

MINUTES of the **Regular Rochester Hills City Council Work Session** held at 1700 W. Hamlin Road, Rochester Hills, Michigan, on Wednesday, June 25, 2003 at 7:30 p.m.

1. CALL TO ORDER

President Dalton called the Regular Rochester Hills City Council Meeting to order at 7:34 p.m. Michigan Time.

2. ROLL CALL

Present: President John Dalton; Members, Bryan Barnett, Jim Duistermars (7:49 p.m.), Melinda Hill, Barbara Holder, Gerald Robbins

Absent: Member Lois Golden

QUORUM PRESENT

Others Present: Pat Somerville, Mayor
Jane Leslie, Deputy Clerk
John Staran, City Attorney
Ed Anzek, Director of Planning/Zoning
Scott Cope, Director of Building/Ordinance Enforcement
Paul Davis, City Engineer
Raymond Leafdale, General Superintendent, Sewer Department
Roger Rouse, Director of DPS
John Sage, Ordinance Enforcement Officer

President Dalton stated Member Barnett had left prior notice he may or may not be at tonight's meeting and requested his absence be excused.

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENTS

Hearing no public comments, President Dalton continued with the agenda.

5. PRESENTATION - by Dr. Achim Bonawitz regarding City Motto (Members received a copy of a City Council Agenda Summary Sheet dated June 18, 2003 from Susan Galeczka, City Council Liaison)

Dr. Achim Bonawitz, 651 Alpine Court, a resident of Rochester Hills, explained that the Latin version of the current City Motto, which reads "Vivimus in Pacem et Bonem" is incorrect. While citing various sources, Dr. Bonawitz presented several Latin versions of the motto and discussed their meaning and the most appropriate choice of phrase to replace and correct the current Latin version of the City Motto.

Of the following choices, Dr. Bonawitz determined that Number 2, Vivimus in Pace et Benevolentia, is the "best and most meaningful version of the Rochester Hills motto":

1. Vivimus in Pacem et Bonem
2. Vivimus in Pace et Benevolentia
3. Vivimus in Pacem et Bonum
4. Vivimus in Pace et Bona Boluntate
5. In Pace Vivimus Bonaque Voluntate

President Dalton thanked Dr. Bonawitz for his opinion and for bringing the matter to the attention of City Council. He suggested that this matter be investigated further prior to the printing of any new documents that include the Latin motto.

Ms. Hill suggested that the matter be placed on a future Regular City Council Meeting Agenda and a resolution be introduced to correct the City motto.

6. ADMINISTRATION

6a. Public Services - Presentation regarding Radio Read System, an automated method for reading water meters (Members received a copy of a City Council Agenda Summary Sheet dated June 13, 2003 from Kim Murphey, Administrative Coordinator)

Mr. Roger Rouse, Director of DPS, explained that, in an effort to control future water rate increases, he and Mr. Raymond Leafdale, General Superintendent, evaluated the Radio Read System for water meters. He noted that the Sewer and Water budgets were established as enterprise funds, thus all costs associated with those operations are borne by revenues, making them, in effect, independent City operations. He briefly explained the current process of reading meters using a handheld device that physically touches each meter; the data is transmitted to that handheld device, which is then returned to the City's Accounting department for generation of individual bills. The Radio Read System under consideration allows the same information to be gathered by passing within 2,000 feet of the meter, allowing the approximately 21,000 meters in the City to be read in approximately four (4) hours. In addition to the savings in labor pool workers dedicated to meter reading, meters could now be installed inside new homes, as opposed to externally. Those homes with outside meters can be easily adapted. Finally, the current system results in estimated and actual readings on alternating months. This system would provide actual readings on a monthly basis.

Mr. Rouse then introduced **Mr. Al Weber** and **Mr. Ken Knieling** of ETNA Supply Company, 529 32nd Street, Grand Rapids, Michigan, representatives of the company that currently supplies the City with water meters and offers the Radio Read System.

Mr. Weber provided a brief history of his firm, ETNA Supply Company, stressing the accuracy, durability and reliability of their products dating back as far as 1958. He reviewed how the touch-read and the Radio Read systems work. He then discussed a financial benefits analysis (FBA) that calculated the "payback" the City will likely experience if the Radio Read System were implemented. Mr. Weber's FBA noted the following:

- Approximately 21,000 meters in the City
- Approximately 5,000 older meters will require replacement
- \$74 for each rebuilt meter

- \$130 for each Radio Read meter
- \$1,000 for the annual maintenance agreement (including all free upgrades)
- \$30 for an average service cost
- \$65,270 in annual office costs (resequencing, billing, checking data, phone calls)
- 48 month change out
- Positive cash flow in five (5) years
- \$13.0 million savings in meter reading and billing
- \$14.0 million savings over twenty (20) years
- Complete payback of \$3.8 million dollars estimated at eight (8) years, five (5) months

Mr. Barnett asked if the software support is at zero for twenty (20) years.

