



Rochester Hills

Minutes

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, July 27, 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:

*Tara Beatty, Chief Assistant
Aly Difilippo, Rochester Hills Government Youth Council Representative
Bob Grace, Director of MIS
Jane Leslie, City Clerk
Roger Rousse, Director of DPS/Engineering
Keith Sawdon, Director of Finance
John Staran, City Attorney*

*Mayor Bryan Barnett had previously given notice that he would be out of town and
unable to attend.*

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

A motion was made by Pixley, seconded by Webber, that the Agenda be Approved as Amended to add Legislative File 2009-0304 Rochester Hills v Styl-Rite Homes to Attorney Matters; and to Remove Legislative File 2009-0277 Nomination/Appointment of two (2) Citizen Representatives to the Board of Trustees to the Retiree Health Care Trust. The motion CARRIED by the following vote:

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

PUBLIC COMMENT

Lee Zendel, 1575 Dutton, commented that all residents should not be made to pay for the mistakes of a few hundred people. He stated that residents requesting a sound wall adjacent to M-59 experienced the freeway's noise levels when they bought their homes. He noted that Southeast Michigan Council of Government (SEMCOG) traffic noise figures for west-bound traffic volumes were higher in 2004 when most of these home were constructed than in 2008. In reference to residents' statements made regarding taxes paid to the City, he noted that less than one-third of the total property taxes collected go to the City; and further stated that none of the monies collected for Summer Taxes go to the City. He referenced large construction and renovation projects in the Rochester Community School District and Oakland Intermediate School District and stated that these projects were undertaken utilizing property tax funding and if individuals questioned the City's construction of its new DPS Facility, they should also question projects such as these. In reference to public comment at a prior Council meeting regarding the condition of streets in the Quail Ridge Subdivision located in Precinct 14, he noted that this Precinct voted no to the last five proposed street millages. He made the following observations:

- All streets in Michigan have a limited life
- The City needs \$7,000,000 to \$10,000,000 every year for road construction and repairs
- The City receives only \$3.7 million each year from State Gas Tax monies (Act 51)

Scot Beaton, 655 Bolinger, stated that the Rochester Post newspaper does a great job of publishing information regarding the City. He commented that he would like to see more letters from residents appear in the Post and stated that the paper could utilize some of the \$65,000 approved by the City for publication of Legal Notices in the Post to hire an employee to coordinate the publication of letters to the editor.

Martha Black, 2408 Jackson, stated that she wished to congratulate the City of Rochester for the honor of being named a top city. She commented that much could be learned from a small town community of togetherness and noted that her family had recently visited Traverse City and found it uplifting to see community involvement and encouragement. She commented that she was proud of Council and the Mayor for taking no pay increase for 2010 and questioned why a Mayoral assistant was recently hired.

Noelle O'Neill, 3640 Winter Creek, stated that the M-59 Widening Project will increase the freeway to six lanes of concrete, two more lanes than in 2004, and will also construct a new concrete barrier across from their development. She commented that more petition signatures favoring Noise Barrier 10 (NB-10) are being collected and will be presented to Council. She stated that the residents in this area were here before the widening project and asked Council to prioritize NB-10 for the 2010 Budget rather than road widening projects.

Olaf Nitsche, 3753 Everett Drive, stated that the Country Club Village

representatives received a communication from Mark Sweeney, Michigan Department of Transportation (MDOT) Representative, and commented that he was not in agreement with the update provided. He noted that MDOT was willing to model a separate receiver location for every dwelling unit along NB-10; however, receiver locations were shifted along Everett Drive, moving some receivers behind buildings and shielding these receivers from noise. He commented that while MDOT's reasoning for moving these receivers noted that decks and playgrounds are in the rear of the homes, the bedrooms are in the front and are used year-round. He noted that MDOT counts were up to 77 qualified dwelling units, depending on the model wall height, the highest count for all noise barriers along the M-59 corridor. He stated that City Council and the Administration should further review and challenge the MDOT noise analysis. He commented that should funding not be available from MDOT, Council should plan to fund the construction of NB-10.

Mike McGlynn, 3741 Everett, presented an analysis of funding issues for NB-10 with considerations of rankings of noise barriers based on number of homes, cost per dwelling unit and tax base. He noted that MDOT's updated numbers could raise NB-10's ranking to number three of all sound walls and commented that more effort should be put into updating the qualifying information.

Ron Lucas, 3635 Winter Creek, commented that the newest phase of Country Club Village will soon be under construction and noted that a salesperson could better promote the development if prospective buyers could be told that the City has allocated funds to build a sound wall. He stated that he had the opportunity to visit a residence on the south side of M-59 and commented that the freeway noise is not as loud as it is on the north, noting that the huge yards and large trees on the southern side act as a buffer. He commented that if Council members were to visit both sides of M-59 to compare noise levels, it would be obvious that NB-10 is more necessary than NB-6a.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

Aly Difilippo, Rochester Hills Government Youth Council (RHGYC) Representative, reported that the RHGYC's year is coming to an end. She stated that the 5k Run/Walk to Benefit Veterans with Traumatic Brain Injury was very successful in raising funds and commented that members attended a final barbecue and made a stepping stone to be placed in the Beautification Project garden.

Mr. Yalamanchi thanked Mr. McGlynn for his efforts in preparing his analysis regarding NB-10 and stated that this information will be taken into consideration in reviewing the many aspects of the 2010 Budget.

Mr. Webber commented that he had not yet received any updated MDOT information regarding NB-10 and stated he will contact the Administration to request a copy of this communication. He announced that the Holiday Helpers organization's community event, Picnic at Parisian, will be held on Saturday, August 1, 2009 from 12:00 noon to 4:00 p.m. at the Village of Rochester Hills. He expressed that he would like Council to develop a policy limiting Legislative

Comments to three minutes.

Mr. Rosen stated that he believed that the length of Council comments was addressed in the Council Rules and Procedures. He requested that Building/Ordinance Compliance address enforcement of the Watering Ordinance, noting that he has noticed that a significant number of residents are not reprogramming their systems and are continuing to water during the day. He stated that the purpose of the Watering Ordinance is to decrease peak usage and commented that at a minimum, public awareness should be addressed to encourage compliance.

Mr. Pixley stated that Council members should follow the public's lead in limiting Legislative Comments. He thanked the residents who have been compiling information regarding NB-10. He expressed congratulations to the City of Rochester for its recognition as a top city. He announced that plans are underway for the Brookside Way Half Marathon, to be held on Sunday October 4, 2009.

Mr. Ambrozaitis stated that he made a promise that there would be not a concern that he would not take care of. He commented that the sound wall is a very important issue and with the advent of the Stimulus Funding for M-59 widening construction it is now an emergency.

Mr. Brennan stated that residents should contact State Senator Mike Bishop and State Representative Tom McMillin to express their support for State funding for the construction of sound walls along M-59. He commented that the Administration and Council are working to exhaust every remedy to locate funding for sound wall construction and stated that the City has finite resources for all projects. He noted that the City's extensive road and infrastructure needs compete for funding.

President Hooper stated that he appreciated the engagement of all individuals in Country Club Village and commented that Council will continue to work with the Administration to develop a fair way to evaluate all ten noise barrier walls.

ATTORNEY MATTERS

2009-0304 Rochester Hills v Styl-Rite Homes

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

Aye 6 - Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Nay 1 - Ambrozaitis

Enactment No: RES0221-2009

Resolved, that the Rochester Hills City Council concurs with the recommendation of the City Attorney set forth in his confidential, written communication discussed in Closed Session with City Council and hereby authorizes the City Attorney to proceed accordingly

in the case of Rochester Hills v Styl-Rite Homes.

