hooper stated that although he works in the construction industry and knows the firm selected, and has had dealings with the firm as a subcontractor, he has had nothing to do with this contract, the bid process, or the contract award and has no financial interest in the project. As such, he stated he saw no reason

to recuse himself from this item.

Roger Rousse, Director of DPS/Engineering, stated that Council approved this contract a few months ago; however, the contractor was unable to meet all requirements of the City's Purchasing Ordinance. As a result, the contract was terminated and the project was put out for bid. He noted that this round of bidding yielded figures slightly higher than the original contract; and as a result, the project square yardage was scaled back and a list of targeted locations included in the packet.

Mr. Yalamanchi questioned why the next bidder was not automatically recommended.

Mr. Rousse stated that the prior contractor agreed to hold their 2008 price structure for 2009, but were unable to meet those prices. As a result, the project was then sent out for bids.

Mr. Yalamanchi questioned what would have occurred if the original award this year was by a bidding process.

Mr. Rousse responded that the second bidder would have then been recommended.

Mr. Rosen questioned what percentage of slabs in each sub were being replaced.

Mr. Rousse responded that approximately two percent of the subdivision slabs were being replaced. He explained that the priorities included intersections that intersect a major road, intersections inside a subdivision that intersect a collector street, and mid-block areas where catch basins have failed. He noted that in almost all cases, road repairs are tied to catch basin failure. He noted this program is a stop-gap measure to keep roads passable and noted that the sum-total of all replacement for this project was approximately one-mile of roadway.

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

Aye 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0228-2009

Resolved, that the Rochester Hills City Council hereby authorizes the contract for the 2009 Concrete Road Slab Replacement Program to Tony Angelo Cement Construction Company, Novi, Michigan in the amount of \$1,800,000.00 and a 10% contingency in the amount of \$180,000.00 for a total not-to-exceed amount of \$1,980,000.00 and further authorizes the Mayor and City Clerk to execute a contract on behalf of the City.

(RECESS 8:37 p.m. to 8:45 p.m.)

- 2009-0307** Mayor's 2010 Proposed Budget and 2011 Projected Budget
- a. Presentation
 - b. Adoption of Resolution acknowledging receipt of the 2010 Proposed Budget

and the 2011 Projected Budget and setting the Budget Public Hearing for Monday, September 14, 2009

Attachments: [Agenda Summary.pdf](#)
[2010 Proposed Budget Message.pdf](#)
[2010 Budget Presentation.pdf](#)
[Resolution.pdf](#)

Mayor Barnett introduced the 2010 Proposed and 2011 Projected Budget, noting that the City has experienced unprecedented economic challenges, yet the Administration continues to demonstrate leadership by being one of the first communities in Oakland County to present a two-year budget for consideration and public discussion.

He noted that the two principles guiding the Budget development process include the City's Vision Statement, "The community of choice for families and businesses", and the City's Mission Statement, "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".

He noted that the Administration continues to be faced with the challenge of delivering quality services to its citizens with reduced funding sources, and budgeting and forecasting challenges resulting from the current housing crisis, instability with domestic automakers, and rising health care costs. He commented that the Budget being presented was developed with a conservative and disciplined approach.

He outlined the following items contained in the proposed 2010 Budget:

- The Fiscal Year 2010 Proposed Budget proposes to keep the City's total tax (millage) rate at 9.7060, the same as Fiscal Year 2009. He noted that if approved, this will be the eleventh consecutive year that the millage rate has not increased without a vote of the residents and notes that this will be the lowest millage rate of Cities in Oakland County with a population over 5,000. He pointed out that the proposed millage rate is below the City's authorized amount and stated that the City is not proposing to levy an administrative fee for tax collection services, although 75 percent of Oakland County communities currently do. He noted that these two measures will leave approximately \$2.3 million in the pockets of Rochester Hills' residents and businesses.
- Declining residential and commercial property values have resulted in taxable values declining approximately 3.8 percent this year, with taxable values totaling approximately \$3.6 billion. He explained that there will not be a Headlee rollback of the City's millages this year, as the rate of inflation exceeded taxable value growth. He noted that the Fiscal Year 2010 proposed budget manages inflationary cost increases with less funds than it had available last year by continuing to improve the way that services are delivered.

Expenditures:

- The Fiscal Year 2010 Budget proposes City-wide expenditures of \$113,308,040, a decrease of 10.8 percent from the 2009 Amended Budget. He commented that most of the reductions are in the area of personnel services and capital projects.

