



Rochester Hills

Minutes - Draft

City Council Special Meeting

Kevin S. Brown, Greg Hooper, Adam Kochenderfer, Stephanie Morita, Mark A. Tisdell, Michael Webber and Thomas W. Wiggins

Vision Statement: The Community of Choice for Families and Business

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

Monday, August 18, 2014

5:30 PM

1000 Rochester Hills Drive

In accordance with the provisions of Act 267 of the Public Acts of 1976, as amended, the Open Meetings Act, notice was given that a Special Rochester Hills City Council Meeting would commence at 5:30 p.m. on Monday, August 18, 2014, to discuss the proposed 2015 Budget, and to conduct regular City business.

CALL TO ORDER

President Hooper called the Special Rochester Hills City Council Meeting to order at 5:32 p.m. Michigan Time.

ROLL CALL

Present 6 - Kevin S. Brown, Greg Hooper, Stephanie Morita, Mark A. Tisdell, Michael Webber and Thomas W. Wiggins

Absent 1 - Adam Kochenderfer

Others Present:

Ed Anzek, Director of Planning and Economic Development

Bryan Barnett, Mayor

Tina Barton, City Clerk

Nancy Bowman, Senior Human Resources Analyst

Alan Buckenmeyer, Parks Operations Manager

Sean Canto, Chief of Fire and Emergency Services

Scott Cope, Director of Building/Ordinance Compliance

Ron Crowell, Deputy Fire Chief

Paul Davis, City Engineer/Deputy Director of DPS

Pamela Gordon, Director of Human Resources

Bob Grace, Director of MIS

Bruce Halliday, Fleet Manager

Deborah Happy, Administrative Coordinator - Fire

Mike Hartner, Director of Parks and Forestry

Debby Hoyle, Financial Analyst

Kevin Krajewski, Network Administrator/Deputy Director of MIS

Gerald Lee, Forestry Operations Manager

*Pam Lee, City Accountant
Captain Michael Johnson, Oakland County Sheriff's Office
Linda Osiecki, Deputy Treasurer
Tara Presta, Chief Assistant
Keith Sawdon, Director of Finance
Allan Schneck, Director of DPS/Engineering
Leanne Scott, Deputy Clerk
Joe Snyder, Senior Financial Analyst
Helen Sultana-Kelly, HR Analyst/Program Coordinator
Laurie Taylor, Deputy Director of Assessing
Bob White, Supervisor of Ordinance Services
Tamara Williams, Executive Administrative Coordinator
Kelly Winters, Deputy Director of Building/Ordinance Compliance*

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

A motion was made by Brown, seconded by Morita, that the Agenda be Approved as Presented. The motion carried by the following vote:

Aye 6 - Brown, Hooper, Morita, Tisdell, Webber and Wiggins

Absent 1 - Kochenderfer

PUBLIC COMMENT

Melinda Hill, 1481 Mill Race, expressed disappointment that the discussion and decision to place a proposed millage for the Fire Department on the November ballot took place over only two meetings, with little notice for the Public Hearing, and limited information available on the Public Safety and Infrastructure Technical Review Committee's actions. She noted that few residents and mostly members of the Fire Department commented on the proposal. She stated that as a taxpayer, she would have no problem with a Headlee Override; however, she does not support a proposal for a Charter Amendment.

Lee Zendel, 1575 Dutton Road, stated that during the prior two Council meetings, those public commenters who spoke about oil and gas exploration left the meeting before hearing about the agenda item on improving the Fire Department, which affects everyone in Rochester Hills. He noted that the city has experienced a large increase in population since 1984 when the original Fire Millage was passed, and a large increase in emergency calls which has led to longer response times and dependence on the City's neighboring communities for help. He pointed out that an improvement of response times will only be achieved by adding more Firefighter/Paramedics. He commented that the Millage Proposal will result in a relatively small increase in the dedicated millage for the Fire Department. He stated that this is a life or death matter and he hopes that those concerned over oil and gas exploration will not stay home on Election Day.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

President Hooper responded to Public Comment, stating that when he was elected in 2011, he gave his inauguration speech which noted the Fire Department funding concerns and pointed out that the Fire Department Millage was at its maximum levy. He stated that after Fire Chief Sean Canto came on board with the City, he performed a thorough detailed analysis of the Fire Department that was presented to Council on May 19, 2014, and is available for review on the City's website. He commented that at that point City Council referred the matter to the Public Safety and Infrastructure Technical Review Committee, which undertook a detailed analysis and reported back to Council at a Public Hearing. Subsequent additional review by Council was held, and Council determined unanimously to seek 2.7 mills, with the goal of solving response times. He pointed out that after review, it was determined that 2.5 mills would not solve the response time concerns, especially in District 2, served by a fire station that under 2.5 mills would remain staffed only 16 hours per day.

Ms. Morita noted that she had an inquiry from a resident asking whether the City has ever held a volunteer appreciation luncheon or dinner to extend its appreciation to its board and commission members. She requested the City consider holding such an event.

Mayor Barnett responded that the City has not held an event such as this for the last ten years. He noted that the Administration would look into a recognition for those individuals who volunteer their time.

Ms. Morita stated that she would like to be involved in any recognition event.

UNFINISHED BUSINESS

2014-0319 Request for Approval of a five-year extension of the METRO Act Permit for AT&T

Attachments: [Agenda Summary.pdf](#)
[5-Yr Permit Extension.pdf](#)
[METRO Act Permit AT_T Contract.pdf](#)
[METRO Act Permit AT_T Documents.pdf](#)
[AT_T Certificate of Liability Insurance.pdf](#)
[Staran email 073014.pdf](#)
[Resolution.pdf](#)

President Hooper noted that this item was removed from the August 11, 2014 Agenda so that additional information could be assembled and submitted for Council's review.

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

Aye 6 - Brown, Hooper, Morita, Tisdell, Webber and Wiggins

Absent 1 - Kochenderfer

Enactment No: RES0189-2014

Resolved, that the Rochester Hills City Council hereby approves a five-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 expire on August 31, 2019.

PROPOSED 2015 BUDGET DISCUSSIONS

2014-0320 General Budget Overview - 2015

Attachments: [081814 Agenda Summary.pdf](#)
[081814 Budget Presentation Schedule.pdf](#)
[Suppl General Budget Overview.pdf](#)
[081114 Agenda Summary.pdf](#)
[081114 Resolution.pdf](#)

Keith Sawdon, Director of Finance, noted that Budget preparation actually begins with the Capital Improvement Plan (CIP) Process in February. Updates are formulated to the Plan, which was adopted by the Planning Commission in April. In May, a seven-year Financial Forecast encompassing Fiscal Years (FY) 2015 to 2021 was presented to Council, making note of items that deserve attention and highlighting other items that have been solved through the years. In July, the Strategic Planning Committee met to prepare updated Goals and Objectives, which were then adopted by City Council on July 21st. He commented that all those items are key in formulating the budget, and noted the following:

- The CIP provides input on what needs to be reviewed and potentially put forward in Capital expenditures.
- The Financial Forecast gives a feel for what the City's current policies will look like into the future.
- The Strategic Plan allows a focus on priorities. Public Safety was identified as one priority, along with Infrastructure.

The Budget is formulated to follow the Strategic Plan closely.

The Financial Forecast yielded the following:

- The General Fund is the major funding source for a number of funds. It sends out more than it collects in tax revenue.
- The Local Street Fund relies on General Fund for all of its reconstruction activities and some of its maintenance. The August election has helped in that area as a repurpose of a Green Space Millage toward Local Roads and Local Street Operations will free up the General Fund to strictly be a contributor toward reconstruction of Local Roads. Local Roads now has funding sources to take up a good majority of its operating expenses.

- *The Fire Fund is maxed out on its current operating millage. That millage is supporting its current operations and lacks any substantial contribution toward the Fire Apparatus Fund.*
- *The Water Resource Fund (or Drain Fund) is the fund used to maintain storm water drains within the City. This fund is quickly running out of its fund reserves. By FY 2018 it will be exhausted.*

He noted tonight's goal is to provide an overview of the budget, including the following:

- *The Administration continues to provide Council with a three-year budget. The City was the first in Oakland County to produce a three-year budget. That budget was built off the Financial Forecast; without it, it would be difficult to predict out into the future. That innovative move has helped the City position itself to move away from the recession and into a growth position.*
- *The Budget is based on estimates. The City does the best it can to predict and uses projections and estimates.*
- *The Budget is built on delivering quality services.*
- *Revenues drive services; conservative estimates are used to ensure services proposed in the Budget can be delivered.*

He highlighted the major changes that appear in the FY 2015 Budget:

- *The General Fund subsidy for Police Services is replaced with a Dedicated Police Millage.*
- *Initial Funding of the Green Space Perpetual Care Trust is proposed.*
- *A Museum Division is created within General Fund to better track Museum-related activity.*
- *Limitation of one of the City's Other Post Employment Benefit (OPEB) obligation, and the full funding of the remaining OPEB obligation.*

He stated that the proposed budget is for \$143,085,530 total, and noted the following:

- *Citywide revenues of \$115,873,820, with \$27,211,710 from Fund Balance (to cover \$32 million in Capital Projects). The City is using savings to invest in infrastructure; not to cover operating costs.*
- *Citywide expenditures are proposed at \$143,085,530, an increase of 13 percent from the current 2014 Amended Budget. Almost all of the increase is attributable to Capital Projects.*
- *The Millage Rate is based at 9.7060, the same as 2014. The Millage Rate would adjust based on the results of the November ballot initiative. The proposed rate is the lowest millage rate of cities over 5,000 in population in Oakland County. Even if the ballot initiative were to succeed, the City would still remain one of the lower taxed communities in the region.*
- *The City is not, and has never proposed to levy the one percent administrative fee, leaving almost \$1.2 million in the pockets of the City's residents, and leaving that money available for the residents to spend in the community and on their homes.*
- *The City is seeing improvements in all of its revenues, including property taxes, State Shared Revenue, charges for services and building permits. He*

noted that property taxes only increase at the rate of the Consumer Price Index, keeping pace with inflation. This is seen as a modest recovery in the economy. General Fund is able to contribute almost \$6 million in support for local streets; \$5.4 million of that support is for Capital projects. When the new millage starts in 2016 replacing the Green Space Millage on the tax bill, General Fund's contribution is expected to be strictly for Capital. While Local Roads presented concern in the financial forecast over many years, it has now been restructured to maintain itself on its own revenue sources.