- 2009-0301** Adoption of a Resolution to meet in Closed Session on Monday, August 3, 2009 at 5:45 p.m., Michigan Time, at the Rochester Hills Municipal Offices for the purpose of discussing negotiations with a collective bargaining agreement, specifically AFSCME Local #2491

Attachments: [Resolution.pdf](#)

A motion was made by Webber, 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: RES0220-2009

Resolved, that the Rochester Hills City Council hereby agrees to meet in Closed Session, as permitted by State Statute MCLA 15.258, on Monday, August 3, 2009 at 5:45 p.m., Michigan Time, at the Rochester Hills Municipal Offices, 1000 Rochester Hills Drive, Rochester Hills, Oakland County, Michigan. The purpose of the Closed Session is to discuss negotiations with a collective bargaining agreement, specifically AFSCME Local #2491.

CONSENT AGENDA

- 2009-0265** Approval of Minutes - City Council Special Meeting - May 18, 2009

Attachments: [CC Special Mtg Min 051809.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0201-2009

Resolved, that the Minutes of a Rochester Hills City Council Special Meeting held on May 18, 2009 be approved as presented.

- 2009-0266** Approval of Minutes - City Council Regular Meeting - May 18, 2009

Attachments: [CC Min 051809.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0202-2009

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on May 18, 2009 be approved as presented.

- 2009-0267** Approval of Minutes - City Council Special Meeting - June 1, 2009

Attachments: [CC Special Meeting Min 060109.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0203-2009

Resolved, that the Minutes of a Rochester Hills City Council Special Meeting held on June 1, 2009 be approved as presented.

2009-0268 Approval of Minutes - City Council Regular Meeting - June 1, 2009

Attachments: [CC Min 060109.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0204-2009

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on June 1, 2009 be approved as presented.

2009-0303 Approval of Minutes - City Council Special Joint Meeting with the City of Rochester - June 15, 2009

Attachments: [CC Min Special Meeting 061509.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0205-2009

Resolved, that the Minutes of a Rochester Hills City Council Special Joint Meeting with the City of Rochester held on June 15, 2009 be approved as presented.

2009-0302 Resolution in Support of Collaborative efforts between the Cities of Rochester and Rochester Hills as a result of the Special Meeting held June 15, 2009

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0206-2009

Whereas, the City Councils of the Cities of Rochester and Rochester Hills met for the first time, at a Joint Meeting on Monday, June 15, 2009 to discuss topics of mutual interest; and

Whereas, discussion centered around existing and potential new areas of collaboration and relationship building between the Cities; and

Whereas, both Cities currently collaborate with inter-governmental agreements for the Older Persons Commission, Rochester Avon Recreation Authority, and the Rochester Hills Public Library, provide mutual aid for Fire and EMS services and further cooperate to promote the area to the film industry; and

Whereas, the Council Members concurred that they want to enhance existing open lines of communication between the respective City Councils and between the Department Heads/Directors for each City; and

Whereas, the Council Members further concurred that they will strive to meet on a regular basis to identify areas for future collaboration, such as joint purchasing efforts, between the two governmental bodies while continuing to provide a high level of service at an efficient and reasonable cost to the residents of each City; and

Whereas, a Sister City Committee has previously been created for the City of Rochester and the City of Rochester Hills that will be used as a steering committee.

Now, Therefore, Be It Resolved, that the City Council and City Manager of Rochester and the City Council and Mayor of Rochester Hills, agree to support efforts to collaborate while maintaining the unique identity of each City and to build mutual trust.

Be It Further Resolved, that the City Council members assigned to the Rochester/Rochester Hills Sister City Committee agree to meet on a regular basis to continue the efforts identified herein.

2009-0285 Request for Acceptance of a Highway Easement granted by Leader Dogs For The Blind Inc., for the Rainier Drain Project

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0207-2009

Resolved, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a Highway Easement granted by Leader Dogs For the Blind, Inc., a Non Profit Corporation, 1039 S. Rochester Rd., Rochester Hills, for the Rainier Drain Project, City File #08-029, over, on, under, through and across land more particularly described as Parcel No. 15-23-101-028.

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

2009-0286 Request for Acceptance of the Pedestrian-Bicycle Pathway Easement granted by Leader Dogs For The Blind Inc., for the Rainier Drain Project

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0208-2009

Resolved, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a Pedestrian-Bicycle Pathway Easement granted by Leader Dogs For the Blind, Inc., a Non Profit Corporation, 1039 S. Rochester Rd., Rochester Hills, for the Rainier Drain Project, City File #08-029, over, on, under, through and across land more particularly described as Parcel No. 15-23-101-028.

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

2009-0287 Request for Acceptance of a ten (10) foot wide Highway Easement for Auburn Road, granted by Osman Realty LLC, DBA MAQ Properties, for the Auburn Medical Office Building

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0209-2009

Resolved, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a Highway easement granted by Osman Realty, LLC, DBA MAQ Properties, 640 Pine Valley, Bloomfield, MI 48302, over, on, under, through and across land more particularly described as Parcel No. 15-28-476-067.

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

2009-0288 Request for Acceptance of a five (5) foot wide Highway Easement for Walsh Road, granted by Osman Realty LLC, DBA MAQ Properties, for the Auburn Medical Office Building

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0210-2009

Resolved, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a Highway Easement granted by Osman Realty, LLC, DBA MAQ Properties, 640 Pine Valley, Bloomfield, MI 48302, over, on, under, through and across land more particularly described as Parcel No. #15-28-476-067.

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

2009-0289 Request for Acceptance of a Watermain Easement granted by Osman Realty LLC, DBA MAQ Properties, for the Auburn Medical Office Building

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0211-2009

Resolved, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a Watermain easement granted by Osman Realty, LLC, DBA MAQ Properties, 640 Pine Valley, Bloomfield, MI 48302, for the construction, operation, maintenance, repair and/or replacement of a watermain easement over, on, under, through and across land more particularly described as Parcel No. 15-28-476-067.

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

2009-0290 Request for Approval of the Storm Water Maintenance Agreement between the City of Rochester Hills and Osman Realty LLC, DBA MAQ Properties, for the Auburn Medical Office Building for Parcel No. 15-28-476-067

Attachments: [Agenda Summary.pdf](#)
[Storm Water Maintenance Agreement.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0212-2009

Resolved, that the Rochester Hills City Council hereby approves the storm water detention system, relative to the details of the development and use, repair and maintenance of the storm water system, for the Auburn Medical Office Building, for City File #07-015, between the City of Rochester Hills and Osman realty LLC, dba MAQ Properties, 640 Pine Valley Way, Bloomfield Hills, MI 48302.

Further Resolved, that the City Clerk is authorized to execute and deliver the agreement on behalf of the City.

2009-0291 Request for Approval of the Storm Water Detention System between the City of Rochester Hills and Kassab Management, LLC, a Michigan Corporation, for the Guardian Angel addition for Parcel No. 15-28-377-008

Attachments: [Agenda Summary.pdf](#)
[Storm Water Maintenance Agreement.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0213-2009

Resolved, that the Rochester Hills City Council hereby approves the storm water detention system, relative to the details of the development and use, repair and maintenance of the storm water system, for the Guardian Angel addition, for City File #84-520.2, between the

City of Rochester Hills and Kassab Management, LLC, a Michigan corporation, 1715 Northfield Drive, Rochester Hills, MI 48309.

Further Resolved, that the City Clerk is authorized to execute and deliver the agreement on behalf of the City.

