



Rochester Hills Minutes City Council Work Session

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*Erik Ambrozaitis, Jim Duistermars, Barbara Holder, Greg Hooper,
Linda Raschke, James Rosen, Ravi Yalamanchi*

Wednesday, May 2, 2007

7:30 PM

1000 Rochester Hills Drive

CALL TO ORDER

President Rosen called the Rochester Hills City Council Work Session Meeting to order at 7:37 p.m. Michigan Time.

ROLL CALL

Present: Erik Ambrozaitis, Greg Hooper, Linda Raschke, James Rosen and Ravi Yalamanchi

Absent: Jim Duistermars and Barbara Holder

Others Present:

*Bryan Barnett, Mayor
Julie Jenuwine, Director of Finance
Jane Leslie, City Clerk
Roger Rousse, Director of DPS/Engineering
John Staran, City Attorney*

Council Members Duistermars and Holder provided previous notice they would be unable to attend and asked to be excused.

PLEDGE OF ALLEGIANCE

REVIEW OF AGENDA

PUBLIC COMMENTS

Ms. Melinda Hill, 1481 Mill Race, noting that she had attended the previous night's Planning Commission meeting where the Capital Improvement Plan (CIP) was approved, indicated that she had provided input on the following issues:

- Some projects submitted appear to have recurring costs, a violation of prior CIP policy.*
- Pathway submittals had not been reviewed by the Pathways Committee.*
- The Road Commission for Oakland County seems to be dictating which roads will be reconstructed.*

She then urged Council members to give "special consideration" to the Conditional Rezoning request coming forward for final approval in the near future. She stressed that the current zoning makes sense and follows the Master Land Use Plan, thus, the rezoning is unjustified. Finally, Ms. Hill announced that the Historic Districts Commission would be holding an Open House on May 17th at the Museum's Dairy Barn.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

President Rosen cautioned Council that as election season nears he will be taking measures to avoid any campaigning during Council meetings, including, if necessary, removing public speakers who violate the rules. He also urged his fellow Council members to refrain from such behavior, he noted that while he cannot discipline or penalize his colleagues, he described in detail a censuring process similar to that used in Congress to deal with such occurrences. He further stressed that this will apply not only during Council meetings but also outside of City Hall as Council members are "on duty 24/7."

Mr. Ambrozaitis noted he felt President Rosen's comments were fair and he had no problem with them.

Mr. Hooper agreed and expressed his hope that these procedures would carry through the entire election season.

Ms. Raschke also agreed and expressed her appreciation for President Rosen's efforts. She then urged local organizations to participate in the "Adopt a Road" program through the Road Commission for Oakland County. She also described a local fundraiser for the "Make A Wish Foundation."

Mr. Yalamanchi requested that something be done about the City's boulevards, stressing that they are not being properly maintained.

Mayor Barnett stressed that the City is addressing the boulevards issue, but noted that these efforts can be very expensive. He then noted the following:

- A recent fire had damaged the Oakland Steiner School.
- The Oakland County Sheriff's Department (OCSD) had made a key arrest in the case of a rash of break-ins that had occurred in the City the previous year.
- The OCSD had made an arrest in another high-profile case that had received a great deal of press coverage recently.
- He would continue to keep Council updated on the ongoing threats to local schools.
- A local bank was encouraging residents to bring documents to their local branch offices for free shredding services.
- The charitable organization Christmas In Action organized a home improvement project for a needy Rochester Hills family resulting in significant safety improvements through the efforts of 60 volunteers and funds primarily donated by Spaulding DeDecker.