- The Budget contains the initial funding of the newly-created Green Space Perpetual Care Trust. The goal of the Trust is to have annual earnings from the Trust pay for the stewardship activities into the future.*
- The Budget contains Council's action to approve renovation of City Fire Stations 1, 2, 3, and 5 and reconstruction of Fire Station 4.*
- The Retiree Implicit Rate Subsidy health care program ends and no new contributions are required. The Board of Trustees to the Retiree Health Care Trust will be meeting tomorrow to review the Actuarial Report; it is suggested that they adopt a resolution of termination of the obligation. The termination will eliminate approximately \$1.5 million in long-term obligation.*
- The Retiree Supplemental Health Care benefit obligation is fully funded and no new contributions are required as of January 1, 2014. As market values fluctuate and the retirement rolls change, funding will change over time. The Plan is fully funded at approximately 120 percent of its obligation until the next actuarial report is reviewed.*
- The General Fund subsidy for Police Services ends as the new Police Service Millage begins. By resolution of City Council, the City's total millage rate remains the same as General Fund's millage rate is lowered to offset the new Police Service Millage applied.*
- The Museum Division is separated out of the Parks Department to form their own cost center in order to provide better tracking of Museum-related activities, and allow for additional grant opportunities.*

Mr. Sawdon reviewed a graph depicting tax rates among communities in Oakland County with populations over 5,000, noting that the City's millage rate of 9.7060 is one of the lowest.

For Council Discussion, See Legislative File 2014-0345.

Discussed.

2014-0339 Discussion - General Fund (100's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl General Fund.pdf](#)
[Suppl Planning Department.pdf](#)
[Suppl Building - Ordinance - Facilities.pdf](#)
[Suppl Clerks.pdf](#)
[Suppl Human Resources.pdf](#)
[Suppl Assessing - Treasury.pdf](#)
[Suppl Parks.pdf](#)
[Suppl Special Police - Crossing Guards.pdf](#)

Keith Sawdon, Director of Finance, reviewed changes for Fiscal Year (FY) 2015 for General Fund Revenue:

GENERAL FUND REVENUE:

- Following the wishes of the City's voters and Council, General Fund Revenues are down by 18 percent. This was done by design, as when the Police Millage was approved the increase was offset with a General Fund reduction.
- The use of Fund Balance will increase by 52 percent or \$1,409,810 over what was budgeted in FY 2014. The total draw down from Fund Balance is \$4,119,040. This is generally related to funding Capital Improvements including the renovations to the City's Fire Stations and improvements to Local Roads.
- Property Taxes decreased by 44 percent or \$4,757,750. The new Police Service Millage begins, ending General Fund's subsidy and lowering the General levy to 2.0069 mills.
- State Shared Revenue increases approximately five percent, or \$250,000. Sales Tax Revenues are increasing for the State, meaning that the City's share will increase.
- Licenses and Permits are up four percent, or \$90,000, based on actual trends and projected activity levels.
- Service Charges are up five percent, or \$90,000, based on actual trends and projected activity levels.

MAYOR'S DEPARTMENT:

- Mayor's Department (171):
Mr. Sawdon reported that the Mayor's Department Expenditures will increase by 3.3 percent, or \$64,410, predominantly due to MIS Inter-fund Charges for new financial software, a Resident Opinion Survey scheduled for FY 2015, and an increase to Printing and Publishing expenditures due to higher demand for printed materials such as the Financial Dashboard. He pointed out the new software will trigger a new depreciation schedule, and noted that Fiscal, Accounting and Purchasing are the predominant users of the financial package.
- Accounting Division (201):
Mr. Sawdon noted that no significant changes are anticipated for the Accounting Division.
- Legal Services (210):
He noted that Legal Services will increase by four percent, or \$10,500. This change consists of a decrease in the City Attorney expenditure of \$25,000 to reflect anticipated need, an increase in the Labor Attorney expenditure of \$33,500 due to upcoming union negotiations, and Other Legal Representation costs of \$2,000. He displayed a chart which highlighted the trend for City Attorney expenditures.
- Building Authority (279):
Mr. Sawdon noted that no significant change in expenditures is anticipated. He pointed out that the Building Authority budgets for three meetings; and typically holds only its first meeting each year, cancelling the other two.

- *Special Street Lighting (448):*

He stated that there are no significant changes anticipated for Special Street Lighting for FY 2015, as this is a pass-through account.

- *Community Development Block Grant (666):*

Mr. Sawdon explained that there are no Budget Changes planned for the Community Development Block Grant. Based on Council's direction, the numbers reflect a lower allocation to minor home repair for low-income residents and a higher allocation to emergency clothing service through community organizations.

- *Community Events (760):*

He noted that no significant changes are anticipated for Community Events for FY 2015.

- *Community Garden (758):*

Mr. Sawdon explained that the Budget is proposing a second Community Garden to meet the community's demand. The Budget increase for FY 2015 includes Supplies, Professional Services, and Other Services all related to the construction of a new garden. Expenditures return to normal levels for FY 2016 and FY 2017.

GENERAL FUND TRANSFER-OUT:

Mr. Sawdon noted that Operating Transfer Out decreased 27 percent, or \$3,486,260, due to the following:

- A reduction of \$856,300 to the Local Street Fund.*
- A reduction of \$4,788,300 to the Special Police Fund.*
- An increase of \$2,257,550 to the Facilities Fund.*
- A reduction of \$99,730 to the Retiree Health Care Trust Fund.*

For Council Discussion, see Legislative File 2014-0345.

Discussed.

2014-0341 Discussion - Debt Services Funds (300's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Debt Funds.pdf](#)

DEBT FUNDS:

Keith Sawdon, Director of Finance, reviewed Debt Funds for FY 2015, noting that over time the City's Debt Service has decreased. He pointed out that the City had approximately \$50 million in debt in 2004; and that amount has decreased to approximately \$15 million in 2015. Amounts owing for 2015 include \$3,124,903 for Governmental Activities; and \$1,415,948 for Business-type Activities, such as Water and Sewer.

For Council Discussion, see Legislative File 2014-0345.

Discussed.

2014-0342 Discussion - Capital Funds (400's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Capital Improvement Fund.pdf](#)
[Suppl Fire Department.pdf](#)
[Suppl D.P.S.pdf](#)

- Capital Improvement Fund (420):

Keith Sawdon, Director of Finance, noted that the Capital Improvement Fund will contribute to planned projects for FY 2015 including a \$2.3 million transfer to the Facilities Fund for Fire Station Renovations/Reconstruction Activity; and for Media-related Capital items from PEG Funding.

For Council Discussion, see Legislative File 2014-0345.

Discussed.

2014-0344 Discussion - Internal Service Funds (600's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Insurance Fund.pdf](#)
[Suppl MIS.pdf](#)
[Suppl D.P.S.pdf](#)

- Insurance Fund (677):

Keith Sawdon, Director of Finance, noted that the Insurance Fund has no significant changes anticipated for FY 2015. He pointed out that the City received an asset distribution of \$405,392 on July 1, 2014 from the Michigan Municipal Risk Management Authority. This amount is not yet included in the figures presented, as the distribution was not known when the report was prepared.

For Council Discussion, see Legislative File 2014-0345.

Discussed.

2014-0345 Discussion - Trust and Agency Funds (700's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Retiree Healthcare Trust.pdf](#)
[Suppl Green Space Perpetual Care Trust.pdf](#)
[Suppl Clerks - VHJSC Cemetery Perpetual Care Trust.pdf](#)
[Suppl Parks.pdf](#)

- Retiree Health Care Trust Fund (736):

Keith Sawdon, Director of Finance, reported the following changes for FY 2015:

- The Transfer-In will decrease by \$159,450 due to no contribution necessary

for FY 2015 for the Retiree Health Care Trust Fund; the Transfer-Out will decrease \$60,000 due to no required Implicit Rate health care reimbursement.

- Personnel Services will increase by \$17,840 primarily due to an increasing number of retirees being covered, requiring additional staff time.

- Green Space Perpetual Care Trust (760):

Mr. Sawdon reported that the Green Space Advisory Board adopted a resolution to recommend that City Council initially fund the Trust at \$4 million, which represents a little over 50 percent of the amount available in Fund Balance after the spread of the December 1 tax bill. He explained that the Fund will end FY 2014 with approximately \$7.8 million in Fund Balance and cash reserves. This will allow the use of Public Act 314 for investment alternatives and options. A conservative five percent return is estimated. He noted that the Green Space Advisory Board does not wish to see earnings spent in the same year they are received; they wish to wait to spend earnings in the following year. The estimate of \$93,020 for FY 2016 is what is expected as stewardship activities ramp up.

Mr. Sawdon expressed his thanks to City Council for its years of effort in refining the budget process to utilize the forecast to formulate a three-year plan in detail. He commented that the budget is a productive one through these cooperative efforts.

Public Comment:

Melinda Hill, 1481 Mill Race, commended the City for being fiscally responsible over the years, stating that the position the City is in today is due to its fiscal responsibility. She noted that the City is based on a millage system, and she cautioned that while Fund Balance increased starting in 2010, since 2013 the City is now spending funds at the rate of \$10- and \$20 million over revenues. She expressed concern that these expenditures over the increases continue through 2017. She suggested that Roads should have been treated similar to Police and funded with its own millage fund instead of General Fund. She added that the next problem to solve will be the Water Resources Fund.

Council Discussion:

President Hooper noted that City Council has been prudent over the time he has been on Council, and opted last year to spend \$15 million for Local Roads, and spend \$2.5 million for its Fire Stations. He concurred that the Drain Fund will be another concern that Council will have to tackle. He commented that it is his opinion that the City is not overtaxing.

Mr. Sawdon responded that up until 2008, the General Fund had been making substantial contributions to the Local Street system for improvements. When the downturn was forecast, the Mayor proposed to City Council to help Local Streets get by on maintenance and hold back on construction activities until it was known where the bottom of taxable values would occur. He pointed out that some of the excess revenue was due to the scaling back of construction activities.

Mr. Webber questioned how much is charged each year for Community Garden plots and whether the capital expenditure would be returned.

Mayor Barnett responded that each plot is \$30 for a year. He pointed out that the City received several grants for the construction of the original community garden, and is in the application process for additional grants. He stated that the monies charged to residents to participate are minimal and go to Dinosaur Hill to run the day-to-day operations; and he noted that little net revenue comes to the City. He pointed out that maintenance costs are relatively minimal and include topsoil changes or fencing repairs.

Mr. Webber questioned where the second garden would be located.

Mayor Barnett responded that a specific location has not yet been selected; however, it would not be in the immediate vicinity of the current garden. He commented that River Bend Park is a potential location being considered. He pointed out that the current garden has a substantial waiting list, and has received much support from the community.

Mr. Webber commented that he appreciated seeing the net distribution from the Michigan Municipal Risk Management Authority.

Mr. Brown questioned whether the successful repurposing of the Green Space Millage creates a third Local Street Fund.