Mr. Weber explained that the City currently pays software support for existing meters and the AMR support cost is \$1,000 annually.

Mr. Barnett asked for clarification that the City would pay no more than \$1,000 annually for software upgrades, even in the event of a complete rewrite of the system in the future.

Mr. Weber assured Council that if a future software upgrade is within the same version it will be included in the annual fee.

Mr. Barnett, while noting that he was impressed with the presentation, expressed his concern with using a single source or supplier, fearing that in the future, if there were drastic changes, it would be difficult to accommodate that change within the entire City.

Mr. Weber assured Mr. Barnett that his company would not benefit from mistreating such a long-term and loyal customer as the City of Rochester Hills.

Mr. Barnett questioned whether the estimated \$3.4 million cost to implement the program is individualized enough that the program could be implemented in smaller units over a longer period of time.

Mr. Weber explained that the \$130 price per unit will remain in effect for four (4) years and the City will only be charged for the actual units purchased.

Ms. Hill questioned the life of each unit's battery and their replacement cost.

Mr. Weber stated that the batteries are guaranteed for five (5) years, however, the company has experienced more than ten (10) years life from them and the replacement cost is \$17.

Ms. Hill asked what program would be implemented to replace batteries that will potentially fail and how those costs would be billed.

Mr. Knieling explained that each meter reading also provides diagnostic information, thus forewarning meter readers that battery replacement is necessary.

Mr. Rousse indicated that battery replacement costs would be incorporated into water/sewer rates in a similar manner to how improvements are handled.

Ms. Hill wondered how many other communities presently operate on this system.

Mr. Webber explained that there are approximately 225 handheld systems in the state, sixty-five (65) radio read/handheld systems, and thirteen (13) vehicle-based systems. (*Specific municipalities were identified in the meeting packet.*)

Ms. Holder questioned whether this system would possibly interfere with cell phone signals.

Mr. Knieling assured Council that the direct spread spectrum (DSS) used to transmit the meter signals will not interfere with any other area signals.

Mr. Barnett noted that in previous discussions it was determined that the employees tasked to read meters currently would not be eliminated, but would return to the general employee pool, thus resulting in no real payroll savings.

Mr. Rousse explained that the draw from the resource pool would be reduced and no longer associated with meter reading. When viewed as an enterprise fund, that cost of meter reading will be reduced by the value of three (3) employees. Mr. Rousse went on to stress that, as the City's water and sewer infrastructure is "relatively young," operational costs are going to be reduced proportionate to older communities, possibly resulting in reduced costs equal to the value of three (3) employees. In addition, it is likely the resource pool, through attrition and retirement, will reduce sufficiently over the next four (4) to six (6) years that replacement of those employees may not be necessary.

Ms. Hill questioned how the initial outlay of funds, estimated at \$1 million per year for four (4) years, would be charged back to the customer.

Mr. Rousse explained that the increase in rates this year incorporate the first-year costs of the plan, however, eventually customers will benefit from reduced meter reading costs.

Ms. Hill wondered what would be the increase for each customer.

Mr. Rousse estimated it would be approximately \$40 spread over a one (1) year period. He noted that the primary benefits of the new system would be the reduction in personnel costs and the implementation of monthly actual meter readings. In addition, he noted this new system would facilitate enforcement of water restrictions and the early detection of leaks or water main breaks. Furthermore, the City could determine within a four (4) hour period how much water has been purchased from the Detroit Water and Sewerage Department (DWSD).

*(Recess 8:48 p.m. to 9:05 p.m.)
(Member Barnett exited at 8:48 p.m.)*

6b. Building Department - Discussion regarding non-conforming signs (Members received a copy of a City Council Agenda Summary Sheet dated June 19, 2003 from Susan Galeczka, City Council Liaison)

Mr. Scott Cope, Director of Building/Ordinance Enforcement introduced **Mr. John Sage**, Ordinance Enforcement Officer and Building Department Sign Expert; **Mr. Paul Davis**, City Engineer; and **Mr. Ed Anzek**, Director of the Planning Department.

Mr. Cope briefly described the ordinance that was adopted April 16, 1997, noting that there exists 115 signs that remain out of compliance with the ordinance and the amendment that was put into effect one (1) year later. **Mr. Cope** described various noncompliance issues such as sign heights of over seven (7) feet, improper setback from the 150 foot/180 foot right-of-way, and corner clearance issues.

Mr. Sage utilized a Power Point presentation that illustrated where noncompliant signs currently sit and where, to gain compliance, they should be relocated. He described specific signage situations wherein compliance would be difficult.