- 2009-0292** Request for Acceptance of a Sanitary Sewer Easement granted by Good Will Co., Inc., a Michigan Corporation, for Meijer's at Adams Marketplace

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0214-2009

Resolved, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a Sanitary Sewer Easement granted by Good Will Co. Inc., a Michigan Corporation, 2929 Walker Avenue, NW, Grand Rapids, MI 49544, for the construction, operation, maintenance, repair and/or replacement of a Sanitary Sewer Easement over, on, under, through and across land more particularly described as Parcel No. 15-30-326-013.

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

- 2009-0293** Request for Approval of the Storm Water Maintenance System between the City of Rochester Hills and Good Will Co., Inc., a Michigan Corporation, for Meijer's at Adams Marketplace, for Part of Parcel Nos. 15-30-176-002, 15-30-176-008, 15-30-326-013, and 15-30-302-027

Attachments: [Agenda Summary.pdf](#)
[Storm Water Maintenance Agreement.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0215-2009

Resolved, that the Rochester Hills City Council, hereby approves the storm water detention system, relative to the details of the development and use, repair and maintenance of the storm water system, for Meijer's at Adams Marketplace, for City File #08-005, between the City of Rochester Hills and Good Will Co. Inc., a Michigan Corporation, 2929 Walker Avenue, NW, Grand Rapids, MI 49544.

Further Resolved, that the City Clerk is authorized to execute and deliver the agreement on behalf of the City.

- 2009-0294** Request for Acceptance of Pedestrian-Bicycle Pathway Easement granted by Good Will Co., Inc., a Michigan Corporation, for Meijer's at Adams Marketplace

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0216-2009

Resolved, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a Pedestrian-Bicycle Pathway Easement granted by Good Will Co. Inc., a Michigan Corporation, 2929 Walker Avenue, NW, Grand Rapids, MI 49544, for Meijer's at Adams Marketplace, City File #08-005, over, on, under, through and across land more particularly described as Parcel No. #15-30-176-002.

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

2009-0295 Request for Acceptance of a Watermain Easement granted by Good Will Co., Inc., a Michigan Corporation, for Meijer's at Adams Marketplace

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0217-2009

Resolved, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a Watermain Easement granted by Good Will Co., Inc., a Michigan Corporation, 2929 Walker Avenue, NW, Grand Rapids, MI 49544, for the construction, operation, maintenance, repair and/or replacement of a Watermain Easement over, on, under, through and across land more particularly described as Parcel No. 15-30-176-002.

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

2009-0276 Request for Purchase Authorization - MIS: Contract/Blanket Purchase Order for Wide Area Network and Internet Services in the amount not-to-exceed \$78,000.00 for three years; Wide Open West Michigan, LLC, Madison Heights, MI

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0218-2009

Resolved, that the Rochester Hills City Council authorizes a Contract/Blanket Purchase Order for Wide Area Network and Internet Services to Wide Open West Michigan, LLC, Madison Heights, Michigan in the amount not-to-exceed \$78,000.00 for three years and further authorizes the Mayor to execute a contract on behalf of the City.

2009-0300 Request for Approval of a two-year extension of the METRO Act Permit for AT&T

Attachments: [Agenda Summary.pdf](#)
[2-Yr Permit Extension.pdf](#)
[Agreement Letter.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0219-2009

Resolved, that the Rochester Hills City Council hereby approves a two-year extension of the existing METRO Act Permit issued by the City of Rochester Hills to Michigan Bell Telephone Company formerly d/b/a SBC Michigan, now d/b/a/ AT&T Michigan ("AT&T") to expires on August 30, 2011.

Passed the Consent Agenda

A motion was made by Webber, seconded by Rosen, 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

NOMINATIONS/APPOINTMENTS

2009-0277 Nomination/Appointment of two (2) Citizen Representatives to the Board of Trustees to the Retiree Health Care Trust

Attachments: [072709 Agenda Summary.pdf](#)
[Nomination Form.pdf](#)
[Jasinski CQ.pdf](#)
[Kline CQ.pdf](#)
[Probst CQ.pdf](#)
[Notice of Vacancy.pdf](#)
[Resolution.pdf](#)

This matter was Removed from Agenda at the request of Council to allow for more time for Candidate Questionnaires to be received.

UNFINISHED BUSINESS

2009-0203 Recommendation to the Road Commission for Oakland County to support a three-lane cross-section as the City's preferred alternative for improving Tienken Road from west of Livernois Road to Sheldon Road

Attachments: [Agenda Summary.pdf](#)
[051809 Agenda Summary.pdf](#)
[Rosen Discussion Points.pdf](#)
[2000 Tienken Rd Corridor Study.pdf](#)
[2002 Tienken Rd Traffic Study.pdf](#)
[2002 Maps.pdf](#)
[080686 Reg CC Minutes excerpt.pdf](#)
[082086 Spec CC Minutes excerpt.pdf](#)
[052489 Reg CC Minutes excerpt.pdf](#)
[071889 PC Minutes excerpt.pdf](#)
[050692 Reg CC Min excerpt.pdf](#)
[061092 Spec CC Meeting excerpt.pdf](#)
[071592 Reg CC Minutes excerpt.pdf](#)
[120199 Spec CC WS Minutes excerpt.pdf](#)
[031500 CC WS Minutes excerpt.pdf](#)
[082300 Reg CC Minutes excerpt.pdf](#)
[102500 Spec CC WS Minutes excerpt.pdf](#)
[102500 Reg CC Minutes excerpt.pdf](#)
[030701 DPS Presentation.pdf](#)
[030701 Reg CC Minutes excerpts.pdf](#)
[040401 Reg CC Minutes excerpt.pdf](#)
[080702 Reg CC Min excerpt & attachments.pdf](#)
[012203 CC WS Minutes excerpt & attachments.pdf](#)
[051409 Ltr from RCOC w Attachments.pdf](#)
[072709 Suppl Presentation.pdf](#)
[Process for Environmental Assessment.pdf](#)
[051809 Resolution.pdf](#)
[Resolution.pdf](#)

Mr. Rosen and Mr. Webber both proposed wording changes to the resolution regarding Tienken Road widening made at the July 13, 2009 Council meeting, noting that these proposed changes will make the language cleaner and clearer and will not change the intent of the resolution.

Mr. Ambrozaitis stated that Council received a communication from the Great Lakes Environmental Law Center and the Friends of Tienken Road which included a report outlining their concerns with widening Tienken Road to five lanes. He commented that the report included reference to segmentation of the different projects along the corridor and noted that two years ago he voted against the bridge over Paint Creek and will not support widening the bridge in the Historic District.

Mr. Brennan stated that as a representative for District 2, he has had the opportunity to speak with many residents regarding Tienken Road. He explained, however, that he has requested a determination as to whether his status as an independent contractor for the Road Commission for Oakland County (RCOC) would force him to recuse himself from voting on this issue. He stated that although a decision will be forthcoming, he has not yet received a response; therefore, he will recuse himself this evening.

Public Comment:

Joe Luginiski, 985 East Tienken, stated that the Federal Highway Administration (FHA) has two guiding principles to use for funding; that there be an identified problem to resolve and a proposed solution to address the problem. He noted that a three-lane expansion of Tienken Road will address traffic congestion. He stated that the FHA requires that the roadway be improved, but does not have a requirement that a road be deemed Level of Service "C" for funding approval. He noted that he received a letter today from Congressman Gary Peters' office, drafted by the Congressional Research Service, which reviewed the language contained in the Federal Earmark and noted that it was quite prescriptive, stating that the authorizations are for described projects only and the actual Law must be altered if a change was requested for the use of any funds appropriated. He stated that the Earmark dictates that any funds not used must go back to the Secretary of Transportation to be reappropriated and cannot be reused here in the City. He commented that the City should make it clear to the RCOC and the FHA that only a three-lane alternative is acceptable

Scot Beaton, 655 Bolinger Street, stated that upscale residential communities improve trunk lines rather than crisscross mile roads with five lane roads. He stated that to protect property values, no roads should be turned into five-lane highways.

