



# Rochester Hills Minutes Financial Services Committee

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*Donald Atkinson, David Byrne, John Dalton, Kurt Dawson,  
Melinda Hill, Barbara Holder, Julie Jenuwine, Jillian Rataj, Lee Zendel*

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Thursday, January 13, 2005

5:00 PM

1000 Rochester Hills Drive

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**DRAFT**

## CALL TO ORDER

*Chairperson Melinda Hill called the Financial Services Committee meeting to order at 5:05 p.m.*

## ROLL CALL

**Present:** Melinda Hill, Barbara Holder, John Dalton and Lee Zendel

**Absent:** Donald Atkinson

*Non-Voting Members Present: Kurt Dawson, Julie Jenuwine, David Byrne and Jillian Rataj*

*Non-Voting Members Absent: None*

*Others Present:*

*Roger Rousse, Director of DPS*

*Paul Davis, City Engineer*

*Kim Murphy, Administrative Coordinator*

*Bud Leafdale, General Superintendent*

*Jan Hauser, Arcadis*

*Phil Covell, Arcadis*

*Gerry Lee, Forestry Operations Manager*

*Mike Hartner, Director Parks & Forestry*

*Jenni Stein, Youth Representative*

*Committee Member Donald Atkinson provided previous notice he would be unable to attend and asked to be excused.*

## APPROVAL OF MINUTES

**2004-0731**

Financial Services Regular Meeting - August 19, 2004

**Attachments:** 081904 FS Final Minutes.pdf; Resolution.pdf

**A motion was made by Zendel, seconded by Holder, that this matter be Approved.**

**Resolved that the Financial Services Committee hereby approves the Minutes of the Regular Meeting of August 19, 2004 as presented.**

**The motion carried by the following vote:**

**Aye:** Hill, Holder, Dalton and Zendel

Absent: Atkinson

**COMMUNICATIONS**

*None Presented*

**NEW BUSINESS**

**2005-0023**

Election of Chairperson

**Attachments:** Resolution Chairperson.pdf

*2005 Election of Council Member John Dalton as Chairperson for Financial Services Committee.*

**A motion was made by Holder, seconded by Zendel, that this matter be Approved.**

**Resolved that a unanimous ballot be cast and John Dalton be elected as Chairperson of the Financial Services Committee for 2005.**

**The motion carried by the following vote:**

**Aye:** Hill, Holder, Dalton and Zendel

**Absent:** Atkinson

**2005-0025**

Election of Vice Chairperson

**Attachments:** Resolution Vice Chairperson.pdf

*2005 Election of Council Member Barb Holder as Vice Chairperson for Financial Services Committee.*

**A motion was made by Dalton, seconded by Hill, that this matter be Approved.**

**Resolved that a unanimous ballot be cast and Barbara Holder be elected as Vice Chairperson of the Financial Services Committee for 2005.**

**The motion carried by the following vote:**

**Aye:** Hill, Holder, Dalton and Zendel

**Absent:** Atkinson

**2005-0026**

Establish 2005 Financial Services Meeting Schedule

**Attachments:** Meeting Calendar memo.pdf; Meeting Calendar 2005.pdf; Resolution3.pdf  
*Second Thursday of the month at 5:00 p.m.*

**A motion was made by Dalton, seconded by Holder, that this matter be Approved.**

**Resolved that the Financial Services Committee establish their 2005 Meeting Schedule as the Second Thursday of each month at 5:00 PM at 1000 Rochester Hills Drive; with understanding that any meeting dates conflicting with holidays or elections will be rescheduled as needed.**

**The motion carried by the following vote:**

**Aye:** Hill, Holder, Dalton and Zendel

**Absent:** Atkinson

2005-0039

Discussion regarding Water and Sewer/DPS Projects

**Attachments:** Agenda Summary - Radio Reads.pdf; Radio Read information.pdf; Meter Reading Costs(1)(1).pdf; 062503 Minutes CC Work Session re: Radio Reads.pdf; 090104 Minutes CC Reg Mtg re: Radio Read.pdf; Agenda Summary - Reservoirs.pdf; Average Water Comparison.pdf; A

*Roger Rousse, DPS Director, introduced Paul Davis, City Engineer and Jan Hauser and Philip Covell, ARCADIS Consultants, to discuss the Water Storage project as follows:*

\* *Water Storage was a 2003 Council goal to minimize future rate increases.*

\* *Water Storage was a solution to low-pressure areas within the City.*

*Paul Davis, City Engineer, presented the following discussion at Water Study:*

*ARCADIS did an initial report checking feasibility of what the City can do to decrease rates. The report showed:*

\* *Low water pressure in the Northwest part of the City.*

\* *Low water pressure resulted in a Booster Station installation.*

\* *The Booster Station failed to produce higher water pressure in Northwest area.*

\* *Booster Station is dependent upon being fed from Detroit's Water System.*

\* *Major time problems occur during three month period in the summer when the City of Detroit cannot supply the minimum 70 psi regulating in low water pressure*