Mr. Sawdon responded that it will be a third Local Street dedicated millage. He pointed out that the outcome of the election was not yet known when the proposed Budget Documents were prepared, and explained that it will be reflected in the final printing, with an adjustment for the General Fund millage rate for 2016 and beyond as it no longer will make that contribution to Local Roads.

Mr. Brown noted that the adjustment will be made to reflect the repurposing to put the Green Space Millage into General Fund, which will then come out for Local Roads.

Mr. Sawdon confirmed that was correct.

President Hooper pointed out that the millages for Local Roads 1 and 2 expire in 2020, and questioned whether renewal was assumed. He noted that the Green Space expiring millage was not included for renewal.

Mr. Sawdon responded that in both the financial forecast and throughout the budget documents, expiring millages are assumed to be renewed. If the voters opt to not renew the millages, the budget documents will change accordingly. He pointed out that when the budget documents were prepared, it was known that there would be an election for repurposing the Green Space Millage.

President Hooper questioned whether the Insurance Fund net asset distribution would be included in the 3rd Quarter Budget Amendment as revenue.

Mr. Sawdon responded that it would.

President Hooper noted that Council has not seen anything yet regarding funding the Green Space Trust, and has not determined a dollar amount for the budget. He suggested that this figure not be included yet.

Mr. Sawdon questioned whether Council had reviewed the Green Space Advisory Board's resolution recommending the funding.

President Hooper responded that they had not. He stated that the inclusion of a dollar amount for the budget for this item should wait until Council has had this discussion.

Discussed.

(Mr. Kochenderfer entered at 6:18 p.m.)

Present 7 - Kevin S. Brown, Greg Hooper, Adam Kochenderfer, Stephanie Morita, Mark A. Tisdell, Michael Webber and Thomas W. Wiggins

2014-0340 Discussion - Special Revenue Funds (200's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Parks.pdf](#)
[Suppl Fire Department.pdf](#)
[Suppl Special Police Fund.pdf](#)
[Suppl D.P.S.pdf](#)

R.A.R.A. Millage Fund (213):

R.A.R.A. Operating Fund (808):

Ron Jewell, Executive Director of the Rochester Avon Recreation Authority (RARA), stated that RARA's Fiscal Year 2015 Budget was unanimously passed by the RARA Board on July 29, 2014. He noted that it is a balanced budget, reflecting a balance between cost savings, program realignments, and anticipated program revenues and expenditures. He commented that the end result is that RARA is continuing to maintain its commitment to fiscal discipline. He pointed out highlights from the proposed budget, including the following:

- RARA's second full year in a new facility, with a focus on growing the fund balance while developing plans to finish building out the remaining 17,000 square foot of the facility for recreational use.
- No significant changes to the Administrative or Support Staff wages either for full or part time are projected.
- Program realignment for some programs by restructuring payment to program facilitators through contractual agreements rather than hourly wages. New programs and special events are coming online, along with restructuring previous offerings to residents allow RARA to continue to offer a wide range of opportunities to promote healthy lifestyles.

He noted that RARA's budget is balanced and structurally sound, and critical

investments are proposed to ensure RARA's future is even brighter than today. He commented that RARA will continue to strive to be the community's recreation provider.

Council Discussion:

Mr. Webber requested Mr. Jewell update Council on the new facility, noting that there were opportunities presented for additional programs or sponsorships.

Mr. Jewell responded that the building is approximately 36,000 square feet, with 17,000 square feet remaining for build out for future use. There is approximately 9,000 square feet in one area plus another 8,800 square feet that is wide open and ready to be built out as RARA sees fit. The plan for those two open spots include a field house, including a gymnasium that will be a dual court facility. One-half will be a sport court and the other will be some sort of a turf, to allow a wide range of programming. The other area could be a possible gymnastics-type venue; however, its final use has not yet been determined. Once funds are available, RARA's plan is to build these areas to suit needs. Current facilities correspond to what was at the previous venue.

Mr. Kochenderfer noted that the business case presented for acquiring the new building was to realize cost savings. He questioned how these cost savings are being realized, and whether RARA has been able to eliminate the need for rental space elsewhere.

Mr. Jewell responded that thus far, four dance rooms, a couple of preschool rooms and one multi-purpose room have been built out. He mentioned that RARA will always be somewhat dependent on municipal facilities and school gymnasiums as on any given Saturday ten to twelve basketball courts are needed for the Youth Basketball Program. The gym that will be constructed will be used for some of RARA's smaller programs and will save renting out that space. He noted that once built out, the 17,000 square feet remaining will provide potential savings.

Mr. Wiggins commented that Mr. Jewell has done a really good job in balancing the budget with a new facility. He noted that RARA has a vision and is looking forward to other revenue sources and ideas for the future.

Discussed.

2014-0346 Discussion - Component Units (800's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Planning Department.pdf](#)
[Suppl Parks.pdf](#)

See Legislative File 2014-0340 for RARA Discussion.

Discussed.

2014-0340 Discussion - Special Revenue Funds (200's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Parks.pdf](#)
[Suppl Fire Department.pdf](#)
[Suppl Special Police Fund.pdf](#)
[Suppl D.P.S.pdf](#)

- O.P.C. Millage Fund (265):
- O.P.C. Operating Fund (820):

Renee Cortwright, Executive Director, introduced **Tim Soave**, Financial Director, of the Older Persons Commission, noting that the Older Persons Commission (OPC) continues to provide supportive outreach services to the seniors in the community, to support their aging in place, including the Meals on Wheels Program, Adult Day Services, and Transportation for medical and personal needs. OPC continues to expand health and wellness opportunities, programs, enrichment opportunities and volunteer opportunities for all the citizens in the community.

Mr. Soave reported that the OPC Board approved a budget at its July 2, 2014 meeting for roughly \$4.3 million, a decrease of \$114,000 from its current budget. He noted that the current budget included capital money to rebuild the parking lot which is now done. He pointed out that the proposed budget is approximately 2.7 percent above what was actually spent in 2013, reflecting a 1.5 percent or less increase over the past two years. He noted that the only Capital expenditure included in the budget is for a new van, which will be purchased from SMART. He pointed out that the OPC has not purchased a new van for three years, and over one-third of its vans are fully depreciated. He mentioned that OPC is pursuing other sources of funding; if grants are secured, the expenditure for the van will not be needed. There are no personnel increases or position changes. He explained that the Board did agree to a two percent general increase for staff. He added that the proposed budget is stable with no major changes or additions.

Council Discussion:

Mr. Brown noted that both he and Mr. Webber are on the OPC Board, and are very happy to have both Ms. Cortright and Mr. Soave at OPC. He commented that as part of the Finance Committee, he noted that while all the information was clearly there before, Mr. Soave's participation makes the information presented at Committee meetings more concise and easy to follow. He commented that while the parking lot construction project presented a struggle, the Board was able to get through the construction.

Mr. Webber concurred, noting that this has been a year of change, and commented that it has been a great transition. He stated that as in the past, revenues anticipated are based off the programs offered and the interest level of the residents. He pointed out that OPC has also received large donations in past budgets over the years, and he commented that these donations cannot always be anticipated for inclusion in the budget. He stated that these types of contributions speak to the community's involvement and love for the OPC.

Mayor Barnett commented that the City and community are blessed to have

both OPC and RARA in the community. He noted that these organizations are often one of the reasons that people stay in or move to the community. He pointed out that the City's Fiscal Team works closely with both organizations from a budget perspective and while both organizations have had transitions in the recent past, they are very well run.

Discussed.

2014-0346 Discussion - Component Units (800's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Planning Department.pdf](#)
[Suppl Parks.pdf](#)

See Legislative File 2014-0340 for OPC Discussion.

Discussed.

2014-0339 Discussion - General Fund (100's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl General Fund.pdf](#)
[Suppl Planning Department.pdf](#)
[Suppl Building - Ordinance - Facilities.pdf](#)
[Suppl Clerks.pdf](#)
[Suppl Human Resources.pdf](#)
[Suppl Assessing - Treasury.pdf](#)
[Suppl Parks.pdf](#)
[Suppl Special Police - Crossing Guards.pdf](#)

Ed Anzek, Director of Planning and Economic Development, and **Pam Valentik**, Manager of Economic Development, presented the proposed Budget for the Planning Department, noting the following:

PLANNING DEPARTMENT:

- Planning Commission (400):
- Planning Department (401):
- Zoning Board of Appeals (410):
- Historic Districts Commission (804):
- Brownfield Redevelopment (843):
- Local Development Finance Authority (848):
- SmartZone (851):
- Economic Development Corporation (893):

Mr. Anzek stated that the Department's charge has not changed over the years, which is to provide quality development and redevelopment of the community, preserve residential neighborhoods, enhance the tax base, increase jobs, and be a premier residential and business address. He noted that the Planning Department is responsible for eight Boards and Commissions, including the Planning Commission, Zoning/Sign Board of Appeals, Historic Districts Commission, Historic Districts Study Committee, Brownfield Redevelopment Authority, Local Development Finance Authority, Economic Development Corporation and the Mayor's Business Council/RHISE.

He highlighted recent Planning Activity, including the adoption of architectural guidelines, adoption of a REC Zoning District, and projects including a Rayconnect addition, Rochester/Auburn redevelopment, and the addition of a Tim Horton's on Crooks Road.

Ms. Valentik noted the Economic Development results, including welcoming eight new companies by the end of last year and 500 new jobs created. She pointed out that jobs also come from the seven companies that staff worked with to help retain their expansion plans in the city, along with retention of existing businesses. She mentioned that Rochester Hills has one of the lowest unemployment rates in Michigan, at 4.0 percent; and the lowest vacancy rate in ten years for all commercial properties including office, retail and industrial combined, at 6.5 percent. She stated that industrial and technology parks have a 3.4 percent vacancy rate.

She highlighted Mayor's Business Council events this year, including the launching of the Equus Bass, a new vehicle built in Rochester Hills at an event at the North American International Auto Show. The Annual Awards Event celebrated three great companies in town, and a Team Talent 2014 event held in May came forth from the city's employers' needs to find employees and retain talent. At the Team Talent Event, the Mayor's Business Council Talent Initiative was launched, which is a partnership program with Oakland University and Rochester College. The two universities will bring two graduating students that will have the opportunity to pitch themselves and their capabilities to 75 executives in attendance and say why they want to stay in the Rochester Hills area. She mentioned that from the first meeting, an accounting student at Rochester College recently landed a job with Sanyo Machine.

She mentioned that Governor Rick Snyder was hosted at the Mayor's Business Council fall meeting, where he shared many great things that the State is doing, and where he sees the city moving forward. EEI Global was the host for that meeting.