Dave Tripp, 960 East Tienken Road, stated that the majority of Rochester Hills residents do not favor building five-lane roads. He commented that when the RCOC told the City that the five-lane bridge over Paint Creek would only be operated as a three-lane bridge, they obviously did not mean it. He stated that the City's Master Thoroughfare Plan is being ignored. He commented that when the RCOC agreed to include a three-lane option for Tienken Road, they only did it to appease the residents. He stated that the RCOC rated their current five-lane design as a Level of Service C and three-lane design as a Level of Service F. He noted that the current five-lane design includes a significantly improved intersection at Tienken and Livernois although the drawings currently do not depict it; and the three-lane option does not. He stated that by their own admission, the RCOC has a formula it follows to build five-lane roads and is reluctant to deviate from it. He commented that the RCOC's default design speed is 50 miles per hour, which virtually dictates a five-lane road; while the optimal speed for moving the maximum traffic per lane is approximately 27 miles per hour. He pointed out that the FHA strongly encourages context-sensitive design as a way of preserving and enhancing the character of a community and does not have a single context-sensitive design solution reference for the RCOC. He stated that until Council clearly communicates that Tienken Road should not be widened to five lanes, the RCOC will not make any effort to design a three-lane alternative.

Deanne Hilbert, 3234 Quail Ridge Circle, commented that the wording in the proposed resolution, "preferred alternate", is not strong enough.

Mr. Yalamanchi gave a powerpoint presentation regarding the proposed

Tienken Road Project, reviewing the language in the Federal Earmark legislation concerning the specific projects dictated for this funding. He noted that while most projects called for a specific number of lanes, there is no wording dictating the number of lanes for the Tienken Road project in the Earmark:

Public Law 109-59, August 2005

- *Highway Projects*
- *High Priority Projects*

Tienken Road Project

- *Van Buren, Belleville Road widen to five lanes between Tyler and Ecorse*
- *Widening of M-24 from two lanes to four lanes with a boulevard from I-69 to the County line*
- *Construction of five-lane concrete pavement with curb, gutter and sewer on Romeo Plank Road from M-59 to 23 Mile Road in Macomb Township*
- *Construction of five-lane concrete pavement with curb, gutter and storm sewer on Van Dyke Avenue from 23 Mile Road to 26 Mile Road, Macomb County*
- *Northwestern Highway Extension projects in Oakland County*
- *Widen Baldwin Road from Morgan to Waldon in Orion Township*
- *Widen and reconstruct Tienken Road in Rochester Hills from Livernois to Sheldon*

Mr. Yalamanchi noted that if there was an intent in the Earmark for a five-lane road, the language would have specified a five-lane road. As a result, he stated that the City should work with the RCOC to achieve a three-lane alternative.

Availability of Unallocated Funds

- *"Any amounts made available to carry out such program that are not allocated for projects described in such section shall be available to the Secretary, subject to subsection (b), to carry out such other high priority projects as the Secretary determines appropriate."*

He stated that it was his opinion that it should not take a Congressional action to determine a reallocation of the funding and commented that options should be pursued with Congressman Peters' office to encourage the Secretary of Transportation to repurpose the money within the City. He stated that he supported the proposed resolution, as amended tonight, to communicate to the RCOC that the City needs a three-lane option for Tienken. He pointed out that the specific language contained in Public Act 109-59 does not dictate number of lanes. He suggested that if the three-lane option was not acceptable, the City could request that the Secretary of Transportation direct this funding to the Crooks Road/M-59 area or Rochester Road/M-59 areas.

President Hooper *commented that communications received from Congressman Peters' staff stated that it was still possible that an Act of Congress could be required to move the funding around to another specific project.*

Additional discussion regarding the amendments to the proposed motion ensued.

Mr. Ambrozaitis stated that although he would support the proposed amendments, he had concerns that the amendments watered down the proposed motion. He stated that these changes included too much compromise. He reiterated that he was not in favor of widening the bridge in the Historic District. He stated that residents should continue to speak against a five-lane road and commented that the Mayor should call a press conference to affirm the City's position against a five-lane road.

Mr. Pixley stated that he supported a three-lane option and commented that the wording changes to the proposed resolution would not limit the option of stacking lanes near intersections. He questioned whether this resolution could compromise the ability to keep the funding within the City.

President Hooper commented that it was his opinion that this resolution would not compromise the City's ability to retain the funding.

Mr. Yalamanchi suggested additional wording changes for the resolution, which were approved by Mr. Rosen and Mr. Ambrozaitis.

Mr. Webber stated that he looks forward to supporting this amended resolution as it recognizes that the City's Administration will continue to work with the FHA in promoting a three-lane option for Tienken Road.

Mr. Rosen stated that the City's action tonight would be relatively unusual and noted that almost no community takes this active of a role when the County's position is different than what the community wants. He expressed that it was his belief that this was the right time to pass this resolution and noted that it will convey to the FHA that the three-lane option will provide a major improvement.

President Hooper commented that no City Council member wants Tienken Road to be widened to five lanes.

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

Aye 6 - Ambrozaitis, Hooper, Pixley, Rosen, Webber and Yalamanchi

Abstain 1 - Brennan

Enactment No: RES0195-2009

Whereas, the Road Commission for Oakland County is developing the Environmental Assessment for the widening and reconstruction of Tienken Road from west of Livernois Road to Sheldon Road in Rochester Hills; and

Whereas, the Road Commission for Oakland County has narrowed the considerations to a preferred alternative of a 5-lane undivided road cross-section along with a 3-lane road cross-section developed in consultation with residents and the City; and

Whereas, the Master Thoroughfare Plan for the City of Rochester Hills and its most recent update in 2008 planned a 3-lane cross-section for this same segment of roadway, except for the existing improvements at the intersection of Rochester Road; and

Whereas, the Rochester Hills City Council has a policy to consider road widening on a case-by-case basis; and

Whereas, the Rochester Hills City Council has considered the alternatives for improving Tienken Road between Livernois and Sheldon Roads on a case-by-case basis and concludes that it be a 3-lane cross-section with the existing intersection improvements because of the improvement in traffic flow and the reduction in congestion such construction would have without significant undesirable effects on the surrounding community; and

Whereas, the Road Commission for Oakland County is required to submit its preferred alternate to the FHWA for review along with any reasonable non-preferred alternatives

Now Therefore Be It Resolved, that Rochester Hills City Council recommends to the Road Commission for Oakland County that improvement to Tienken Road between Livernois and Sheldon Roads be a 3-lane cross-section segment of roadway, except for the existing improvements at the intersection of Rochester Road; and

Now Be It Further Resolved, that Rochester Hills City Council requests the Road Commission for Oakland County include the 3-lane cross-section labeled as the City of Rochester Hills' preferred alternative in its Environmental Assessment for this portion of Tienken Road; and

Now Be It Finally Resolved, that once the Environmental Assessment is submitted to the FHWA, the City of Rochester Hills will continue its efforts and contact the FHWA in the appropriate manner to support its conclusions regarding its preferred alternative 3-lane cross-section with intersection improvements.