PRESENTATIONS

2007-0306

Proclamation in Honor of Building Safety Week, May 6 - May 12, 2007

Attachments: Agenda Summary.pdf; Proclamation.pdf

Mayor Barnett discussed Building Safety Week and read the following proclamation:

Whereas, through our attention to building safety we enjoy the comfort and peace of mind of structures that are safe and sound; and

Whereas, building safety and fire prevention officials are at work year round to

guide the safe construction of buildings; and

Whereas, the dedicated members of the International Code Council, including building safety and fire prevention officials, architects, engineers and others in the construction industry, develop and enforce codes to safeguard Americans in the buildings where we live, work, play and learn; and

Whereas, the International Codes, used by the City of Rochester Hills include safeguards to protect the public from natural disasters that can occur, such as snowstorms, hurricanes, tornadoes, wild land fires and earthquakes; and

Whereas, Building Safety Week is an excellent opportunity to educate the public. It is a perfect time to increase public awareness of the role building safety and fire prevention officials, local and state building departments, and federal agencies play in protecting lives and property; and

Whereas, this year, as we observe Building Safety Week, we ask all Americans to consider projects to improve building safety at home and in the community, and to recognize the local building safety and fire prevention officials and the important role that they play in public safety.

Now, Therefore, Be It Resolved, that May 6 through May 12, 2007 is recognized as Building Safety Week in the City of Rochester Hills. Accordingly, our citizens are encouraged to join their fellow Americans in participating in Building Safety Week activities and assisting in efforts to improve building safety.

Presented

2007-0272

Proclamation Honoring Municipal Clerk's Week - April 29 to May 5, 2007

Attachments: Agenda Summary.pdf; Proclamation.pdf

President Rosen read the following proclamation and presented a plaque to City Clerk Jane Leslie:

Whereas, the Office of the Municipal Clerk, a time honored and vital part of local government exists throughout the world; and

Whereas, the Office of the Municipal Clerk is the oldest among public servants; and

Whereas, the Office of the Municipal Clerk provides the professional link between the citizens, the local governing bodies and agencies of government at other levels; and

Whereas, it is most appropriate that we recognize the accomplishments of the Office of the Municipal Clerk.

Now, Therefore, Be It Resolved, that the Mayor and City Council of Rochester Hills hereby recognize the week of April 29 through May 5, 2007 as Municipal Clerk's Week, and further extend appreciation to our Municipal Clerk, Jane Leslie and our Deputy Clerk, Susan Galeczka for the vital services they perform and their exemplary dedication to the community they represent.

Ms. Jane Leslie, City Clerk, thanked City Council members and the Mayor, noting that it was a pleasure to serve the City.

Presented

ADMINISTRATION

2007-0101 DPS Facilities Update, Roger Rouse, Director of DPS/Engineering, presenter

Attachments: Agenda Summary.pdf; 030707 Agenda Summary.pdf; 020107 Agenda Summary.pdf

Mr. Roger Rouse, Director of DPS/Engineering, provided photos of the construction progress on the new DPS Facility and noted the following:

- *Approximately 75% of the steel had been erected.*
- *Approximately 75% of underground utilities had been completed.*
- *Approximately 95% of construction contracts had been awarded.*
- *The project was within budget.*
- *Estimated completion date was January of 2008.*
- *A berm was being constructed along the north side creating a boundary between the facility and residential homes.*
- *A contractor had been found to dispose of ten to fifteen cubic yards of soil.*
- *Some existing buildings may eventually be used for storage purposes.*
- *The existing facility will likely be demolished in the spring of 2008.*

Presented

2007-0265 Request for Approval to Enlarge the Wolf Drainage District by 1.3 Acres in Section 34

Attachments: Agenda Summary.pdf; Supplemental Information.pdf; Resolution.pdf

Mr. Roger Rouse, Director of DPS/Engineering, explained that the request by Flagstar Bank to increase the Wolf Drainage District appeared to have no negative effect on the City and would result in a small incremental cost of approximately a quarter of one percent. He recommended adoption of the expansion proposal.

Discussed

2007-0292 Request for Purchase Authorization - DPS/ENG/FAC: Blanket Purchase Order for janitorial services in the amount not-to-exceed \$199,465.00 through June 1, 2010; Thundermop Maintenance Co., Waterford, MI

Attachments: Agenda Summary.pdf; Proposal Tabulation.pdf; Resolution.pdf

Mr. Roger Rouse, Director of DPS/Engineering, explained that the City had been using the services of Thundermop for the past four years to supplement the City's janitorial staff resulting in a financial savings to the City. He noted that the bidding process had narrowed the number of vendors to two, with Thundermop chosen despite a slightly higher bid of \$800 for the entire life of the contract. He explained that it was determined that the incremental difference in cost was so minor as to not justify changing services.