Ms. Valentik reported on efforts to implement its Economic Development Strategy 2.0. She noted the following:

- International Business Investment included a French and Korean company relocating to Rochester Hills. Two existing foreign-known companies, including French company Rayconnect and German company Otto-Bock continue to make added investment in the community.
- Supply chain development initiatives are targeted, with efforts to attract companies in areas including robotics and the connected vehicle market. A Supply Chain Survey will be launched to the existing business community to receive feedback from them.
- Strategic partnerships are focused on looking at expanding to other partners in targeted markets to attract talent to the Rochester Hills area.

Mr. Anzek reviewed the Planning Department's outlook for 2015, noting the following:

- A stable budget for the Department.
- Increasing development activity is seen. He noted that there is significant

pressure for retailers to come into the community and leasing inquiries are above average. He mentioned that plans have been filed with the Building Department for the vacant spaces within Hampton Plaza on Rochester Road. He noted that Dunham Sports is relocating to that Plaza and Freshtime Markets will be coming into that location. He mentioned that the current Dunham Sports location that will be vacated has already been re-leased.

- Redevelopment plans for targeted areas will continue.
- The Department will monitor LDFA funding to determine the effect of the elimination of Personal Property Tax and look toward replacement funding.

Public Comments:

Melinda Hill, 1481 Mill Race, commented that she has seen several departments' expenditures increase over the past two years. She questioned why the increase was occurring, as there are no additional employees to be added. She mentioned an Olde Town Study slated for 2015 for \$62,000, and stated that while she is not against the study and improvements made to the southwest section of the city, she questioned why the Planning Commission will consider a request for a truck warehouse depot on the west side of Dequindre Road tomorrow evening. She commented that while she realizes that the City wants to see brownfields redeveloped, she would question this proposal.

Lee Zendel, 1575 Dutton Road, questioned what efforts are underway to sell the City's unused parcel on Hamlin Road between Livernois and Crooks. He noted that with the great need for commercial/industrial space, he would question whether the City is willing to sell the land at a loss to bring development.

Mr. Anzek responded to Public Comment regarding the Olde Town study, noting that the Department has been working with the Planning Commission to identify up to ten different locations in town where there are active developments; however, the retail/commercial spaces are getting tired and require an update. He commented that a fresh look is needed, with possibly a mixed-use development. He pointed out that this year's budget includes the Olde Town Study as a target area, and he noted that because of the Department's workload, this study cannot be done in-house as was originally thought. Responding to the increase in projected expenditures, he pointed out that the 2013 expenditure numbers are actual, and less than budgeted. He mentioned that a \$75,000 increase includes health care cost and increases in general personnel costs. Responding to the question regarding marketing of the Hamlin Road property, he noted that aggressive efforts are being undertaken, as there is tough competition in the immediate area. He pointed out that the current price is considered fair and competitive and is less than what the property was purchased for. He commented that there have been numerous inquiries and close offers, and he believes that a purchaser will be found soon. He noted that monies generating revenue on that site would go toward the Water and Sewer Fund.

President Hooper commented that it is obvious that the City wants the best possible user for that site.

Mr. Anzek concurred, noting that quality jobs are targeted.

Mayor Barnett commented that a neighboring community has a significant portion of property that was basically almost given away due to a large corporation's bankruptcy. He noted that as this land is acquired, there are fewer opportunities for competition, and more companies will look to this property. He stated that inquiries come almost monthly and he suspects that a solution is close. He commented that the potential job creation and benefit to the community should be viewed. He pointed out that the overall Planning Department Budget is proposed to increase of \$88,000 from this year, of which \$75,000 of this amount is for the Olde Town study. The remaining \$13,000 increase in the department budget represents only a one percent increase.

Discussed.

2014-0346 Discussion - Component Units (800's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Planning Department.pdf](#)
[Suppl Parks.pdf](#)

See Legislative File 2014-0339 for discussion of Historic Districts Commission, Brownfield Redevelopment, Local Development Finance Authority, SmartZone, and Economic Development Corporation.

Discussed.

(Mr. Webber exited at 6:51 p.m. and re-entered at 6:53 p.m.)

2014-0339 Discussion - General Fund (100's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl General Fund.pdf](#)
[Suppl Planning Department.pdf](#)
[Suppl Building - Ordinance - Facilities.pdf](#)
[Suppl Clerks.pdf](#)
[Suppl Human Resources.pdf](#)
[Suppl Assessing - Treasury.pdf](#)
[Suppl Parks.pdf](#)
[Suppl Special Police - Crossing Guards.pdf](#)

Scott Cope, Director of Building/Ordinance Compliance, introduced **Bob White**, Supervisor of Ordinance Services and **Kelly Winters**, Deputy Director of Building/Ordinance Compliance. He presented the proposed budget for Building/Ordinance, noting the following:

BUILDING/ORDINANCE:

Mr. Cope highlighted the Building Department Plan, noting the Department's Commitment, Mission, Guide and Foundation all feed into the Department Vision to be the best Building Department in the eyes of its customers and peers. He stated that it is important to connect with its customers to understand their challenges. He mentioned Building Safety Month activities, meetings held with home

builders associations, and deck contractors. He noted that an online inspection scheduling process has been implemented, including a QR code. He commented that a video has been developed, playing on Rochester Hills TV and available online, to help homeowners check and maintain their existing decks to ensure their safety.

He noted that it is important for the Department to stay connected with its peers, and included the following activities:

- Staff members provide classes to local and state organizations.
- Shared service agreements are in place with Shelby and Sterling Heights.
- Members of staff are in leadership roles in local and state organizations.

- Building Department (371):

Mr. Winters noted that construction activity continues to remain strong. He mentioned that while residential new home starts are down, the value of each new home has steadily increased. He pointed out that while the average new home price is \$460,000, the Department is seeing \$600,000 and \$700,000 homes on a regular basis. He noted the following:

- Permits have increased for additions, in-ground swimming pools, basement finishes and decks. These projects are all indicators that people want to stay in Rochester Hills.
- The total construction value of projects is also on the rise. An increase in 2012 was due to the Crittenton Bed Tower addition.
- Total overall permits, including trade permits experienced a slight decrease, as larger projects required fewer permits.
- Commercial growth has exploded over the last couple of years. New industrial, technical, retail and food service businesses that fill up existing tenant spaces and demand new buildings be constructed.

Bob White, Supervisor of Ordinance Services, presented the proposed budget for Ordinance Compliance and Weed Control.

- Ordinance Compliance (372):
 - The Department hosts Spring and Fall Homeowners Association Forums. The next Forum is scheduled for Thursday, October 23, 2014 at 6:30 p.m.
 - A new five-year contract was negotiated for the Solid Waste/Single Hauler Program, providing an additional \$26.16 per year savings to residents, no fuel charge, an increase to the snowbird discount, and the availability of larger recycling cans.
 - Seventy percent of homeowners are enrolled in the RecycleBank Program, which has provided over \$20,000 in grants to local schools. Over 85 percent of Rochester Hills residents recycle every week.

He noted the following Ordinance Division Service Goals:

- Eighty-five percent of complaints entered from proactive patrol.

- *Ninety-nine percent of complaints are to be investigated within 24 hours.*

He expressed his thanks to Council for approving the Ordinance laptop program for 2013, and the addition of a part-time Ordinance Inspector for 2014.

- *Weed Control (535):*

- *The Department implemented a new notification system for vacant property owners. Owners can register their properties with the City and receive 72-hour notice by e-mail if their lot is cited in violation. This has been very well received by property owners in the city.*

Mr. Cope reviewed the Facilities Division, noting the following:

- *Facilities Fund (631):*

- *The City manages and maintains:*

- * *39 City-owned buildings.*
- * *46 developed and undeveloped parcels.*
- * *Landscaping in boulevards of City-owned roads (Livernois and Hamlin)*
- * *Total assets including land, buildings, furniture, machinery, and equipment valued at over \$54 million dollars.*
- *Over 71 major building maintenance projects were completed in 2013.*
- *2015 Projects include Fire Station Renovations, and the City Hall Parking Lot Replacement.*

Mr. Cope expressed his thanks to the Building Department Team for their commitment in providing residents the best service possible. He commented that the Building Division is about life safety, the Ordinance Division is about quality of life, and the Facilities Division is about enjoying the buildings and properties here at City Hall.

Public Comment:

Melinda Hill, 1481 Mill Race, questioned why the Building Department Budget is up \$300,000 since 2012, and \$160,000 since 2013, with the same number of employees. She noted that Ordinance is up \$300,000 since 2013, with three-quarters of an employee added. She commented that she is certain that the laptop program added to that cost, and she supports the communication it brings. She stated that while there are no big changes indicated for 2015, there is still a significant increase noted. She expressed concern that the City is not paying enough attention to signs in the right of way, especially on the weekends.

President Hooper questioned whether the increase from 2013 to 2015 was the result of the addition of the part-time person.

Mr. Cope responded that the addition was a part of the increase; however, he pointed out that the Department is consistently conservative on estimates of both revenues and expenses, and actual expenses have come in lower.

Council Discussion:

Mr. Brown noted that the Older Persons Commission parking lot project encountered soil and substrate difficulties and came in significantly overbudget from the original quotes and estimates. He questioned whether the City could learn a lesson from that project which could help in planning the City's parking lot replacement.

Mr. Cope responded that this information would be greatly appreciated.

CLERK'S

- City Council (102):
- Elections (191):
- Clerk's Department (215):
- Cemetery (276):
- VHJSC Cemetery Perpetual Care Trust (752):

Tina Barton, Clerk, introduced **Leanne Scott**, Deputy Clerk, and presented the proposed Clerk's Department Budget, noting the following accomplishments:

- Records Management:
 - * The revision to the Solicitors Ordinance has resulted in revenue from solicitation licenses that has more than doubled, and has decreased the number of solicitors on the street.
 - * Nine solicitors were denied licenses under the new ordinance all for drug or theft-related convictions.
 - * Staff process over 60,000 pieces of mail each year.
- Vital Statistics:
 - * Process over 14,000 birth and death related documents each year.
 - * Record new liens, discharges of liens, agreements and easements.
- Cemetery:

Clerk Barton highlighted accomplishments for the Cemetery, noting that a new columbarium is proposed. She stated that cemeteries both within and outside Oakland County were visited to review existing columbariums; and she commented that many were found to be cold and out of character. She displayed a photograph she noted is similar to the design that will be proposed, noting that the columbarium being proposed will have a garden-type atmosphere and be a better fit for the City's Cemetery.

She also explained that 15 new granite section markers are proposed to replace the current markers which have deteriorated and have wood rot and peeling paint.

She mentioned that new security gates have been installed, gates along the entrance way have been painted, and all the trash cans have been replaced with weather-resistant plastic units.

Clerk Barton noted that \$2,500 is proposed for marketing of the Cemetery.