NEW BUSINESS

- 2008-0081 Request for Purchase Authorization - DPS/ENG: Increase of Blanket Purchase Order for geotechnical engineering and material testing services in the amount of \$110,000.00 for a new not-to-exceed total of \$360,000.00 through January 29, 2010; Schleede Hampton Associates, Birmingham, MI

Attachments: [Agenda Summary.pdf](#)
[022508 Agenda Summary.pdf](#)
[Negotiated Fees.pdf](#)
[022508 Resolution.pdf](#)
[Resolution.pdf](#)

Roger Rouse, Director of DPS/Engineering, stated that the services provided in this request include material and density testing for projects; and also include funding for private property development projects, as a pass-through cost. He stated that this request will extend a previous agreement, which included a three-year agreement with an option for two more years.

Mr. Ambrozaitis questioned why this Purchase Order was being amended upward by \$110,000 and whether the City should issue a new Request for Proposal (RFP) for this work.

Mr. Rousse responded that this total amount is in the budget, and this change will amend the purchase order with the vendor to reflect the budgeted amount. He stated that this vendor has given the City a guaranteed rate and pointed out that the City will issue an RFP at the end of this year for future services.

President Hooper stated that although he works in the construction industry and knows the parties involved, he has no financial interest in this contract and does not see a need to recuse himself.

A motion was made by Yalamanchi, 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: RES0196-2009

Resolved, that the Rochester Hills City Council increase the Blanket Purchase Order to Schleede Hampton Associates, Birmingham, Michigan for geotechnical engineering and material testing services in the amount of \$110,000.00 for a new not-to-exceed total of \$360,000.00 through January 29, 2010.

2009-0273

Request for Purchase Authorization - FISCAL: Blanket Purchase Order/contribution for general liability, motor vehicle physical damage, property and crime coverage pool contributions, stop loss coverage, SIR (self insured retention) fund replenishment and risk management consulting in the amount not-to-exceed \$623,000.00 through June 30, 2010; Michigan Municipal Risk Management Authority, Livonia, MI

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

Keith Sawdon, Director of Finance, stated that the City has carried this insurance with the Michigan Municipal Risk Management Authority (MMRMA) for 25 years.

Mr. Webber questioned whether the City requests bids from other providers.

Mr. Sawdon stated that MMRMA has provided these services to the City since 1985. He commented that the Administration could look into additional carriers for comparison for the next extension.

Mr. Webber stated that it would be prudent to do that.

Mr. Sawdon explained that the City receives great service from MMRMA, and pointed out that the group caters to municipalities. He commented that he would be open to looking at alternatives for comparison.

John Staran, City Attorney, explained that the City does not have too many options; and pointed out that the options include MMRMA, the Michigan Municipal League (MML), or going self-insured. He stated that most commercial insurers do not provide coverage for land use cases or civil rights violations. He noted that the primary difference between MMRMA and MML is in maximum coverage limits; MMRMA's limits are considerably higher than

MML's. He commented that he does not expect that an investigation will yield additional viable options.

Mr. Rosen stated that a basic level of comparison could be done between MMRMA, MML and being self-insured, however, he commented that he would not recommend more than merely a cursory review.

Mr. Ambrozaitis commented that the Rochester Avon Recreation Authority recently renewed its insurance and encountered the same issues; however, he stated that the competition created by investigating other options caused the carrier to "sweeten the pot".

Mr. Brennan questioned how much this coverage increased this year. He concurred that the Administration should review the options for the next renewal. He questioned whether the \$100,000 amount designated for self-insurance was already contributed and whether the City used any portion of the amount allocated for Self Insured Retention (SIR) this past year.

Mr. Sawdon responded that this year's rates have increased by approximately four percent. He stated that the City continues to allocate money into the retainage fund for SIR at MMRMA, and commented that this money covers the City for any deductibles and for minor items that are not covered by insurance. He stated that the City used a portion of the SIR fund this year.

A motion was made by Ambrozaitis, seconded by Yalamanchi, 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: RES0197-2009

Resolved, that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order/contribution to the Michigan Municipal Risk Management Authority of Livonia, Michigan, for general liability, motor vehicle physical damage, property and crime coverage pool contributions, stop loss coverage, SIR (self insured retention) fund replenishment and risk management consulting in the amount not-to-exceed \$623,000.00 through June 30, 2010.

2009-0275 Request for Purchase Authorization - DPS/ENG/PATHWAYS: Purchase at Tax Sale Parcel 15-34-127-001, a 20x300 foot parcel located along the south side of Auburn Road between M-59 and Rochester Road, in the amount of \$1,433.04; Oakland County Treasurer, Pontiac, MI

Attachments: [Agenda Summary.pdf](#)
[Auburn Path ROW.pdf](#)
[Auburn Path ROW area wide.pdf](#)
[Oakland County Documents.pdf](#)
[Resolution.pdf](#)

Roger Rousse, Director of DPS/Engineering, stated that this parcel became available at Tax Sale through Oakland County, and it is recommended that this parcel be purchased in anticipation of a future pathway project.

Mr. Ambrozaitis commented that this is a terrific deal for this parcel.

A motion was made by Ambrozaitis, seconded by Yalamanchi, 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: RES0198-2009

Resolved, that the Rochester Hills City Council authorizes the purchase from the Oakland County Treasurer, Pontiac, Michigan, at Tax Sale Parcel 15-34-127-001, a 20x300 foot parcel located along the south side of Auburn Road between M-59 and Rochester Road in the amount of \$1,433.04.

2009-0284 Request for Purchase Authorization - DPS/ENG: Contract for the reconstruction and widening work along Highway M-59 from Crooks Road to Dequindre Road in the estimated amount of \$485,900.00 and any additional funds identified in the final audit; Michigan Department of Transportation (MDOT), Lansing, MI

Attachments: [Agenda Summary.pdf](#)
[MDOT Construction Agreement.pdf](#)
[Suppl information 072709](#)
[Resolution.pdf](#)

Roger Rouse, Director of DPS/Engineering, noted the following:

- MDOT will be widening M-59 from two lanes to three lanes between Crooks Road and the City limit at Dequindre Road
- A portion of the water main crossing M-59 within the Michigan Department of Transportation (MDOT) Right-of Way will be replaced per the City's request
- The construction portion of the project cost for the road widening, excluding the water main upgrade, will be made through the Economic Stimulus Program
- The City's obligation is mandatory pursuant to Public Act 51
- The City will be 100 percent responsible for the cost of the upgrade to the water main which is estimated to be \$32,100
- The design of the project does not qualify for funding from the Economic Stimulus Program
- MDOT will contribute 87.5 percent (\$3,161,500) and the City will contribute 12.5 percent (\$451,600) of the estimated design costs
- The City's share of the design costs and the water main upgrade are estimated to be \$485,900

Mr. Ambrozaitis stated that although he was not against the widening of M-59, he would vote no because he was disappointed in the process, noting the inclusion of a sound wall on the south side of the freeway but not on the north.

Public Comment:

Lee Zendel, 1575 Dutton Road, commented that he was concerned about the inclusion of wording stating that the City would agree to any additional costs required after the project's final audit noting that this was similar to an open checkbook to MDOT; and commented that it is against Council policy and the City's charter to agree to spend funds without specifying amounts.

President Hooper noted that any final audit amounts would be contained in a

budget amendment and commented that wording regarding additional funds required did not need to be included.

Mr. Rousse stated that any additional funds required would be approved by Council before the expenditure is made.

Mr. Yalamanchi questioned why this work item was not included as a part of the widening project. He questioned whether this contract included any construction and whether the total cost for the Widening Project was known.