Of the \$113,308,040 budgeted, \$17,771,230 (net of the transfer to OPC and RARA) is proposed to be transferred between City funds and \$12,472,390 is budgeted for Interfund charges. Real expenditures are down ten percent relative to the Fiscal Year 2009 Amended Budget. He summarized the proposed expenditures as follows:

- * \$25.0 million or 22.1 percent for personnel costs
- * \$20.0 million or 17.7 percent toward Other Expenses, such as water and sewage disposal purchases (\$17.7 million)
- * \$12.5 million or 11.0 percent Interfund charges
- * \$12.9 million or 11.4 percent for professional charges such contracted police services (\$8.4 million)
- * \$19.6 million or 17.3 percent for transfers-out to City funds
- * \$8.2 million or 7.2 percent for capital projects and capital equipment
- * \$6.6 million or 5.8 percent for debt service
- * \$6.6 million or 5.8 percent toward asset depreciation
- * \$1.9 million or 1.7 percent for various supplies

Governmental Funds:

<i>Fiscal Year</i>	<i>Millions</i>	<i>% Change</i>
2008 Actual	\$59.10	
2009 Amended	\$60.50	2%
2010 Proposed Budget	\$50.70	-16%
2011 Proposed Budget	\$46.90	-8%

He noted that governmental funds are where tax dollars are spent and where the City has the greatest discretion in budgetary decision-making. He noted that the City is making sharp reductions in expenditures despite significant inflationary pressures in benefit and capital costs.

Personnel Costs:

He stated that the City has actively moved to bring personnel costs in line with available funding, and noted that the proposed 2010 Budget provides for an almost \$1 million reduction in total personnel costs over the amended 2009 Budget and represents an 11 percent reduction in budgeted positions since 2006. He commented that personnel cost containment is possible due to the reduction in budgeted overtime and the elimination of ten equivalent full-time budgeted position; and stated that the City now has 229 staffing positions, which is below 1999 staffing levels. He stated that to partially offset anticipated contractual increases from the Oakland County Sheriff's Office, a Detective Sergeant position for the School Liaison Program is proposed to be eliminated.

Capital Projects:

He noted that it continues to be a City goal to replace capital infrastructure in a timely manner as an effort to maintain property values, quality of life and uninterrupted services to City residents and businesses. He explained that \$8.2 million in capital projects noted in the 2010 Budget are proposed to be funded by cash on hand.

Proposed Capital Outlay by Type:

Type	Percentage
Major Roads	33.4%
Local Streets	21.7%
Water and Sewer	15.4%
Fleet	11.1%
Pathways	8.8%
MIS	3.1%
Drains	2.8%
Fire Capital	2.2%
Facilities	1.4%

He listed the following capital projects proposed from the Fiscal Year 2010-2015 Capital Improvement Plan (CIP):

- Storm water/drain improvements for Karas Creek Bank Stabilization and Clinton River Channel Restoration, budgeted at \$230,000.
- Pathway improvements along Tienken Road, John R and Rain Tree Drive as well as city-wide pathway rehabilitation are proposed for \$720,500.
- Approximately \$1.26 million for water and sewer infrastructure work is proposed. Projects include the Sanitary Sewer Rehabilitation Program, the Grant Street Pump Station Reconstruction, and various building improvements.
- Nearly \$2.728 million, or 34.4 percent of the City-wide capital budget is slated for Major Road work, reflecting its high priority with City residents as recognized by the 2007 City Survey. He listed several proposed projects including M-59, Technology Drive, East Nawakwa, John R Road, continuation of the Traffic Calming Program, and Adams Boulevard Irrigation. He noted that the proposed Budget also includes \$536,250 for Major Road Concrete Slab Replacement.
- \$4.9 million is proposed to be transferred from the General Fund to the Local Street Fund to support local street maintenance operations and capital projects. Capital Projects include a city-wide Asphalt Rehabilitation Program for \$625,000, city-wide Concrete Slab Replacement Program for \$1.125 million and a Traffic Calming Program for \$25,000. He stated that in total, \$1.775 million will be spent for local street construction.
- Building improvements include new Light Emitting Diode (LED) light upgrades totaling \$36,000 and a Communication Center Telephone Upgrade for \$40,000.
- Two Fire Department vehicles are being proposed for \$78,000, along with a breathing apparatus test unit.
- The Fleet Fund is proposing the purchase of much-needed replacements that will enable providing better service to the City's residents; mowers, tractors, trailers and various smaller fleet equipment are proposed.
- Information Technology amounting to \$255,000 is proposed, including Website upgrades, a Network upgrade and financial functionality enhancements.

Revenues:

Mayor Barnett noted that the 2010 Proposed Budget recommends a conservative approach, stating that City-wide revenues are included at \$113.3 million, a 6.5 percent reduction from the 2009 Amended Budget. He pointed out

that the City's external Auditor's May report showed that the City was clearly in the top percentile of other Oakland County communities when it came to managing its resources and stated that with the support of the City's Administration, Council and guidance from residents, Rochester Hills will continue to be the leader throughout Oakland County in cost containment.