Mr. Cope requested an ordinance change imparting some flexibility to the Building Department when dealing with such difficult compliance situations. It is the intention of the ordinance change to reduce the adverse impact that compliance could place on local businesses. The proposed ordinance changes would allow the Building Department to evaluate signs individually and allow some discretion regarding the ten (10) foot setback as well as changing to a 150-foot right-of-way on Rochester Road.

Ms. Holder asked if the remaining businesses that are not in compliance have specific issues that are preventing compliance, or are simply refusing to comply.

Mr. Cope indicated that no businesses have simply refused to comply and that the special right-of-way of 180 feet along Rochester Road is particularly difficult. He stressed that the requested ordinance change would only allow flexibility when necessary in an effort to reduce the number of variance requests being brought forward.

Ms. Holder questioned whether noncompliant businesses had been notified by letter of the ordinance change.

Mr. Cope explained that the ordinance requires that the Building Department notify noncompliant businesses by December 31, 2004. He stated that this has prompted the Building Department to come before Council, knowing that this is a large project. He noted that they plan to work individually, on-site with these businesses to accomplish ordinance compliance.

Ms. Hill questioned whether changing Rochester Road to a 150-foot right-of-way would result in difficulties in the future should Rochester Road be widened as well as resulting in staggered signs. She stressed that these issues are a matter for the Sign Board of Appeals (SBA). She also questioned how thorough an assessment the Building Department has made of these 115 signs.

Mr. Sage stated that the evaluation has been extensive and they have estimated that 50% will require variances.

Ms. Hill noted that business owners had been given an extended period of time to meet compliance and the intent of the ordinance was to create a streetscape that was relatively equal. She also stressed her support for the height issue.

Mr. Cope assured Council that every effort would be made to meet the 150-foot right-of-way, thus reducing the risk of staggered signs.

Mr. Davis explained that very few businesses along Rochester Road are currently in compliance with the 180-foot right-of-way.

Ms. Hill questioned whether the ordinance change would, in effect, change the right-of-way.

Mr. Cope explained that, were Rochester Road widened in the future, placement of the signs would be a minor issue with regard to cost, noting there are a number of buildings that will have to be purchased and demolished. He stressed that when fifty (50) or sixty (60) businesses approach the SBA requesting a variance, it is a strong indication that something in the ordinance needs to be adjusted.

Mr. Anzek noted that the 180 foot right-of-way requirement for Rochester Road was put in place in 1999, following the 150 foot right-of-way requirement. He then reiterated Mr. Cope's point that sign placement would be a minor issue if Rochester Road were ever widened. He further expressed a concern that this issue may result in litigation.

Mr. Staran explained that this is a matter of City policy and that this Council and the City Administration have fostered a new climate recognizing that Rochester Hills is not a new city and is moving into a redevelopment phase while trying to be more user-friendly toward residents and businesses. He agreed that when the same common issue is being brought before a board or commission it is an indication that there needs to be a legislative solution, and that some aspect of an ordinance is possibly obsolete or too rigid. He assured Council that it is not a matter of "throwing out the rule book" but, on the contrary, acknowledging that right-of-way requirement is likely unrealistic and may not be necessary. He also stressed that the designations established by the Planning Commission do not constitute private property.

Mr. Anzek noted it was his understanding that if someone appears before the Zoning Board of Appeals (ZBA) or the SBA and is denied, they cannot come back before Council, but must then seek satisfaction in the Circuit Court.

Mr. Staran confirmed that assumption, noting that there is time now to remedy the situation prior to any court action.

Mr. Duistermars stated he is a member of the SBA and advised Council that this board is quite concerned about this situation. He noted that the ordinance services the community well with the exception of Rochester Road. He questioned the necessity of adversely impacting businesses to accommodate the 180 foot right-of-way in anticipation of road widening that is unlikely to occur for many years.

Mr. Anzek stressed that the requested ordinance changes would not impact the 180 foot right-of-way for new construction or redevelopment. These changes only apply to the signs in an effort to align them and lower them in accordance with the ordinance.

President Dalton questioned how many of the signs in question would still be out of compliance if the right-of-way remained at 150 feet.

Mr. Anzek estimated that approximately 75% would not be in compliance.

President Dalton indicated he is not comfortable second guessing actions taken by a previous Council. However, he did feel that amending the ordinance from a 150 foot right-of-way to a 180 foot right-of-way was problematic and could result in difficulties defending that change. He expressed support for keeping the signs-only within a 150-foot right-of-way.

Ms. Hill concurred with President Dalton but wanted to be assured that this change was to affect Rochester Road only.

Mr. Cope confirmed that the intention of the ordinance change “is to measure 75 feet from the center line of Rochester Road all the way through.” He explained that the other requested change would allow the Building Department Director to exercise discretion in reducing the ten (10) foot setback required for any right-of-way within the City when circumstances dictate this necessity.