While there was no objection to this purchase moving to the next agenda under "Consent Agenda," Mr. Yalamanchi requested that when purchases exceed their budgeted total that the respective department include an explanation as to where that amount will be offset in the budget.

Mayor Barnett noted that each department maintains their budget "bottom line" by various adjustments within their budget, and that Council's focus should be on the bottom line rather than the minutiae.

President Rosen agreed, indicating that it is when a budget is exceeded and a budget amendment is needed that Council oversight and approval is sought.

Ms. Jenuwine also noted that Agenda Summaries often note a savings in another area of the budget to compensate for any overage of a specific item.

President Rosen indicated he would discuss the matter with the Clerk's Department and determine whether this issue warranted further discussion.

Mr. Ambrozaitis requested a budget meeting noting his concern that Council was behind schedule with regard to their budget process.

President Rosen indicated the budget process would be discussed in greater detail later in the meeting.

Discussed

2007-0284

Request for Adoption of Resolution of Opposition - House Bills 4587 and 4588 Requiring Local Governments to Purchase Through the State's MiDeal Program

Attachments: Agenda Summary.pdf; House Bill 4587.pdf; House Bill 4588.pdf; Resolution.pdf

Mayor Barnett and **City attorney John Staran** described the two proposed House Bills and how they would negatively impact the City through a new purchasing program:

- If the City does not participate in the State's procurement program, State Shared Revenue levels could be impacted.

- The State's program focuses exclusively on price with no consideration for quantity, timing, storage, etc.

Mr. Yalamanchi noted that there already is a State purchasing program in which the City participates.

President Rosen stated that this new program would penalize municipalities for taking the initiative in their purchasing practices to get the best value, not just the lowest cost.

PUBLIC COMMENT:

Mr. Steve McGarry, 2164 Clinton View, indicated that this program would provide a money savings opportunity. He stressed that State Shared Revenue is only impacted if the City exceeds the cost the State has negotiated; therefore, the City can still save money outside of the program. He further hypothesized that vendors would be motivated to lower their prices knowing that municipalities cannot pay prices above the State's threshold. He asked that Council consider the potential benefits of this new program.

Mr. Bill Windscheif, 2872 River Trail, praised President Rosen's comments at the start of the meeting. He then agreed with Mr. McGarry's comments regarding the States' new purchasing program and suggested that, rather than simply opposing the program, the City should attempt to work with the State to improve the program.

Mr. Lee Zendel, 1575 Dutton Road, noted that this new program would likely reduce the number of sources for supplies, as the quantities will be so large some smaller suppliers will be unable to compete.

COUNCIL DISCUSSION:

Council members and the Mayor agreed that the primary issue of contention with the new State purchasing program is the threat to State Shared Revenue.

Mr. Hooper also noted that not only are municipalities compelled to use this program but it also requires that a fee be paid to the State along with shipping costs.

President Rosen agreed that this program would likely cost the City more money in the long run. He stated the item would be brought back for Council consideration at the next Regular meeting.

Mr. Ambrozaitis requested that all House Bills that could have a detrimental impact on the City be discussed in this same manner in the future.

Discussed

CITY COUNCIL**2007-0298**

Discussion of the Pension Benefit for City Council Members

Attachments: Agenda Summary.pdf; Memo P. Lee 041007.pdf

Mr. Ambrozaitis requested that Council approve a resolution to eliminate the pension benefit for incoming Council members. He noted that while he had opted out of the plan from the beginning of his term in office he did not wish to penalize his current colleagues. Acknowledging that the amount was not exorbitant over a four-year term, it was his contention that such expenses are unnecessary and can easily be eliminated. He stressed that he wanted the opportunity for a "simple up or down vote" on the issue.

Ms. Raschke stated that Council's pension represents "a minute part of the City's budget," and noted that Mr. Ambrozaitis would be penalized if he accepted the pension because of his self-employed status.

PUBLIC COMMENT:

Ms. Melinda Hill, 1481 Mill Race, stated that she had refused the pension while serving on Council because it would have negatively impacted her tax deductions. She then indicated that Council sets their own compensation, and suggested that it would be more transparent if the pension were eliminated and that compensation were transferred into their salary. She further urged Council to have this issue examined by the Human Resources Technical Review Committee with their recommendation brought forward to Council for consideration.