Revenues Summary	Percentage
Service Charges	39.1%
City Taxes	28.2%
Transfer-In	15.5%
Intergovernmental	8.6%
Fund Balance	4.3%
Other Revenue	4.1%

He listed the following significant projected revenue sources:

- \$44.3 million or 39.1 percent from City service charges.
- \$32 million or 28.2 percent from taxes.
- \$17.6 million or 15.5 percent representing transfer from other funds.
- \$9.8 million or 8.7 percent from State and Federal sources.
- \$4.9 million or 4.3 percent from fund balances for capital projects.
- \$4.7 million or 4.2 percent from investment earnings, licenses, fines and other revenue.

He highlighted areas of revenue decline:

- The decline of taxable property values for Fiscal Year 2010 would translate into a property tax revenue decline of \$1.376 million, or 4.1 percent in 2010.
- State Shared Revenue is proposed to decline by \$410,000, or 8.4 percent.
- Act 51 Revenue (supported by the gas tax and vehicle registrations) is proposed to decrease by three percent in 2010, or \$114,850.
- Licenses and Permits are projected to decline slightly due to conservative assumptions for economic recovery in Michigan.
- Investment earnings are projected to decrease due to a decline in projected interest rates.

Mayor Barnett noted that unlike most communities in Oakland County, Metro Detroit and area school districts, the Administration is not proposing the use of Fund Balance as a revenue source to balance operating expenditures. He commented that any proposed use of Fund Balance in Fiscal Year 2010 is related to improving the City's infrastructure through capital projects.

2009 Accomplishments:

Mayor Barnett announced a partial list of this year's accomplishments:

- The City's new Single Trash Hauler contract was put into place. Since its April start, 2,160 tons have been recycled and diverted from landfills. He noted that Rochester Hills has been hailed as the Greenest City in Michigan and received the Green Achievement Award from Oakland County.
- The City recognized its Retiree Health Care obligation and fully funded its

- obligation, making Rochester Hills one of the only communities in Michigan to do so.*
- Over \$2.2 million of concrete slab replacement is underway throughout the City.*
 - The rebuilding of Hamlin Road (Crooks Road to Livernois Road) is well underway and is on schedule.*
 - Austin Avenue will be extended with the help of the Local Development Finance Authority (LDFA) and should be completed this year.*
 - Construction of the new Cemetery Chapel will begin this year and should be completed by the spring of 2010.*
 - Fire Station #1 will receive HVAC improvements this year.*
 - The City's Fleet added a Tractor, a Backhoe, a Vactor Jet Truck and a Dump Truck.*
 - The Fire Department purchased three new ambulances.*
 - A new water main was installed along Austin Drive (a project coordinated with the LDFA) and Brewster Road.*
 - The City adopted a Debt Management Policy and a Fund Balance Policy.*
 - The City earned the Governmental Finance Officers Association (GFOA) Distinguished Budget Presentation Award. Rochester Hills is one of only twenty cities in Michigan to receive this award.*
 - The Purchasing Division received their sixth consecutive Achievement of Excellence in Procurement Award, one of 59 cities in the United States.*
 - The 2009 Festival of the Hills Fireworks was completely funded by private donations and is one of the largest fireworks displays in the state.*
 - The Safety Committee lowered worker's compensation claims by 27 percent, saving \$100,000, and reduced worker injuries by other 80 percent over 2007 levels.*
 - The Employee Wellness Committee has raised employees' awareness of the importance of a healthier workforce. Seventy-eight percent of eligible employees participated in the Health Screening Program and 99 percent of those completed the Health Risk Questionnaire.*
 - Economic development and redevelopment retained six companies and 480 jobs, and attracted 14 new businesses and 322 jobs to the City. He noted of the 14 new companies:*
 - * Two are opening their first U.S. Facility - one is a company from China and the other from Denmark*
 - * One is relocating from New Orleans*
 - * One is relocating from Arizona*
 - * Eight are relocating from within the region*
 - * Two are start-up ventures*
 - With its local attraction and quality of community life, Rochester Hills was recently named "One of the 100 Best Places to Live" by Relocate America.*

Mayor Barnett concluded his presentation by noting that 2009 is proving to be a very successful year full of proud accomplishments and ambitious plans. He pointed out that City-wide revenues are forecasted to decrease by 6.5 percent and expenditures have decreased by 10.8 percent, proving that the City is proposing to live within its means and meet the challenges that lay ahead. He thanked Council for their dedication in communicating their Goals and Objectives that have guided the Administration in preparing this proposed Budget and stated that the Administration is looking forward to the upcoming Budget discussions ahead.