- Elections:

Clerk Barton noted that the Department has successfully completed two elections since she came to the City as Clerk. The Department received a 100 percent audit score from the State of Michigan for the November 2013 Election, being only the third Oakland County community out of 42 audits completed to achieve a perfect score. She commented that over 70 hours is invested in training the election workers. Nearby communities brought their Clerk's staff over to take part in the City's training sessions.

- Passports:

She noted that passports have been a great success for the Department over the last two years; revenues have more than doubled. While the numbers are slightly under last year's due to the road construction, she stated that the Department should be right on course to surpass last year's numbers. She mentioned that neighboring communities and post offices are sending people here for passports.

- Boards and Commissions:

She explained that Department staff support 13 boards and commissions in addition to City Council. Staff produce notices, agendas and minutes for approximately 130 meetings each year.

- Youth Council:

Clerk Barton noted that the Youth Council has been extremely busy this year, involved in several different activities, including their annual 5K Walk-Run benefitting Blessings in a Backpack where they were able to donate \$15,000. The Youth Council has also partnered with the Village of Rochester Hills for many of their community events, has tutored in the local schools, volunteered at the Older Persons Commission, and partnered with the American Cancer Society in a 5K. Members provided manpower for the Brooksie Way Half-Marathon, the Festival of the Hills and Family Fun Night.

She acknowledged the professional accomplishments of staff members in 2014:

- Laura Douglas began ARMA certification classes, and graduated in May from Leadership Rochester.*
- Mary Jo Pachla completed the first year of the three-year Michigan Association of Municipal Clerk's Institute.*
- Leanne Scott obtained her Certified Municipal Clerk designation and qualified for the Certified Michigan Municipal Clerk designation.*
- Tina Barton qualified for the Certified Michigan Municipal Clerk designation and obtained a Master Municipal Clerk certification.*

Public Comment:

Melinda Hill, 1481 Mill Race, questioned why there was a large increase in the number of election workers. She noted that the number jumped from 191 to 206 in 2012, and to 242 for 2015.

Clerk Barton responded that the City has 32 precincts requiring at least six people for each for a total of over 190 needed. In addition, at least 25 people are needed for the absentee room where four districts must be accounted for. She explained that a substantial receiving team must be in place as well to audit precincts as they return to City Hall. She commented that all of these things together are what made the City achieve a one hundred percent audit score. She stated that she would rather have her precincts and staff here at full capacity, as elections are one of the most visible and important things that the City will ever do. She commented that the numbers are well-founded and noted that individuals will not be assigned unless needed.

Council Discussion:

Mr. Webber questioned how cost is assessed for printing and publishing for elections in even versus odd years, noting that the City must pay all expenses for City elections. He stated that it appears that the projections for expenses have increased for 2015.

Clerk Barton responded that the City must pay the cost of printing for the 2015 election. She added that it is anticipated that this could be a higher turnout for an odd-year election as the mayoral seat may be available that has not been available for a while. She commented that Oakland County believes that these projections are valid.

Mayor Barnett noted that only one election was held in 2013, as opposed to potentially two in 2015.

President Hooper questioned whether 2013 election data was missing from the Budget documents.

Joe Snyder, Chief Financial Analyst, responded that this information has been updated for the final Budget Documents.

Discussed.

2014-0345 Discussion - Trust and Agency Funds (700's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Retiree Healthcare Trust.pdf](#)
[Suppl Green Space Perpetual Care Trust.pdf](#)
[Suppl Clerks - VHJSC Cemetery Perpetual Care Trust.pdf](#)
[Suppl Parks.pdf](#)

See Legislative File 2014-0339 for VHJSC Cemetery Perpetual Care Trust (752):

Discussed.

2014-0344 Discussion - Internal Service Funds (600's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Insurance Fund.pdf](#)
[Suppl MIS.pdf](#)
[Suppl D.P.S.pdf](#)

Bob Grace, Director of MIS, noted that the MIS team has 142 years of Rochester Hills work experience and is responsible for the following:

- Network infrastructure and security, the design and maintenance of the City's computers including installation of servers, and maintenance of the computer network including communication to the City's remote sites.
- Geographic Information Systems (GIS), which is the ability to collect and display data in a geographic format such as maps.
- Updating and implementing technology, including the City website, regular system maintenance and support.

He noted that over 200 software applications are used throughout the City and thus far this year, the Department has performed over 38,000 patches, installs or upgrades to the applications, and responded to over 1,000 help desk calls. All employees are impacted by the efforts and responsibility of the MIS Department, utilizing hardware, software, payroll and work orders, which are all supported by the MIS team of eight. He commented that as departments gain efficiencies, the MIS Department gains responsibility to administer and integrate new programs and hardware. The MIS team helps the City work more efficiently by providing data in the field, allowing for better communication with residents through the City App and enhancements to the website. He explained that MIS is an Internal Service department which recognizes its importance in keeping the City networks running. He pointed out that if systems are down, it could potentially cost the City \$67,000 per day in lost productivity.

He commented that the Department looks to every opportunity it can to collaborate, integrate, and make efficient use of their output for the betterment of the City.

Discussed.

2014-0339 Discussion - General Fund (100's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl General Fund.pdf](#)
[Suppl Planning Department.pdf](#)
[Suppl Building - Ordinance - Facilities.pdf](#)
[Suppl Clerks.pdf](#)
[Suppl Human Resources.pdf](#)
[Suppl Assessing - Treasury.pdf](#)
[Suppl Parks.pdf](#)
[Suppl Special Police - Crossing Guards.pdf](#)

HUMAN RESOURCES:

- Human Resources Department (233):

Pam Gordon, Director of Human Resources, introduced **Nancy Bowman**, Senior Human Resources Analyst, and **Helen Sultana-Kelly**, HR

Analyst/Program Coordinator, noting that they represent one-half of the Human Resources Department. She expressed her thanks to the HR Staff for their hard work and dedication over the years, and commented that it has been a pleasure working with them.

She displayed a chart which depicted the City's workforce distribution by career stage. She commented that the City has been staff-challenged over the past few years. She noted that since 2008 the City has experienced a 20 percent reduction in staff. She pointed out that employee demographics are changing. The majority of the workforce consists of well-established employees, and she mentioned that one-third of the workforce is currently eligible to retire. She stated that 13 employees have exited thus far this year, many through retirement, and she noted that this is the same number as all of last year. She commented that it is anticipated that the turnover rate will increase in the years to come.

She mentioned that the number one issue for employers in this economy is attracting and retaining qualified and productive employees. A second challenge for employers is controlling compensation costs. The City's Human Resources Department plays a strategic role in meeting and addressing these challenges.

Ms. Gordon noted that the employee's perspective is considered as well. Compensation as salary has been identified as the number one job satisfaction factor, based on a survey that was completed in 2013, released in 2014. Prior to that, between 2008 and 2011, the number one job satisfaction factor had to do with job security. She noted that now that the economic tide has started to turn, a pent up demand is seen for pay and compensation areas.

She noted that in addition to compensation, strategic challenges are encountered in the City's ability to attract and retain qualified, productive and engaged employees in the workforce. A focus on recruitment, retention, and succession planning will be undertaken, as mid-career employees replace the more established retirement group comprised of baby boomers. Training and development programs will address educational gaps.

She stated that with Council's support, the Department will move forward with a consultant's Audit of Key Human Resources functions, including staffing and selection, pay and benefit administration, and performance management. The Budget proposes to take advantage of technological resources available including the financial system upgrade. The HR component will implement an employee self-service system to enable employees and managers to have greater access to their information that is online. A goal of saving staff time and resources will allow a focus on other strategic areas. Pay administration and job description development systems are also available online to facilitate those processes. The Department is also reviewing an applicant tracking system to enable applicants to submit their applications online and have those applications transmitted to the Department.

Ms. Gordon highlighted Department successes, including settling all of the full-time employee group contracts over the last couple of years; settlements included core premium-funded health care plans consistent over all employee

groups. High deductible plans supplemented by health savings accounts provide employees with more responsibility in managing their health care costs. These accounts are employee-owned and can follow employees into their retirement, promoting consumerism and helping employees be more aware of the cost of their own benefits. The trend of increasing health care costs has been reduced as a result of implementing the new core funded plans. She noted that 2015 health care increases will be less than four percent, compared to nine percent budgeted over the last few years.

She cautioned that union contracts all expire at the end of 2015, and noted that the budget for the Labor Attorney has increased slightly to reflect increased activity as negotiations approach.

ASSESSING/TREASURY:

- Assessing (209):
- Board of Review (247):

Laurie Taylor, Deputy Director of Assessing, and **Linda Osiecki**, Deputy Treasurer, were in attendance.

Ms. Taylor noted that she has worked with the City for 33 years, and noted that she works with five well-qualified and certified individuals. She mentioned that in 2014, two members of her Assessing Team left the Department for retirement; through the increase in the use of technology and greater efficiencies, these two positions were eliminated and one new position was created. She stated that the goal is to maintain fair and equitable assessments for the City's 27,000 parcels, and be available five days a week to service customers and residents. These goals are achieved by tracking and studying the real estate market, and maintaining accurate record cards on all properties. Each new construction is measured, reappraisals performed on existing structures, and sales verified with new owners of properties. She mentioned that the Assessing Department is one of the very first Departments that residents will visit at City Hall.

She explained that a new enhanced website is proposed to offer real-time data, drawings and photographs. She stated that in the last one to one-and-a-half years, the Department has seen a dramatic increase in assessed values. She noted that for 2015, an increase is estimated at ten percent for residential properties and two percent for commercial and industrial properties.

She pointed out that the proposed budget includes a reduction in the amount of tax refund liabilities, due to fewer tribunal cases outstanding as the Michigan Tax Tribunal has cleared its backlog. She noted that the State's Residential and Small Claims Divisions are current on their cases and the Full Tribunal cases are within two years. Appeals are expected to be down for 2014. She commented that as the real estate market recovers, there has been a dramatic decrease in Board of Review appeals, resulting in a reduction in the number of meeting dates budgeted.

- Treasury (253):

Ms. Osiecki noted that she has been providing Treasury services to the City for

26 years. She stated that she works with three talented individuals and commented that the Treasury Department is in great hands and in great shape as indicated in the recent City survey. She explained that the Treasury Department's primary goal is improved efficiencies and customer service. She stated that the use of automatic payments for property taxes and water bills is encouraged; and she noted that sign-ups have doubled for the use of automatic payment for property taxes from year 2011 to 2013, with trends continuing.

She commented that the Department is exploring creative and innovative ways to encourage electronic banking within the City, saving the City fees, labor costs and improving customer service. She noted that new technologies are embraced such as real-time web hosting of data.

Council Discussion:

Mr. Webber requested a review of the features of an enhanced website.

Ms. Taylor responded that the website will include Assessing, Treasury and Building; and it will include detailed information about the property regarding structures, drawings, and tax payments in real time. New construction information will be loaded.