Mr. Rousse stated that the City's contribution to design services is mandated by Act 51 as these costs are not included in the Stimulus Funds; and noted that the construction cost for the water main upgrade is 100 percent the City's responsibility. He explained that the construction for this upgrade will be included in the contract for the widening as it is worthwhile to have the same contractor do the work. He stated that bids came in at approximately \$53 million for the Widening Project. He commented that although he did not have the exact figures in front of him, the City was originally given an estimate of approximately \$30,000 to \$40,000; however, with the upgrade, the estimate was raised to approximately \$50,000 to \$60,000. He stated that these construction costs will most likely be included in next year's Budget.

Mr. Rosen questioned what would transpire if the City did not agree to fund this construction or stated that it would fund the project if the difference between the bid of \$53 million and the \$60 million allocated for Stimulus Funding were used for sound wall construction.

Mr. Rousse responded that Act 51 mandates the City's contribution and not approving this project could lead to the State withholding Act 51 funding.

President Hooper stated that based on MDOT's criteria for sound walls, it would most likely follow its policy and not construct the walls.

John Staran, City Attorney, stated that MDOT would most likely not release any funding unless the sound walls met their criteria; however, this option could be explored further.

Mr. Brennan questioned whether amounts for any additional contributions required could be solidified at this point or whether the City would have to wait until a final audit to know these figures.

Mr. Rousse stated that the contracts are fairly iron-clad to protect MDOT in the event that unexpected costs occur. He commented that the contribution amounts are backed up by Act 51 and would present a tough uphill battle to attempt to negotiate something different.

Mr. Pixley commented that a no vote would most likely cause the State to withhold Act 51 funding going forward. He concurred with removing references to additional funds and noted that this would come before Council after an audit.

Mr. Yalamanchi questioned whether the City might consider not upgrading this water main.

Mr. Rousse explained that this eight inch water main is a connector between segments of the City's water system. He noted that an eight inch main was adequate when initially constructed; however, the City's water mains are now 12 inches. He stated that eight inch mains are no longer adequate for fire suppression volume. He explained that completing this upgrade to a 30-year-old water main now was prudent and will prevent the need to install an additional line under the road later. He commented that the likelihood of additional design costs being assessed after audit was very slim.

A motion was made by Pixley, seconded by Webber, that this matter be Adopted by Resolution with the removal of the words "and any additional funds that the City may owe, which are identified in the final audit." The motion CARRIED by the following vote:

Aye 6 - Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Nay 1 - Ambrozaitis

Enactment No: RES0199-2009

Resolved, that the Rochester Hills City Council approve the contract between the Michigan Department of Transportation (MDOT) and the City of Rochester Hills for the reconstruction and widening work along Highway M-59 from Crooks Road to Dequindre Road for the estimated city share of \$485,900.00 and further authorizes the Mayor and City Clerk to execute the contract on behalf of the City.

(RECESS 9:00 p.m. to 9:10 p.m.)

Roger Rousse, Director of DPS/Engineering, provided an update on the condition of the bridge on Avon Road and Livernois and displayed recent photos taken of the bridge condition. He explained that the bridge is over 30 years old and that the joints between beams supporting the bridge have been exposed and noted that a temporary repair is being explored until long-term funding becomes available. He stated that the Administration has fully engaged State Representative McMillin's and Congressman Peters' office to lobby for an earlier repair of this bridge. He stated that a response was received from the Road Commission for Oakland County (RCOC) detailing the complexities and likelihood of funding,

Mr. Webber commented that this bridge failure is a true emergency and stated that he is concerned for the entire bridge structure.

Mr. Ambrozaitis noted that traffic congestion due to this bridge failure is a problem. He commented that the funding slated for the widening of the Tienken Bridge in the Historic District should be allocated to repair this bridge. He questioned how the bridge could deteriorate so quickly without being detected on inspections.

Mr. Rousse responded that typically bridges will maintain an acceptable level of service for long periods of time and then subsequently drop off in a very short period of time. He stated that by Law, bridges are inspected every two years

and commented that this damage has accelerated in the past two years. He explained that this bridge has a virtually unlimited weight limit of 80,000 pounds for a vehicle and noted that it receives a substantial amount of truck traffic. He commented that it is not unusual for a bridge of this age to show this type of deterioration. He stated that the funding for bridge repair within Act 51 is very narrow, and that the needs greatly outpace the available funding.

Mr. Ambrozaitis questioned whether a repavement of the Stony Creek Bridge over Tienken Road could be accomplished without rebuilding and whether inspections should be done more frequently.

Mr. Rousse stated that the ranking criteria is very specific and that a bridge typically stays within an acceptable level until failure. He commented that the Administration is pushing for a temporary repair to allow for a reopening of all lanes. He stated that one potential consequence of a temporary repair could be a reduction of the weight load on the bridge; however, he noted that the RCOC has not yet changed the weight limit. He commented that the Stony Creek Bridge on Tienken Road has been on the funding list for over a decade.

Mr. Ambrozaitis stated that he disagrees with philosophy of this manner of funding bridge work, pointing out that the Historic District does not want a new bridge and this location needs it.

Mr. Yalamanchi questioned how the alternate routes were faring and questioned how Hamlin construction was proceeding.

Mr. Rousse stated that the northern portion of roadway on Hamlin Road was poured last week and that crossovers and curbs are now being poured. He commented that once the crossovers and cuts were complete, two-way traffic will be reopened on Hamlin, alleviating some of the traffic on Avon; and noted that he expected this to occur within the next ten days.

2009-0132 Request for Adoption of the Fund Balance Policy

Attachments: [Agenda Summary.pdf](#)
[2nd Draft Fund Balance Policy.pdf](#)
[033009 Agenda Summary.pdf](#)
[Draft Fund Balance Policy.pdf](#)
[Adopted Fund Balance Policy.pdf](#)
[Resolution.pdf](#)

Keith Sawdon detailed the revisions made to the first draft of the Fund Balance Policy indicating that minimum percentages were increased to be more conservative, references to Fund name were removed and specific Funds exempted were listed. He explained that a new percentage was incorporated for Water and Sewer, noting that it was the Water and Sewer Technical Review Committee's (WSTRC) intent to reach a 90-day cash position, which constitutes approximately 25 percent for Fund Balance for that line item. He noted that language was incorporated for generally-accepted ideas and purposes for using Fund Balance.

Mr. Yalamanchi questioned whether Council's adoption of this Policy would

mean that any usage of Fund Balance would be subject to Council's approval. He requested clarification of items 3A and 3F and questioned whether additional examples should be included for Fund Balance use.

Mr. Sawdon stated that use of Fund Balance would be subject to Council approval. Explaining Item 3A, he stated that during the Budget adoption process, Council might discover that a revenue position is substantially underfunded and commented that the Policy forces a review of services, policies and goals to justify utilizing Fund Balance. To provide an example for Item 3F, he explained that a ballot item could receive approval in November and there could be a slight delay between construction and bond offerings and noted that use of Fund Balance could reduce a gap position until the millage is collected.

Mr. Yalamanchi suggested that specific examples be included to clarify those two items in the Policy.

Mr. Rosen questioned whether the circumstances outlined in Item 3 referred to utilizing Fund Balance when it is under the 20 to 25 percent guidelines.

Mr. Sawdon stated that Item 3 outlines general ideas when it is appropriate to consider using Fund Balance. He stated that the intent is that if Fund Balance approaches the 20 percent minimums or less, it provides guidance to review the action being taken and encourages a consideration of how Fund Balance would be replenished in the next two-year cycle.