COUNCIL DISCUSSION:

City Attorney John Staran explained that as State law would prohibit Council from reducing the compensation of elected officials during their term, such a change could apply to incoming Council members.

President Rosen, also noting that the pension money over a four-year term is not a great deal of money, questioned whether residents want their City government run by seven people, in effect, receiving minimum wage. He stressed that the issue is a policy decision.

Mr. Ambrozaitis noted that his request to eliminate this benefit was not motivated by his self-employed status, but rather through a desire to save the City money. He stated, "You don't do this job for money." He questioned whether there would be support for a motion to eliminate the pension for incoming Council members.

Mr. Hooper cautioned that if all compensation for City Council were eliminated then only wealthy individuals would run for office. He stated that accepting the pension should be a personal decision made by each Council member, and stressed that, although it is referred to as a pension, in fact it more precisely resembles a 401k plan.

President Rosen, acknowledging Ms. Hill's suggestion, agreed that the Human Resources Technical Review Committee should have the opportunity to examine this issue and suggested that the matter return to Council at the final Regular meeting of the month.

Discussed

(Recess 9:12 p.m. - 9:30 p.m.)

2007-0262

Review of the Capital Improvement Project (CIP) Process

Attachments: Agenda Summary.pdf; CIP Presentation.pdf; Memo J. Jenuwine 042607.pdf

Ms. Julie Jenuwine, Director of Finance, provided the following information regarding the "**Capital Improvement Plan Process**":

What is a Capital Improvement Program (CIP)?

A CIP is a multi-year planning instrument used to identify:

- Current and long-term capital needs
- Cost
- Priority of requests
- Financing strategies
- Operational impacts

What is a Capital Improvement Budget?

- The Capital Budget is the first year of the CIP and normally is incorporated (to some degree) into the annual budget.

Why Rochester Hills' Develops a Capital Improvement Plan

- Orderly, comprehensive planned installation/replacement of capital facilities, equipment and infrastructure
- Coordinates projects
- Assists with long-range fiscal planning
- Solicits community input
- Serves as a communication device

Rochester Hills Process

- *Policy Documents*
 - * *Master Land Use Plan*
 - * *Master Thoroughfare Plan*
 - * *Master Recreation Plan*
 - * *Local Road Improvement Plan*
 - * *Pathway Improvement Plan*
 - * *Storm Water Management Plan*
 - * *Local Development Finance Authority Plan*
 - * *Water & Sewer Master Plan*
 - * *Technology Plan*

- *Projects*
 - * *Storm Water Management*
 - * *Pathway Segment Improvements*
 - * *Major Road Improvements*
 - * *Local Road Improvements*
 - * *Parks & City-Owned Facilities - Construction*
 - * *Parks & City-Owned Facilities - Rehabilitation*
 - * *New Equipment*
 - * *Professional Services*
 - * *Internal Service Support*
 - * *Water & Sewer System Improvements & Extensions*

- *Project Group Compiles Projects*

- *Planning Commission receives public input on projects*

- *Policy/Administrative Group recommends CIP*

- *Planning Commission adopts Annual CIP Document*

- *City Council adopts Annual Budget including specific CIP projects*

CIP Qualifying Criteria (must meet at least one)

- *Any construction of \$25,000 or more with useful life of three years or more.*

- *\$25,000 or more of non-recurring rehab of an existing asset with a useful life of three years or more.*

- *Purchase of major equipment of \$25,000 or more with a useful life of three years or more.*

- *Purchase of major replacement to Internal Service Programs costing \$25,000 or more with a useful life of three years or more.*

- *Any planning, feasibility study, or engineering study related to a potential capital project or program costing \$25,000 or more with a useful life of three years or more.*

- *Any other professional service costing \$50,000 or more that is not part of a capital improvement program/project.*

- *Any acquisition of land costing \$25,000 or more that is not a part of a capital improvement project/program.*