Ms. Hill acknowledged that she does not oppose a solution that would avoid excessive numbers of individuals going before the SBA, but she noted that business owners were given ample time to bring their signs into compliance. She described how much effort the Council put into establishing the original ordinance in 1997.

Mr. Anzek stated that the City Administration does not take these proposed changes lightly and assured Council that Mr. Cope would exercise this discretion as a “last ditch effort.”

Ms. Hill questioned whether the City would send notifications to business owners again making them aware of the situation.

Mr. Cope assured Council that these 115 businesses would be notified and asked to come forward to work with the Building Department to find equitable solutions. He stressed that the issue was brought forward at this time to afford ample time to work with these businesses.

Mr. Robbins agreed with Ms. Hill that these businesses had seven (7) years to come into compliance, but acknowledged that the right-of-way was changed from 150 feet to 180 feet as a

result of the Master Thoroughfare Plan. He suggested that with these proposed changes Council can “fix it and move on.”

Mr. Duistermars agreed with Mr. Robbins.

President Dalton expressed his faith in Mr. Cope’s judgment, but noted that he wants to read the ordinance more closely.

Mr. Duistermars also expressed his belief in Mr. Cope’s judgment, but expressed his concern that some decision made may be precedent setting, which could result in future problems. He noted that the “intent of the ordinance” must be followed.

Mr. Robbins established that Mr. Cope would be able to contact City Attorney Staran for legal advice and noted that the Planning Department Director is given leeway when making planning adjustments.

Mr. Cope noted that any issues regarding setbacks would also include input from other City departments.

Mr. Dalton praised the Administration for bringing this issue before Council well in advance of the December 31, 2004 deadline, thus allowing Council to respond to the issue in a timely manner.

Ms. Hill clarified that her concerns are not with regard to a trust in Mr. Cope’s judgment, but rather a concern that a use of discretion will result in problems of perceived “fairness.”

Mr. Cope requested that the changes to the ordinance be brought forward before Council at the next available regular meeting for a first reading.

Mr. Anzek suggested drafting a letter to be sent to all 115 business owners notifying them of this issue and have Council review the text.

7. COMMENTS & ANNOUNCEMENTS

7a. City Council Members

Ms. Hill broached several subjects, while noting that she did not necessarily require responses at the current meeting:

- Status of the Adams Road interchange.
- Status of the zoning rewrite.
- Continuation of joint meetings with the Planning Commission regarding future City development.
- Continuation of discussions regarding the solid waste disposal issue.
- Clarification of the cable broadcast schedule.
- More programming for the cable channel.

Mr. Anzek stated that the Michigan Department of Transportation (MDOT) Road Commission would be meeting the next day and, after a great deal of lobbying on the part of the City Administration, there are indications that the Adams Road/M-59 interchange project would go forward. He stressed that there have been no guarantees made, but “we’re pretty confident it will go through.”

Mr. Dalton asked about the Crooks Road project.

Mr. Anzek explained that the Governor’s office is focusing on projects that relate to economic development, as opposed to traffic congestion relief, thus reducing the rating of these projects.

Mr. Staran noted that the Governor was recently quoted as saying the Adams Road/M-59 interchange project is being reexamined.

Mr. Anzek stated that following the Consent Judgment with Grand Sakwa Properties, five (5) corporations contacted Grand Sakwa wanting to develop their campus headquarters at the site.

Ms. Hill requested that Rochester Hills’ State Senator and House Representatives join the City Council on a quarterly basis to discuss issues that impact the City, such as the storm water issue.

President Dalton suggested inviting these representatives, as well as County Commissioners, on a quarterly basis to join Council during Work Session meetings.

Mr. Anzek noted that “Senator Bishop has been doing a journeyman and masterful job on our behalf.”

Mr. Davis explained that Mr. Roger Moore, Professional Surveyor, is primarily involved in the storm water issue and should be involved in any detailed discussions.

Mr. Duistermars announced that the Festival of the Hills is coming up.

Ms. Holder noted that there was a problem with the audio portion of the previous week’s meeting, for which Mr. Jamie Smith, Media Specialist, took full responsibility and acknowledged that he can be contacted at (248) 841-2540.

7b. Mayor

Mayor Somerville had no comments.

7c. Attorney

Mr. Staran announced that an order was entered today dismissing the damage claim associated with the zoning case involving the parcel behind Arby’s on Rochester Road. Therefore, only the validity of the zoning itself remains to be determined.

8. **ANY OTHER BUSINESS**
9. **NEXT MEETING DATE - Wednesday, July 16, 2003 Regular Meeting.**
10. **ADJOURNMENT**

There being no further business to discuss before Council, President Dalton adjourned the meeting at 10:17 p.m.

JOHN L. DALTON, President
Rochester Hills City Council

MARGARET A. STRATE
Administrative Secretary
City Clerk's Office

BEVERLY A. JASINSKI, Clerk
City of Rochester Hills