Mr. Rosen stated that Items 3B Local Disaster, 3C Monetary Judgment against the City, or 3H Unanticipated Cash Flow Requirement that is Non-recurring might be acceptable reasons to consider using Fund Balance below 20 percent minimums; however, those instances would be exceptional circumstances or one-time events. He stated that he did not find 3A acceptable, Loss of Revenue, as it would be more normal to have Budget cuts in that instance.

Mr. Sawdon stated that the use of Fund Balance is at Council's discretion and commented that if Council believes that a service is not necessary, then the use of Fund Balance would not be necessary.

Mr. Rosen stated that a Fund Balance Policy would also be of use by the Administration in Budget preparation. He suggested that Item 3 include specific examples to detail the difference between unanticipated events versus more ordinary items. He commented that specifying unfunded mandates and gaps in funding are more vague.

Mr. Pixley requested an example of an unanticipated cash flow requirement.

Mr. Sawdon responded that recurring cash flow requirements include payroll and supplies; and non-recurring could be a construction project or purchase of capital goods and specify the use of cash from Fund Balance rather than financing. He reiterated that all fall within Council's control of the Budget document.

Mr. Pixley questioned whether the City would currently be in compliance with this Policy.

Mr. Sawdon responded that when he applied the proposed policy, currently only two funds are out of compliance. He noted that the Fire Fund Operating is approximately \$81,000 out of compliance and Pathway Maintenance is approximately \$53,000 out of compliance. He noted that these were considered rather small amounts that could be corrected within the next year. He stated that it would be advisable to exempt the Special Police Fund as the intent of that Fund is neither to raise or expend money. He also noted that the Water and Sewer Fund would be out of compliance, but it is the intent of the Water and Sewer Technical Review Committee to move to a cash position by 2014.

President Hooper questioned whether the Special Police Fund should have some percentage of Fund Balance for overtime or local disaster needs.

Mr. Sawdon responded that a 20 percent Fund Balance for Special Police would require approximately \$1.7 million; currently this Fund only has \$245,000. He noted that if a percentage is applied to this Fund, money will be shifted from the General Fund. He commented that it would be more appropriate to leave this money in the General Fund and shift it only if necessary.

Mr. Ambrozaitis questioned whether the new M-4 sewer overflow requirements could be considered an unfunded mandate. He commented that taxable value was dropping and it would behoove the City to make cuts. He stated that a Fund Balance Policy could give a defacto license to move away from being fiscally conservative. He stated that he does not like the idea that capital expenditure is exempted.

Mr. Yalamanchi commented that he agreed with exempting the Special Police Fund; however, he questioned whether Fund Balance would be utilized if the 2010 Budget calls for \$29 million in revenue and \$30 million in expenditures. He stated that he does not want the policy to be used as an excuse to draw down Fund Balance to balance the Operating Budget.

Mr. Sawdon responded that if that is the proposal brought forth by the Mayor, it would be Council's choice to continue services at that level and bring in Fund Balance or look for other areas for reductions. He stated that the examples given in Item 3 are intended to give Council the flexibility of alternatives to work with to make choices and noted that Council could opt to not bring Fund Balance forward to offset falling revenue.

Mr. Rosen stated that this proposed Policy sets the boundaries and provides direction for Council to follow. He suggested that two months' revenue could be considered for the Police Fund to allow for a reasonable cushion for operating costs. He commented that if something bad were to happen, obviously the City will not scrimp on Police to secure the safety of the residents.

Mr. Webber stated that he was in agreement with Council's suggestions and commented that this is a good policy.

Mr. Ambrozaitis expressed concern that if the Fund Balance dipped below these minimum levels, it would be difficult to build them back up.

A motion was made by Webber, seconded by Pixley, that this matter be Adopted by Resolution with the addition of examples to Policy Item 3F, Gap in funding between voted millage. The motion CARRIED by the following vote:

Aye 6 - Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Nay 1 - Ambrozaitis

Enactment No: RES0200-2009

Whereas, the City Council believes that sound financial management practices require that a sufficient amount of fund balance be retained, by the City, to provide a stable financial base. To retain this stable financial base, the City needs to maintain a fund balance/retained earnings within its funds to fund the cash flows of the City and to provide financial reserves for unanticipated revenue and/or expenditure shortfalls.

Now, Therefore, Be It Resolved, that the Rochester Hills City Council hereby adopts the Fund Balance Policy as presented with the addition of examples to Item 3F.

2009-0255 Council Discussion relative to the Police and Road Technical Review Committee final report and recommendations

Attachments: [Agenda Summary.pdf](#)
[Replacement Millage Ballot Question \(Rev 072809\).pdf](#)
[072709 Agenda Summary.pdf](#)
[Final Spreadsheet Strgly Rec 2009.pdf](#)
[Final Spreadsheet Strgly Rec 2009 In Process.pdf](#)
[Final Spreadsheet 2010+.pdf](#)
[Road Debt Schedule \\$1.6 million.pdf](#)
[Replacement Millage Ballot Question \(072209\).pdf](#)
[071309 Agenda Summary.pdf](#)
[062909 Agenda Summary.pdf](#)
[Final Report to Council.pdf](#)

President Hooper stated that he and Mr. Webber reviewed the options for 2009 and were presenting suggestions for Council discussion on the most highly-ranked recommendation from the Police and Road Funding Technical Review Committee (PRTRC), which is to present to the voters a continuation millage for the Debt Bond that expires in 2010. He commented that this is not a new tax but would repurpose the money for whatever Council may or may not decide.

Public Comment:

Lee Zendel, 1575 Dutton Road, stated that in 1988, two bond items appeared on the ballot, one for Library and one for Parks. He recalled that along the way because of changing interest rates, the City determined it could save money by having refunding bonds, which is what the current expiring bonds are. He commented that he did not know how to improve the proposed language, but the voters should be informed that the money will be repurposed. He stated that he supported this continuation, and commented that in his opinion, the City needed even more. He stated that his choice would be Option E, 'SAD funding for road and related projects' and commented that a related project could be a sound wall.

Council Discussion:

President Hooper stated that the proposed ballot question was prepared by City Attorney John Staran and would fit into the legalities of replacing the existing debt millage and repurposing the money.

Mr. Webber commented that the language could be wordsmithed to make it clearer to the voter what the millage would be going toward.

President Hooper questioned whether the wording on the ballot explaining that it was a replacement millage, not a continuation, could be bolded. He commented that the fewer words in a ballot proposal, the better.

Mr. Staran responded that he has not seen bolding done in a ballot question. He commented that the proposed ballot question was fairly clear to him that it was not a continuation, however, he noted that there were other ways to draft the language. He pointed out that it was brought to his attention that it is not a Local Road Bond being replaced, but a Library and Parks Bond issue originally, and subsequently a Refunding Bond; and that wording in the draft ballot proposal would have to be changed. He commented that a ballot question should be as short as possible.

Mr. Ambrozaitis stated that when a millage comes to an end and a renewal or repurpose is proposed, it is a defacto tax increase. He commented that in this economy, he would not support any kind of tax increase; and stated that he would need to see the proposed Budget next week. He stated that it must be obvious to the voter that the City has done enough to cut its budget. He commented that he has received numerous calls and e-mails regarding the PRTRC's suggestion of a one-percent surcharge to pay taxes and other recommendations presented by the Committee. He stated that two years ago Council knew that these outcomes would be presented and stated that he has not seen enough cutbacks. He commented that he was not anti-tax, but was anti-spend.

President Hooper stated that comments made to state that this was a defacto tax increase are irresponsible and false and that taxes would not be increased.