Rochester Hills' CIP Process Calendar

- *Early January - Policy Group meets to review the process, policies and project application forms.*
- *Late January - Project Group meets to receive direction regarding the process, policies and application forms put in place by the Policy Group.*
- *Mid February - Deadline for project applications.*
- *Late February - Requests are distributed to the Policy Group for review and rating.*
- *Early March - Policy Group meets with Project Group to discuss new projects (or any other questions/concerns).*
- *Mid March - Ratings are due back from the Policy Group.*
- *Late March - Policy Group meets to discuss projects and the rating.*
- *Early April - Results submitted to Mayor for review.*
- *Mid April - Draft CIP moves forward to Planning Commission.*
- *May - CIP adopted by Planning Commission.*

Projects Assessed Upon

- *Contribution to health, safety and/or welfare = 5 factor*
- *Need for compliance with local, state or federal law = 5 factor*
- *Conform to an adopted program, policy or plan = 4 factor*
- *Remedy an existing or projected deficiency = 3 factor*
- *Upgrade a facility = 3 factor*
- *Contribute to long-term needs of community = 2 factor*
- *Annual operating cost impact = 2 factor*
- *Service/benefiting area = 2 factor*
- *Department priority = 2 factor*
- *Desire by community (new in 2008) = 2 factor*

2008 Process Results

- *36 new proposed projects submitted*
- *13 projects pulled from "Under Review" Section and placed into "2008-2013" Section*
- *Totaling approximately \$30 million*

2008 - 2013 Proposed CIP Totals

- *Storm Water = \$4.5 million*
- *Pathways = \$6.1 million*
- *Major Roads = \$29.0 million*
- *Local Streets = \$36.7 million*
- *Parks = \$2.2 million*
- *City-Owned Facilities = \$1.4 million*
- *Professional Services = \$0.5 million*
- *Internal Services Support = \$13.8 million*

- New General Equipment = \$0.5 million
- Water & Sewer = \$32.8 million
- Total = \$127.7 million

President Rosen discussed the CIP process from its original inception in 1997:

- The CIP is a Planning Commission document and responsibility
- Designed in 1997 to plan for major capital expenditures and projects
- Modified over the years to allow nearly all to be included as potential projects
- Provides guidance as to priority of projects
- Assumed administration would follow priorities for budget process
- Tool for the City and Council to guide and plan for the "things" the City builds and owns
- City Council has final decision on projects

Process Design:

Fiscal Department Staff

- Call for Projects
- List of Projects
- Want To Do

Planning Commission

- Rating Process
- Priority List of Projects
- Should Do

Mayor/Staff/Council

- Budget Process
- Matches Projects Funding
- Can Do

City Council

- Appropriation Process
- Secures Funding
- Will Do

Important Concepts to Understand:

- Rating process is designed to favor long life capital projects infrastructure and things in Master Plans
- It was recognized initially that internal service projects would rate lower
- The rating criteria have been modified over time to be less restrictive and, therefore, less comparable to the past

- *The recent changes are less quantifiable*
- *Inclusion in the CIP does not guarantee that a project will be done*
- *Projects can be also undertaken that were not in the CIP*

President Rosen stressed that the key change to the process is that the criteria is more inclusive and that it can no longer be assumed that a project in the CIP is guaranteed to move forward.

Mr. Yalamanchi questioned why the financial threshold for proposed Capital Improvement Projects is \$25,000, while for Professional Services it is \$50,000.

President Rose noted that the Mayor's threshold for Professional Services expenditures is \$50,000.

Resident Melinda Hill, 1481 Mill Race, noted that Professional Services projects for under \$50,000 often have more to do with day-to-day operations rather than large projects.

Ms. Jenuwine further clarified that often the need for Professional Services is not anticipated far enough in advance to be included in the CIP process, and often fall within the \$20,000 to \$25,000 range.

Mr. Yalamanchi suggested that the rating system place greater emphasis on a proposed project's impact on reducing operating costs.

Ms. Jenuwine noted that future operating costs was discussed in great detail by the CIP Policy Team. She stated that the following sentence had been added to the CIP application form: "Project submitted without thorough future cost savings may not be accepted." She suggested that any such evaluations be rated on the number of years for rate of return, rather than the "hard numbers."