Mr. Webber questioned what the timeframe is for implementation and whether this will be a separate website. He noted that the site should be promoted to the public.

Ms. Taylor responded that the link to the enhanced website will be accessed through rochesterhills.org. She explained that a Request for Proposal is out, with proposals due back August 26th.

Discussed.

2014-0340 Discussion - Special Revenue Funds (200's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Parks.pdf](#)
[Suppl Fire Department.pdf](#)
[Suppl Special Police Fund.pdf](#)
[Suppl D.P.S.pdf](#)

President Hooper directed that Chief Canto present the Fire Department Budget ahead of the Parks Department presentation.

FIRE DEPARTMENT:

- Fire Department Fund (206):
- Fire Capital Fund (402):

Sean Canto, Director of Fire and Emergency Services, stated the proposed Fire Department budget lays a clear financial path to the guide for the Rochester Hills Fire Department for 2015. The primary mission of the Rochester Hills Fire

Department is to provide a range of programs to protect the lives and property of the citizens and visitors of this city. The budget begins the process of addressing the future needs of the Fire Department, and consists of recommendations for improvements in various areas within the Department, ranging from services, program enhancements and operational improvements, all while remaining prudent with taxpayer dollars.

He highlighted the accomplishments for 2014, and credited Deputy Chief Ron Crowell for efforts resulting in a new contract ratified with the International Association of Firefighters Local #3472. He noted the Department's goals for 2015 include a comprehensive look at essential training for the Department and a needs assessment as to how the Department will respond appropriately. He stated that the Department strives to maintain and improve all levels of services provided to customers, both internal and external, members and citizens. Services are measured against nationally-accepted standards; by scrutinizing services against these standards, the Department can validate its current practices and identify areas of needed improvement.

He noted that the Department is also looking to develop its members professionally and give them the needed skills to operate safely and efficiently, and provide the highest level of service to its customers.

He pointed out that the Department was scheduled to replace an engine in 2014. After further evaluation, it was decided to postpone replacement until next year. This will actually allow the City to go out for one Request for Proposal motivating manufacturers to give the City the best possible pricing with the award of two apparatus. He added that he is currently looking at moving in a direction to right-size fleet in a manner that best serves the community. Three units within the current fleet serve an individual purpose; these units are proposed for consolidation into one multi-purpose unit that would better serve and operate within the confines of the Department.

He explained the innovative ways proposed to provide services to better serve both internal and external customers will include the following:

- Automated Vehicle Locator (AVL) Global Positioning Systems (GPS) on all Fire and EMS units to allow the Dispatch Center to find the closest appropriate unit and send them to an incident.*
- Implementation of mobile data terminals to provide real-time information as responders pull up to a structure.*
- The EMS Division looks to better ways with new technology, including the purchase of new Cardiac Monitors and automated systems to provide more efficient Cardiopulmonary Resuscitation.*
- Protection of personnel will include a proposal to replace aging Self-Contained Breathing Apparatus, and incorporation of an integrated accountability system allowing for real-time tracking of personnel, as well as an integrated bail-out system allowing personnel to quickly exit a building.*

He reviewed Total Calls, noting that the Department is currently averaging 550 incidents per month, on track for over 6,500 incidents for 2014. He commented that this number continues to grow. He noted that 94 percent of the runs occur

between the hours of 7:00 a.m. and 9:00 p.m., Monday through Friday, when limited Paid-on-Call response is available.

He listed several challenges for the future, including:

- The incident call volume continues to grow, putting a strain on current resources available.
- Paid-on-Call recruitment and retention continues to decline.
- Limited funding sources through the current levied millage rate.
- Growing demands of the community continues to tax limited staffing.

Council Discussion:

Mr. Webber expressed his appreciation for the presentation. He mentioned that for the 2011 Budget, the City included 21 staff under Fire Suppression and three staff under the EMS Division. He questioned that as it has recently been discussed how services are changing with a focus more on EMS needs, he would like to know how this breakdown is viewed going forward.

Chief Canto responded that similar to most Fire Departments, most calls received are Medical incidents. He commented that he sees it as a service provided. He noted that while all full-time members are Fire Fighter/Paramedics, the majority of their work falls under EMS Services.

President Hooper questioned the status of a training tower that was included in the budget for 2014.

Chief Canto responded that the Department is looking to push the tower back to 2017, and will be evaluating it with a look to neighboring departments or a cooperative community effort possibly with Oakland Community College.

President Hooper commented that he does not currently see the tower included in the 2017 Projected Budget. He questioned how many self-contained breathing apparatus the City currently has, and noted that a projected cost is \$10,000 per unit.

Chief Canto responded that there are five on each apparatus, for a total of close to 70 units. He noted that the pricing includes an upgraded air compressor system.

President Hooper noted that electronic monitoring is included which the City does not currently have. He questioned how many heart monitors the City has.

Chief Canto responded that there is one on each Advanced Life Support (ALS) unit, for a total of three plus a spare.

President Hooper commented that if the proposed millage vote is successful, the City will need new equipment for each of five ALS units.

Chief Canto responded that the goal is to have four new units plus two current units, allowing for one spare.

President Hooper questioned whether the amount allocated of \$163,000 would purchase five units.

Chief Canto responded that the units are approximately \$25,000 each, plus parts and ancillary costs that go along with purchasing the units.

President Hooper questioned whether grant monies could be made available for the purchase.

Chief Canto responded that while the City can apply for grants, there is difficulty in receiving them.

Mayor Barnett commented that the City's financial metrics are not as favorable as other departments that may apply for them.

Chief Canto noted that it is proposed to purchase four heart monitors, with accompanying batteries, charging units, extra cables and the maintenance program required. Of the current three front line and one spare unit, the City would keep two of them.

President Hooper questioned what the life expectancy of the monitor is and whether the current monitors are out of date.

Chief Canto responded that the life expectancy for the monitors is six to eight years. He noted that technology changes over time. He noted that the original heart monitors did not give clear tracings; the new monitors are also able to transmit EKG leads directly to the hospital from the scene.

Joe Snyder, Senior Financial Analyst, pointed out that the Fire Training Tower is included on page 166 of the Technical Appendix, in the 975 Building Account for 2017 at \$610,000.

Mr. Brown questioned whether this amount was included in a Budget Amendment.

Mr. Snyder responded that the tower was never in a current budget, and was always included in a future year. He explained that last year it was included in a projected budget for Fiscal Year 2015; however, this year it was determined that this tower would be pushed out to 2017.

Discussed.

2014-0342 Discussion - Capital Funds (400's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Capital Improvement Fund.pdf](#)
[Suppl Fire Department.pdf](#)
[Suppl D.P.S.pdf](#)

See Legislative File 2014-0342 for discussion of the Fire Capital Fund.

Discussed.

2014-0339 Discussion - General Fund (100's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl General Fund.pdf](#)
[Suppl Planning Department.pdf](#)
[Suppl Building - Ordinance - Facilities.pdf](#)
[Suppl Clerks.pdf](#)
[Suppl Human Resources.pdf](#)
[Suppl Assessing - Treasury.pdf](#)
[Suppl Parks.pdf](#)
[Suppl Special Police - Crossing Guards.pdf](#)

Mike Hartner, Director of Parks and Forestry, introduced **Alan Buckenmeyer**, Parks Operation Manager, and **Gerry Lee**, Forestry Operations Manager. He reviewed the Parks Department Proposed Budget for Fiscal Year 2015:

PARKS:

- Parks Department (756):
- Forestry Division (744):
- Museum Division (803):
- Tree Fund (232):
- Green Space (299):
- Green Space Perpetual Care Trust (760):
- Rochester Hills Museum Foundation Trust Fund (870):

Mr. Hartner noted that this is the fifth year in a row of over a million visitor days to the City's Parks. He commented that revenues are stable; however, as always they are weather dependent. He mentioned that this year has presented challenges for scheduling with the recent rains; however, he noted that the leagues have been very understanding. He noted that even with over a million visitors, there is plenty of room for more; and he invited Council and residents to come out and discover the City's Parks.

He mentioned that this year's budget will highlight the Museum Division separately to facilitate grant requests and better detail the cost of that operation. He commented that with the changes approved by Council in April, the Museum is in good shape.

He explained that the initial construction activities for Riverbend park are underway, with entranceway, parking and trail construction activities in full swing. He stated that visitors should be able to use Riverbend Park this fall and winter.

He pointed out that the City has done such a good job at promoting the Community Garden that a second garden is proposed for next year. While the site has not yet been determined, it will be targeted for easy access and be well-designed.

Mr. Hartner noted that Parks expenses are coming back up with the one percent increase for full-time employees. He commented that the City needs to stay competitive with the Metroparks and Oakland County Parks; and a \$1.00 per hour pay increase is proposed for seasonal pay rates for park attendants

and lifeguards for FY 2015. He pointed out that the one field at Borden Park is slated for renovation in FY 2015 and one in FY 2016.

He noted that no significant changes are proposed for the Forestry Division for next year. He explained that the City is trying to get back to its standard of two to three days per year per employee for professional development or continuing education. He commented that this is an investment in employees that pays dividends to the City for many years to come. He added that the Department is returning to its goal of a five-year maintenance cycle to address safety trims, and preventive maintenance on every street tree at least every five years. He noted that the Department is back on this cycle for the first time since 2004.

He mentioned that the Tree Fund will continue the past practice of using interest from the Fund to help subsidize Forestry Operations. No new revenue sources are anticipated for 2015.

He pointed out that it is proposed to implement a Stewardship Program for all Green Space and Natural Features within Rochester Hills. He explained that the first order of business will be to establish environmentally-sensitive management plans for all these properties; and he noted that the Green Space Advisory Board is eager and willing to take on the challenge. He noted that the establishment of the Green Space Perpetual Trust Fund will provide the revenue to maintain that Stewardship Program forever.

President Hooper commented that as Council has not weighed in on the proposed transfer of \$4 million from the Green Space Fund to the Perpetual Trust Fund, this figure should not yet be included in the Budget.

Mr. Hartner confirmed that the transfer is included, pending Council approval.

Public Comment:

Melinda Hill, 1481 Mill Race, stated that the Clinton River Trail is one of the City's linear parks and noted that she sees no funding included for maintenance of the trail surface in the Parks or Pathways Fund. She commented that while the City is in receipt of a grant to add amenities to the Trail, the segment of trail within Rochester Hills is in bad shape. She questioned the transfer of \$4 million to the Green Space Perpetual Trust Fund. She commented that while she understands that the desire is to use the income from the Green Space monies to pay for the maintenance and stewardship of these properties, the Green Space Advisory Board has had over ten years to review how to fund these activities. She stated that Council needs to hear the projected cost for these activities before deciding on an amount for the Trust.