He requested that any Council questions or requests for information be submitted in advance of the upcoming Budget meetings scheduled for August 17, 2009 and August 24, 2009. He pointed out that the Proposed Budget will be available for public review on the City's website, the Clerk's Office, the City Hall Resource Room, the Rochester Hills Public Library and the Older Persons' Commission.

Public Comment:

Jim Hudson, 2566 Powderhorn Ridge, commented that his company has experienced significant personnel reductions and questioned whether the City's reductions were considered soft-cuts of not filling open positions. He questioned whether 2009 audit numbers are available for review. He commented that he has seen companies hire grant writers using a percentage of the grants obtained as compensation and questioned whether this could be explored. He stated that a millage that decreases, and then increases, can be considered a tax increase.

President Hooper questioned whether the City's Audit showed any deficiencies. He noted that Council will be studying the Proposed Budget at the Special Budget Meetings on August 17th and 24th.

Keith Sawdon, Director of Finance, noted that the 2008 Audit found no deficiencies and stated that the City received a very favorable report from its auditing firm. He explained that the City is still in Fiscal Year 2009 and no Audit figures for this Fiscal Year will be available until next year.

Mayor Barnett stated that the personnel reductions are not soft-cuts and consist of positions that have been eliminated.

Council Discussion:

Mr. Pixley expressed his thanks to the Administration noting that the development of the proposed Budget is no easy task. He commented that being able to look forward two years will be of great assistance to Council. He stated that he was pleased to hear of the great economic business climate here in the City and commented that there is much to be proud of.

Mr. Ambrozaitis requested that Council remain open to taking as much time as necessary for the Budget meetings. He expressed concern over the increase in 2009 Amended Budget expenses versus 2008 Budget expenses. He noted that the presentation did not include any references to proposed millages or discussions of 2012 or 2013 Local Road Fund deficiencies. He noted that he would be making a series of seven formal proposals for cuts and commented that he had concerns over the process of amending budgets.

President Hooper requested that any specific ideas be presented in writing for review.

Mr. Webber concurred that ideas should be presented in writing. He noted that there is no perfect budget document and he appreciates the Administration's

efforts in making tough choices.

Mr. Rosen complimented Mayor Barnett and Mr. Sawdon for the proposed 2010 Budget and 2011 projections. He stated that the City is embarking on a splendid way to start thinking about planning for the future and commented that this Budget will set the tone for the next three or four years. He commented that he had hopes that in the future, a three or four-year projection can be presented.

Mr. Yalamanchi stated that he appreciates the development of a two-year Budget and questioned whether a five-year projection is still utilized in the Budgeting process. He questioned what the deadlines are for the Budget adoption process.

Mr. Sawdon responded that a five-year projection is in the Budget. He stated that by City Charter, the Budget must be adopted by November 1; however, he noted that the millage rates must be submitted to Oakland County by a date in October.

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

Aye 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0229-2009

Whereas, the City of Rochester Hills City Council have worked to develop City goals for the Fiscal Year 2010; and

Whereas, based on these City goals, the Fiscal Year 2010 Mayor's Proposed Budget and 2011 Projected Budget was developed; and

Whereas, at the August 3, 2009 City Council Meeting, the Mayor delivered the 2010 Proposed Budget Plan for the Fiscal Year beginning January 1, 2010.

Be It Resolved, that the Rochester Hills City Council acknowledges receipt of the 2010 Proposed Budget and the 2011 Projected Budget and hereby gives notice of Public Hearing to be held at 7:00 p.m. on Monday, September 14, 2009 at the Rochester Hills City Hall, 1000 Rochester Hills Drive, for the purpose of discussing the 2010 Budget and providing opportunity to all interested parties to present comments thereon prior to the adoption by the Rochester Hills City Council.

Be It Further Resolved, that the publication of the Notice of Public Hearing is hereby authorized.

COUNCIL COMMITTEE REPORTS

None.

ANY OTHER BUSINESS

President Hooper stated that he polled Council by e-mail to ascertain whether there would be support to form a committee to review and rank the ten Noise Barrier segments along M-59. He commented that if there was a majority of support by Council, he would assemble an agenda item for the formation of a committee.

Mr. Yalamanchi stated that he was very much in support of forming a Sound Wall Committee.

Mr. Ambrozaitis concurred; however, he stated that he did not wish to get caught up in the minutiae of this.

President Hooper stated that he would assemble information for a future meeting regarding the formation of a Sound Wall Committee.

NEXT MEETING DATE

Regular Meeting - Monday, August 10, 2009 - 7:00 PM

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 9:27 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.