Mr. Yalamanchi, acknowledging that the Planning Commission approves the CIP, questioned whether at any time the City Council approved it.

President Rosen explained that according to the State Municipal Planning Act, the Planning Commission is required to adopt the CIP and always has.

Resident Hill stressed that there is a difference between the CIP and the Budget, noting that the CIP is a tool used in conjunction with other plans such as the Master Land Use Plan to guide budget decisions. She expressed concern that there was no criteria prohibiting reoccurring items from appearing in the CIP and that some projects, such as for local or major roads, represent a use of extra General Fund dollars for what are essentially operating costs. She suggested that directors are "muddying" the CIP by including "placeholder" projects unnecessarily. She stressed that the rating system works well and that projects with merit will surface through its use.

Mayor Barnett agreed with Ms. Hill that the CIP is a tool and stated that it has served the City well, although he acknowledged that it is always appropriate to review the process. He further noted that there were adjustments regarding the "placeholder" issue, utilizing more of the "Companion Section" of the plan.

Mr. Ambrozaitis agreed that the impact on operating costs must be examined more closely and that the CIP process needs to be "a little bit tougher" with regard to the grading scale.

President Rosen praised the CIP process but noted that there is always room for improvement.

Discussed

2007-0078

Discussion of City Council Mission Statement

Attachments: Agenda Summary.pdf; 041107 Agenda Summary.pdf; 040407 Agenda Summary.pdf; Excerpt Draft CC Minutes 013107.pdf; Current Mission Statement.pdf; Memo Scott 041107.pdf; Resolution.pdf

Council Consensus was to move the proposed Mission Statement forward for approval at the next Regular Council meeting.

Discussed

2007-0079

Discussion of City Council Goals and Objectives for 2008 Budget

Attachments: Agenda Summary.pdf; 041107 Agenda Summary.pdf; Chapter 2 Vision Goals.pdf

Mr. Yalamanchi noted that, while he is not satisfied with bringing the previous year's goals and objectives forward for this budget year, he would agree to it if he were assured that the Strategic Planning Committee would work diligently to bring forward better suggestions at this same time next year.

Ms. Raschke noted that Council needs to improve this process as a great deal of time has passed without any decisions.

President Rosen agreed, noting that Council members express very diverse opinions on various issues.

Ms. Raschke reminded her fellow Council members that much of the budgeting process is dictated by the limitations of the governmental accounting laws.

Mayor Barnett questioned if there was anything the administration could do to assist Council in this process, noting that the administration hopes to present a budget in keeping with the Council's goals and objectives.

Mr. Hooper spoke in support of the Strategic Planning Committee meeting and bringing forward suggested goals and objectives for the 2008 budget process as opposed to having the administration guided by the previous year's information. He expressed concern that the process would actually be extended if previous information were used as the guide, resulting in a lengthy debate during City Council budget meetings.

PUBLIC COMMENT:

Ms. Lorraine McGoldrick, 709 Essex, suggested that all Council members submit a list of goals and objectives to the Strategic Planning Committee to provide a "general sense of where we're going."

COUNCIL DISCUSSION:

President Rosen agreed to work with Mr. Hooper and Mr. Yalamanchi to schedule a meeting of the Strategic Planning Committee and would contact Ms. Holder and Mr. Duistermars to gain their suggestions as well.

Discussed

ANY OTHER BUSINESS

Ms. Raschke announced that the City Councils of Rochester and Rochester Hills would be playing a vintage baseball game against the Rochester Grangers on May 26th to benefit the Heritage Festival.

President Rosen announced that City employees would be holding a chili cook-off to benefit the American Cancer Society's "Relay for Life" fundraiser.

NEXT MEETING DATE

*Special Meeting - Wednesday, May 9, 2007 at 6:30 p.m.
Regular Meeting - Wednesday, May 9, 2007 at 7:30 p.m.*

ADJOURNMENT

There being no further business before Council, President Rosen adjourned the meeting at 10:47 p.m.

*JAMES ROSEN, President
Rochester Hills City Council*

*JANE LESLIE, Clerk
City of Rochester Hills*

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

Approved as presented at the June 13, 2007 Regular City Council Meeting.