Council Discussion:

President Hooper questioned what is included in the budget for Clinton River Trail maintenance.

Mr. Hartner responded that the biggest question that has been raised regarding trail maintenance is the preferred surface. He noted that the surface consists

of recycled pulverized asphalt; and he commented that while the surface has held up well, some of the smaller pieces of aggregate have worked to the surface. He explained that maintenance of a test plot will be completed that could stretch the life of the current surface out a couple of years. He stated that it could require the addition of additional material and a re-rolling in the future. He commented that there are differing opinions of what the surface should be; and he noted that runners love the current surface while bikers encounter difficulties when they travel out of the grooves.

President Hooper noted that the Hamlin Road Pathway is funding out of the Major Road Fund. He commented that the City is not tasking the Pathway Maintenance Fund to pay for new pathways.

Discussed.

2014-0346 Discussion - Component Units (800's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Planning Department.pdf](#)
[Suppl Parks.pdf](#)

See Legislative File 2014-0339 for discussion of the Museum Division.

Discussed.

2014-0340 Discussion - Special Revenue Funds (200's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Parks.pdf](#)
[Suppl Fire Department.pdf](#)
[Suppl Special Police Fund.pdf](#)
[Suppl D.P.S.pdf](#)

See Legislative File 2014-0339 for discussion of the Tree Fund and Green Space.

Discussed.

2014-0345 Discussion - Trust and Agency Funds (700's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Retiree Healthcare Trust.pdf](#)
[Suppl Green Space Perpetual Care Trust.pdf](#)
[Suppl Clerks - VHJSC Cemetery Perpetual Care Trust.pdf](#)
[Suppl Parks.pdf](#)

See Legislative File 2014-0339 for discussion of the Green Space Perpetual Care Trust.

Discussed.

2014-0346 Discussion - Component Units (800's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Planning Department.pdf](#)
[Suppl Parks.pdf](#)

See Legislative File 2014-0339 for discussion of the Rochester Hills Museum Foundation Trust Fund.

Discussed.

(Recess 8:06 p.m. to 8:27 p.m.)

2014-0340 Discussion - Special Revenue Funds (200's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Parks.pdf](#)
[Suppl Fire Department.pdf](#)
[Suppl Special Police Fund.pdf](#)
[Suppl D.P.S.pdf](#)

SPECIAL POLICE FUND

- Special Police Fund (207):
- Crossing Guards (315):

Captain Michael Johnson, Oakland County Sheriff's Office (OCSO), noted that he has been with Oakland County for 35 years, and has been Station Commander for Rochester Hills for the past six years, and currently oversees the day-to-day activities of 47 deputies and nine command officers. He noted that the OCSO provides a complete line of law enforcement services for the City of Rochester Hills. He noted that Keith Sawdon, Finance Director, would present the Fiscal Year (FY) 2015 Budget numbers.

Mr. Sawdon noted that in FY 2014, the General Fund provided about one half of the funding support for the Special Police Budget. For FY 2015, Police Services will totally fund itself through its own dedicated millage, set at roughly 1.62 mills, and lowering the General Fund Millage by the same amount to maintain the 9.7060 Total Millage Rate. He displayed a chart which showed how the General Fund subsidy is being replaced by the dedicated millage.

Captain Johnson thanked Council for its leadership and the voters for their support. He noted that FY 2015 will be the third and final year of the current three-year law enforcement agreement with Oakland County and the City of Rochester Hills. The contract increase for 2015 is 1.68 percent. He explained that some time during the coming year he would be presenting the next contract to City Council.

He noted that calls for 2013 were up slightly at 31,198, an increase of 940 calls, and an average of 85 calls per day. He added that the call volume has not changed much over the past seven years. He pointed out that the False Alarm Ordinance adopted in 2006 continues to reduce false alarms in the City, dropping by nearly one-third since its inception. He noted that the Ordinance gives the City the ability to address repeat offenders and free deputies to attend to more pressing matters. He explained that last year an online alarm registration was added to the City's website; he added the homeowners can reregister by calling the OCSO Substation.

He stated that overtime costs are monitored, and continue to trend downward. He cautioned that overtime is incident-driven and can change quickly. He reported that 243 hours of compensatory time was used in 2013 in lieu of overtime, saving the City \$10,500.

He reported that the 2013 Public Opinion Survey showed satisfaction with police protection as high as 82 percent. The Survey also reported that 99 percent of residents feel safe in their homes, 96 percent feel safe in their neighborhoods, and 95 percent feel safe in the City of Rochester Hills; and he commented that the deputies of the City deserve credit for these results.

He noted that there are no changes to the Crossing Guard Program for FY 2015.

Public Comment:

Melinda Hill, 1481 Mill Race, noted that there is still \$1.2 million in Fund Balance. She commented that this is a contractual service and she cannot understand why such a large amount is needed.

Mr. Sawdon responded that some of the buildup of Fund Balance is the result of the efficient use of overtime. He noted that as overtime is incident driven, it is prudent to have some reserve to fund an overtime budget.

President Hooper commented that he concurs with the amount in Fund Balance, as one never knows when an emergency will occur.

Mr. Brown questioned whether the OCSO is seeing changes in the trend for police calls or consistent numbers for specific types of calls.

Captain Johnson responded that the numbers and types of calls are consistent. He explained that some of the crime statistics are actually down, including home invasions. He noted that the Department is incurring a small surge in larceny from vehicles; however, that number was down in 2013. He stated that retail fraud is up slightly, at 50 more cases in 2013 than 2012; and narcotics cases are up approximately 30 cases each year, most likely because of the Narcotics Enforcement Team Officer. He pointed out that traffic complaints have increased considerably, moving from 1,000 in 2010 to over 3,000 in 2013.

President Hooper commented that there is a need to add a position to the Sheriff's Office. He pointed out that four years ago, the City had 59 officers; this year that number is 57.

Captain Johnson added that there were actually 60 officers in 2010.

President Hooper pointed out that there has been an internal change in staffing, as the Technical Assistant position is no longer a Rochester Hills employee. He commented that he would like to see one position added for FY 2015.

Captain Johnson responded that a day shift traffic position was cut in 2011. He stated that if he were able to add one position, this is where he would put it.

Mr. Brown questioned how the addition of an officer would impact Fund Balance.

Mr. Sawdon responded that the position is around \$160,000 per year.

Captain Johnson responded that it is actually \$135,000.

Mr. Brown noted that even with the addition, Fund Balance would still be above \$900,000.

Mr. Sawdon stated that he would propose that the millage rate be amended and Fund Balance not be touched. He mentioned that overtime can be very expensive.

Mr. Brown questioned whether Fund Balance is continued to be added to.

Mr. Sawdon responded the City is covering costs. He noted that millage is spread to cover potential overtime; if it is not spent, Fund Balance increases.

Mr. Brown questioned what would need to occur between now and the Budget approval to consider the addition of an officer.

President Hooper responded that this would be a question added to Council's Straw Poll. Debate on the issue could then be opened at the Public Hearing.

Discussed.

2014-0339 Discussion - General Fund (100's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl General Fund.pdf](#)
[Suppl Planning Department.pdf](#)
[Suppl Building - Ordinance - Facilities.pdf](#)
[Suppl Clerks.pdf](#)
[Suppl Human Resources.pdf](#)
[Suppl Assessing - Treasury.pdf](#)
[Suppl Parks.pdf](#)
[Suppl Special Police - Crossing Guards.pdf](#)

See Legislative File 2014-0340 for discussion of Crossing Guards.

Discussed.

2014-0340 Discussion - Special Revenue Funds (200's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Parks.pdf](#)
[Suppl Fire Department.pdf](#)
[Suppl Special Police Fund.pdf](#)
[Suppl D.P.S.pdf](#)

D.P.S.

- *Major Road Fund (202):*
- *Local Street Fund (203):*
- *Pathway Maintenance Fund (214):*
- *Pathway Construction Fund (403):*
- *Water Resources Fund (244):*
- *Sewer - Operating Division (510):*
- *Water - Operating Division (530):*
- *Water & Sewer - Capital Fund (593):*
- *Water & Sewer - Debt Fund (595):*

Allan Schneck, Director of DPS/Engineering, introduced **Paul Davis**, City Engineer/Deputy Director of DPS, and **Bruce Halliday**, Fleet Manager. He recognized other Department staff members not in attendance, including Paul Shumejko, Transportation Engineer, Tracey Balint, Public Utilities Engineer, Kim Murphy, Administrative Coordinator, Ed Leafdale, General Foreman of Water and Sewer and Bob Lemon, General Foreman for Roads. He reviewed the Department of Public Services, noting the record-breaking year for snowfall with 94.8 inches of snow.

He explained that the Department of Public Services is comprised of four business units: Water and Sewer; Roads, Pathways and Water Resources; Administrative Services; and Fleet Services. He noted that these units seamlessly work together to ensure the City's infrastructure is reliable, dependable and performs in an acceptable manner. He pointed out that the Department had significant retirements since the beginning of the year, providing an opportunity to revisit the organizational structure, resulting in the realignment of divisional responsibilities within the Department for greater efficiency and effectiveness. Communication is enhanced, allowing for sound and informed decisions toward Capital improvements.

He explained that the Department maintains over 38 miles of roadways, 218 miles of Local Roads of which approximately 24 are gravel, over 6,000 traffic signs, and 97 miles of non-motorized pathways. He commented that road maintenance is a constant need. He noted that the Department is responsible for the delivery of over \$10,000,000 in Public Infrastructure in 2014, through both Capital projects and private development overseen by City Engineering personnel. He noted that the top two problems facing the City as seen in the 2013 Public Opinion Survey are Local Roads Maintenance and Reconstruction as well as traffic congestion.

He noted that the Department maintains over 320 miles of sewer, 7,800 sanitary sewer manholes, 420 miles of watermain, over 4,500 isolation valves, and approximately 33,000 water meters. He pointed out that a major Capital Improvement Project in water and sewer for 2015 will be the Christian Hills Watermain Pipe Bursting Project.

He stated that Fleet Services have stepped up with many of the City's insourcing contracts with other agencies, and most recently has been recognized as the 59th performing fleet from Governing Magazine in the country. He noted that there are 38,000 fleet services groups in North America.

***Mr. Davis** noted that the Administrative Services Group provides the initial assistance to customers, along with maintaining the department filing, permits and archiving for future reference.*

He noted that the City is involved in a variety of recognitions and special events, including the following:

- Veterans Memorial Pointe received another award this year.*
- A Paint the Plow project yielded good will with area students.*
- Department Staff includes the winners of the Snow Plow Roadeo, a friendly competition.*

He outlined Department challenges, which include continuing to provide dependable and properly-maintained infrastructure. The Department also considers the age of the work staff and continues to hire good employees during succession transitions while also training and developing the existing core group. He pointed out that this January, three employees retired, accounting for over 120 years of experience.