Mr. Rosen commented that he understood the desire for brevity in a ballot question, but noted that it must be clear and straightforward as to what the millage would replace. He stated that the focus should be on improving the security of Police Funding and commented that over the last five to ten years, a number of road millages have failed. He stated that the City has funded Police and Recreation services continuously. He commented that he would like to see the proposed Budget before moving forward, noting that tough choices most likely will have to be made. He stated that if it were clear to voters what choices for cuts will be made, there may be a willingness to replace this millage. He commented that the City would not threaten to cut fifty percent of the Police force if a millage were not passed, because it would not, but cuts in other areas would be made. He stated that he did not think that this proposed question should include Police and

Fire at this time. He stated his opinion was that this proposal should not be rushed onto the November ballot as there was not enough time for public education and understanding.

President Hooper stated that a four-year period was proposed to coincide with the expiration of Police Millages 1 and 2.

Mr. Rosen suggested that a 19-year period be considered, noting that opting for a four-year period would subject the City to three millages rolling together four years from now.

Mr. Pixley stated that he was in total disagreement that this proposal constituted a new tax. He pointed out that a property owner paying \$1,000 in taxes today would pay \$1,000 in taxes after this proposal. He commented that long-term police funding was one of the hottest topics in the election two years ago and stated that Option A is the way to address this. He stated he also concurred with a four-year period although with three millages expiring at once, it could be the recipe for a 'perfect storm'. He commented that he was more concerned with the timing of educating the community prior to a vote; however, he noted that should a proposal pass this November, the City would have more planning options. He inquired whether Option A could be presented without tying it to listing a specific number of officers.

Mr. Webber commented that the PRTRC consisted of dedicated members of the community who rolled up their sleeves in this politically charged environment and returned over 20 recommendations. He commented that not all recommendations would be popular here or in the community, but the committee discussed them. He noted that one of the PRTRC's recommendations, a Fund Balance Policy, has already been put into place; and commented that the committee could workshop many of the other items. He explained that while the PRTRC placed this suggestion under the heading of Local Roads, it was up to Council to determine for what purpose a proposal could be used. He stated that he liked the fact that this would not be a new tax and recognized that this should be put in place for the long-term. He pointed out that there have been budget cuts made, noting that 11 City employees no longer have jobs. He stated that obviously more cuts will need to be presented during budget discussions and commented that the City will need to be honest with the residents regarding cuts in the level of services the City provides. He provided the example of the sound wall and noted that if the City budgets to construct a sound wall, corresponding subtractions will need to be made in other areas.

Mr. Ambrozaitis commented that the City knew about the economy and budget shortfalls back in 2006. He stated that once a millage expires, taxes drop and any millage that brings the total tax back up is an increase. He stated that he wants to see significant cuts presented next week to prove that sacrifices have been made.

President Hooper reiterated that 9.706 mills was in place now; and if passed, 9.706 mills would continue to be in place. He commented that anyone who refers to this proposal as a tax increase was making these comments for inflammatory

and derogatory reasons and political purposes, and was one-hundred percent wrong.

Mr. Zendel concurred that this was not a new tax; however, if placed on the ballot this November, he felt there was not enough time to educate the public.

Mr. Brennan stated that he would concur that Option A is the best, and would dovetail with Police Millages 1 and 2 and allow for all millages to be put together in four years. He commented that the voters in the community would agree that having a good solid police presence in these times is very important. He stated that he was disappointed in Mr. Ambrozaitis' approach about cutting the budget and commented that the City has one of the lowest tax rates at 9.7 mills. He pointed out that the City provides great services while continuing to become more economical and frugal every year. He stated that he did not agree with spending money for sound walls while calling for severe budget cuts at the same time; and noted that constructive suggestions should be made on how to build up revenues and encourage business investment in the City. He pointed out that Mr. Ambrozaitis has rejected every Budget presented, along with every improvement to the roads, while money for these improvements had already been budgeted. He stated that he supported this replacement of the millage. He commented that it is necessary for police protection and could have the effect of freeing up funds for other important projects in the City.

Mr. Yalamanchi stated that discussions of this expiring Bond have come up year after year, since 2007. He commented that the tax structure in the City's Charter needs to be changed, otherwise this cycle will continue. He stated that he did not wish for anything to be adopted tonight. He commented that of the options given, he favored Option E; however, he also concurred with the thought process behind Option A. He pointed out that tough decisions will need to be made for the proposed Budget. He commented that he was not certain that the timing was right for this November, based on a need to educate the voters; however, he would support a proposal brought to the voters either this November or next November. He questioned what budget year would be affected by the expiring Bond and proposed replacement.

Keith Sawdon, Director of Finance, stated that the current bonds will be paid in 2010 and this will affect the 2011 Budget.

Mr. Ambrozaitis stated that he stands by everything he said, commenting that cuts have to be made. He stated that he does not want to tell residents that they will have a tax increase.

Mr. Brennan questioned what the deadline is for a ballot proposal and whether the language must be approved by Lansing.

Mr. Staran responded that the language must be submitted by August 25. He stated that since this is not a Charter Amendment, Lansing's approval is not required.

President Hooper summarized that as the majority of Council wished to move forward, he would continue to work on Options A and E with Mr. Webber.

Discussed.

COUNCIL COMMITTEE REPORTS

ANY OTHER BUSINESS

Mr. Ambrozaitis requested an update on whether a Grass Ordinance is being developed.

John Staran, City Attorney, commented that he has been reviewing how Ordinance Compliance currently deals with yard conditions. He stated that he is working on language that will go further than the current Ordinance in requiring residents that have lawn or yard areas visible from the street to be required to have some type of vegetation or landscaping. He stated that concerns of how to require compliance are being reviewed, as it was suggested that it could become a part of obtaining a Certificate For Occupancy (CFO); however, if a CFO is not requested, compliance might not be triggered. He commented that a default mechanism should be developed for properties that are not tied to a CFO; and noted that the property Mr. Ambrozaitis had discussed at prior meetings on John R has not requested a CFO. He noted that Building/Ordinance Compliance staff has been in contact with the property owner on John R and he has made an effort to cut the weeds and move some dirt around to improve the look of the property.

Mr. Webber stated that he would explore the development of a policy regarding the length of Council comments.

President Hooper suggested that the Council Rules of Procedure could be amended to include limiting the length of Council comments.

Mr. Yalamanchi stated that as a legislative branch, every member has a right to speak; and commented that he does not want any rules prohibiting expressing opinions, thoughts, or limiting freedom of speech.

Mr. Webber commented that many legislative bodies, including Congress, limit comments and yield their time to other members.

2009-0301 Adoption of a Resolution to meet in Closed Session on Monday, August 3, 2009 at 5:45 p.m., Michigan Time, at the Rochester Hills Municipal Offices for the purpose of discussing negotiations with a collective bargaining agreement, specifically AFSCME Local #2491; and to consult with the City Attorney regarding the possible purchase or lease of real property

Attachments: [Resolution.pdf](#)

A motion was made by Brennan, 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: RES0220-2009

Resolved, that the Rochester Hills City Council hereby agrees to meet in Closed Session, as permitted by State Statute MCLA 15.258, on Monday, August 3, 2009 at 5:45 p.m., Michigan Time, at the Rochester Hills Municipal Offices, 1000 Rochester Hills Drive, Rochester Hills, Oakland County, Michigan. The purpose of the Closed Session is to discuss negotiations with a collective bargaining agreement, specifically AFSCME Local #2491; and to consult with the City Attorney regarding the possible purchase or lease of real property.

NEXT MEETING DATE

Regular Meeting - Monday, August 3, 2009 - 7:00 PM

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 10:47 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 September 14, 2009 Regular City Council Meeting.