He stated the Department is looking forward to completing an impressive amount of work done within a single construction season. He expressed his thanks to Council for supporting the Department.

Public Comment:

***Lee Zendel**, 1575 Dutton Road, expressed his appreciation to Mr. Schneck noting that he has acted as a liaison with the Road Commission for Oakland County. He questioned a Pathway project appearing in the Capital Improvement Plan which mentioned a roundabout at Powderhorn and Adams Roads. He commented that he would like to know if a roundabout is in the Road Commission's long-range plans for that intersection. He questioned why \$60,000 is included in the Capital Improvement Plan for Special Assessment District (SAD) projects, commenting that to the best of his knowledge, none have been brought forward since before 2000. He suggested that either SADs should be promoted, or reference to them should be removed.*

***Melinda Hill**, 1481 Mill Race, stated that in 2012, the City had limestone applied to Washington Road. It was noted at that time that applications should be done in three consecutive years for the best result. She noted that no more applications were done; and she commented that in 2013, she requested an application which never occurred. She stated that the road is horrible and is breaking apart again, and she questioned why nothing is slated for 2015. She expressed concern over the spending of the Major Road Fund Balance, and she stated that Washington Road should get a small amount of these dollars.*

President Hooper questioned the reference to Adams and Powderhorn.

Mr. Schneck responded that there was an error made in the description for that project in the CIP for 2007, and he noted that the correct entry should have referenced a traffic signal intersection. He stated that he has contacted Fiscal to make the change in the Budget documents. He added that he will contact the RCOC to verify that there is no roundabout slated for Adams and Powderhorn.

President Hooper questioned whether there has been any interest expressed toward SADs for paving gravel roads in subdivisions.

Mr. Davis responded that shortly after he came to the City here in 2000, a few subdivisions were paved under SADs. He commented that the City has gotten a few more inquiries regarding paving gravel roads since then, however, the interest died down when the subdivisions found out that the City was not going to pave the roads without some cost to the residents. He stated that even though the City does not have any imminent SAD requests, it does not mean that there will not be any forthcoming.

Mayor Barnett stated that he received a call last week from someone interested; and he commented that it helps to have some funding allocated in the budget to show residents that there is interest and commitment from the City.

President Hooper requested the status on any upcoming limestone application for Washington Road.

Mr. Schneck responded that the City's current commitment is to place limestone on Dutton Road. He explained that staff have talked to the RCOC and included a quantity in the RCOC's annual solicitation for limestone. He reported that RCOC's purchasing representative notified him by email that limestone was to be hauled starting next Tuesday; however, as it is weather-dependent, it is postponed until Thursday or Friday. He stated that by his recollection, the material cost for the entire stretch of Dutton to be completed is \$60,000, which will be split with Oakland Township. He commented that Ms. Hill is correct in noting that Council placed \$100,000 in the FY 2014 Budget for this purpose; therefore, there are some funds remaining which could be allocated for either a first application on Livernois Road, or a second application on Washington Road.

Mr. Kochenderfer expressed his thanks to Ms. Hill, noting that he had contacted Mr. Schneck at the beginning of the year. He noted that Mr. Schneck responded that he had been communicating with the RCOC on this issue. He stated that he feels strongly that if possible, applications on both Livernois and Washington should be done this year. He noted that if this is not possible, he would look toward a placeholder in next year's Budget to ensure it is done. He mentioned that this is a number one concern residents have emailed him about.

President Hooper questioned whether this amount is included in the proposed Budget on Page 63, citing \$190,000 for contractual services.

Joe Snyder, Senior Financial Analyst, responded that it is contained in Major Road Preservation on page 61 under line item 807000 - Contractual Services. He explained that \$100,000 of the \$165,000 of that line item is for this purpose.

President Hooper questioned how much is currently remaining in this year's budget.

Mr. Schneck responded that approximately \$70,000 remains. He noted that the cost for Dutton is \$60,000, split with Oakland Township.

President Hooper questioned whether this amount includes the expense for Dutton.

Mr. Schneck responded that after that application, \$70,000 remains.

President Hooper questioned whether Mr. Kochenderfer suggests that this amount be raised for 2015.

Mr. Kochenderfer responded that this would depend on what roads can be done this year, noting that he would hope that Livernois and Washington could be done this year.

Mr. Schneck stated that he would recommend having some kind of placeholder in the budget to allocate funding if needed.

Ms. Hill noted that access to Livernois is closed due to the installation of the roundabout. She pointed out that Washington is a major thoroughfare and should be done.

Mr. Kochenderfer questioned what funding is needed to get both roads done.

Mr. Schneck responded that \$60,000 would be needed.

President Hooper suggested including \$100,000, and noted that this question would be included in the Straw Poll to Council.

Mr. Davis noted that the City should check with the RCOC to determine what their ability is to add applications this year. He commented that it should be planned for next year.

Mr. Kochenderfer stated that efforts should be made to complete the applications this year. He questioned what chloride applications are in the Budget.

Mr. Schneck responded that the City pays for four applications in advance, and requests a fifth if needed.

Mr. Webber noted that the Police and Road Funding Technical Review Committee studied what Local Road projects could be undertaken in a given year. It was noted that \$5 million was suggested. He pointed out that the FY 2014 Budget has almost \$7 million in capital construction. He questioned the status of the projects and whether some of the \$7 million will be carried over into FY 2015.

Mr. Schneck responded that the City did a better job this year to work very hard over the winter to get plans and specifications in a better position to solicit early. He pointed out that the Asphalt Rehabilitation Program was completed within a month and a half. He mentioned that wet conditions slowed the Concrete Rehabilitation Program; however, it is now moving forward. He stated that it is his opinion that the Committee's \$5 million recommendation is the ceiling.

Mr. Webber noted that this was a three-year commitment. He pointed out that this level is in 2015 and 2016, and drops off a little for 2017. He commented that it will be a challenge for future Councils to maintain that program going forward. He suggested that the City should try to hit the \$5 million mark to keep up with the need.

Mr. Schneck expressed his appreciation for Council's support, noting that this is drastically different than what was done in the past. He pointed out that entire lengths can be replaced and drainage issues addressed instead of merely addressing section by section.

President Hooper noted that restoration activities this year included seed and mulch instead of sod, and he questioned whether there have been any complaints.

Mr. Schneck responded that the restoration contractor has elected to hydro seed, noting that if there are no sprinkler systems watering the sod, it could be dead in days. He explained that hydro seeding has yielded better success. He commented that he hasn't fielded many complaints on the project.

Mr. Davis commented that while the projects often yield complaints in general, none have been on restoration.

President Hooper noted that during pipe bursting projects, the City needs to be absolutely sure where gas services are relative to the water mains.

Mr. Davis responded that the proposal will also entertain an open-cut option. He commented that the City has had such success in the project undertaken along South Boulevard, it presents a viable option to take into Christian Hills as well.

President Hooper stated that he is not opposed to the process; however, there are some pitfalls accompanying the process. He questioned whether there is a companion road project accompanying the work.

Mr. Snyder responded that LS-01, the Local Street Asphalt Program, is proposed for work in that subdivision.

Mr. Davis responded that LS-01 also includes a couple of other areas, including Kings Cove.

President Hooper noted that LS-01 is \$1.2 million and questioned whether two subdivisions can be completed.

Mr. Schneck responded that the City was able to do Grosse Pines and Vintage Estates for under \$800,000.

President Hooper added that the cost is a function of lane miles.

Mr. Schneck added that petroleum costs affect this amount as well.

President Hooper requested any closing comments regarding the Budget.

Mr. Sawdon stated that the presentations were condensed into one evening; and he noted that the Administration can take additional questions on Wednesday, August 20th, or turn the Budget over to Council's Straw Poll process.

Mr. Webber expressed his appreciation for the presentations, and stated that it is his opinion that a meeting is not needed for Wednesday, August 20th. He pointed out that additional discussion will be held at the Public Hearing on September 8th. He suggested that additional attention to actual numbers should be paid toward the end of the year, possibly during the 4th Quarter Budget Amendment. He commented that this review would help the public see the actual numbers and budget trends. He mentioned that while it is good to see the projections, it would be helpful for the community to see trends on a three to five year basis.

Mr. Sawdon responded that a budget-to-actual comparison through September 30th can be included as a part of the 4th Quarter Budget Amendment.

President Hooper noted that the addition of one Deputy 2 Officer would be included in the Straw Poll, along with the addition of \$100,000 for Major Road Gravel maintenance. He commented that Council would take up the Green Space Trust Fund amount for discussion.

Mayor Barnett stated that in the past the Administration has included options for Council's consideration in order to accomplish what a yes vote on Straw Poll items would mean to the budget. He noted that these would be prepared and submitted to Council later this week. He added that he would like to give recognition to the entire Fiscal Team for their efforts, including Mr. Sawdon, Mr. Snyder, and Debby Hoyle, Financial Analyst.

President Hooper noted that the Special Budget Meeting scheduled for Wednesday, August 20, 2014 would be cancelled.

Discussed.

2014-0342 Discussion - Capital Funds (400's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Capital Improvement Fund.pdf](#)
[Suppl Fire Department.pdf](#)
[Suppl D.P.S.pdf](#)

See Legislative File 2014-0340 for discussion on the Pathway Construction Fund.

Discussed.

2014-0340 Discussion - Special Revenue Funds (200's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Parks.pdf](#)
[Suppl Fire Department.pdf](#)
[Suppl Special Police Fund.pdf](#)
[Suppl D.P.S.pdf](#)

See Legislative File 2014-0340 for discussion on the Water Resources Fund.

Discussed.

2014-0343 Discussion - Water and Sewer Funds (500's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl D.P.S.pdf](#)

See Legislative File 2014-0340 for discussion on the Sewer - Operating Division; Water - Operating Division; Water & Sewer - Capital Fund; and Water & Sewer - Debt Fund.

Discussed.

2014-0344 Discussion - Internal Service Funds (600's) - 2015 Budget

Attachments: [081814 Budget Presentation Schedule.pdf](#)
[Suppl Insurance Fund.pdf](#)
[Suppl MIS.pdf](#)
[Suppl D.P.S.pdf](#)

See Legislative File 2014-0340 for discussion on the Fleet Fund.

Discussed.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Special Meeting - Wednesday, August 20, 2014 - CANCELLED; Regular Meeting - Monday, September 8, 2014 - 7:00 p.m.

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 9:15 p.m.

*GREG HOOPER, President
Rochester Hills City Council*

*TINA BARTON, MMC, Clerk
City of Rochester Hills*

*MARY JO PACHLA
Administrative Secretary
City Clerk's Office*

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