*Booster Station Services the following areas:*

\* *Hills of Oakland*

\* *Kingston Pointe*

\* *Musson Elementary*

\* *The two (2) subdivisions greatly affected by low water pressure equal approximately 216 home sites.*

\* *Some home sites have individual booster pumps installed.*

\* *Auburn Hills Water Station improvements have helped the Northwest low-pressure problem.*

\* *Growth in Oakland Township and Orion Township could again create unreliable pressure in the Northwest part of the City.*

*Mr. Davis noted that the need for further study of the Water System occurred in December 2000, noting the following points:*

\* *In 1970, Rochester Hills entered into a forty (40) year contract with DWSD expiring 2010.*

\* *Rochester Hills must provide one (1) years written notice to DWSD to terminate water services.*

\* *Contract did not agree to provide a minimum pressure.*

\* *Contract provides a reasonable effort to provide sufficient pressure.*

- \* *It was estimated that Rochester Hills would use 3.4 million gallons of water per average day.*
- \* *Currently Rochester Hills uses approximately nine (9) million gallons of water per average day.*
- \* *At some point, DWSD embarked on four \$4 billion major improvements, upgrades and replacements into their system.*
- \* *Improvements were to be done over a ten (10) year period.*
- \* *In December 2000, DWSD increased Rochester Hills water rates by 12.9% percent.*
- \* *DWSD informed Rochester Hills that rate increase was first of many double-digit increases.*

*Committee members discussed Water Reservoir Storage as follows:*

- \* *In September, 2002, ARCADIS Consultant's initial report recommended installing two (2) Water Reservoirs.*

- \* *Install two (2) million gallon reservoir in Northwest community (Tienken/Adams) ten (10) acre parcel West of Adams High School.*

- \* *Install three (3) million gallon reservoir in Southern community (John R/North of Avon).*

- \* *Location is driven by the potential availability of open land.*

- \* *Total construction cost \$6.4 million.*

- \* *Total project cost \$7.7 million.*

- \* *Installation of Water Reservoirs will help Rochester Hills in the following ways:*

- \* *Corrects Northwest pressure problems.*
  - \* *Corrects Southern pressure problems.*
  - \* *Solves unreliable pressure input from DWSD.*
  - \* *Sustains pressure within our system.*
  - \* *Prevents DWSD peak hour charges.*
  - \* *Savings pays for the Water Reservoirs.*

- \* *Study projected savings based on existing rate structures.*

- \* *DWSD does not guarantee existing rate structures.*

*Theoretical rate analysis is driven by the following variables:*

- \* *Demand*
- \* *Weather*
- \* *Changes in population*

- \* *Variables create a theoretical range of savings from \$1.2 million to \$1.6 million.*

- \* *Installation of Water Reservoir has associated risk.*

*Julie Jenuwine, Finance Director, suggested to hold any final decisions for the following reasons:*

\* *Sub-committee comprised of suburban communities will be making recommendations to DWSD to change the rate methodology.*

\* *There is no guarantee the peaking number that this was calculated on will remain the same.*

*Member Dalton noted that there are several communities that have reservoirs which include Huntington Woods, Beverly Hills, Oak Park. If the rates change, communities would not be subjected to a peak and would still be better off.*

*Discussion commenced on the following points:*

\* *Water rates are based on rational logical methods of billing, such as, peaking factors, elevation and distance from DWSD.*

\* *A substantial change to the rate structure would create an enormous amount of problems for several communities and DWSD.*

\* *A minimal change is what is more likely to occur.*

\* *If all communities installed water reservoirs, DWSD improvements to existing system would be compromised and, therefore, DWSD would increase rates.*

\* *Without any savings, the water storage reservoirs will provide emergency water and solve water pressure problems.*

*Committee members welcomed Jan Hauser, ARCADIS Consultant who presented the following information:*

\* *Risks for not doing this project as follows:*

\* *Revisions improve reliability and ability to deal with emergencies.*

\* *The issue is more complicated than just looking at water rates.*

\* *What Water Service you want in place for residents.*

\* *The initial study was developed using an industry standard computer model.*

\* *Model was calibrated with Rochester Hills water distribution system.*

\* *Model looked at pressure, flow problems and deficiencies in the existing system.*

\* *Entire system was modeled with fire flows and other scenarios.*

\* *DWSD ran the model and agreed that it did model their existing system.*

\* *DWSD agreed that the model can be used to evaluate water systems.*

\* *DWSD required modeling peaking factors to be five (5) and three (3) to help design the facilities which provides theoretical numbers.*

\* *The financial analysis is based on what we think provides a number we will see.*

\* *DWSD restricted the amount of flow taken from two (2) connections.*

\* *Rochester Hills water distribution system is complex because there are a there are a number of pressure zones and there are four (4) connections to DWSD.*

\* *Standard water system design is having water storage.*

- \* *Normal water system is having enough water for an average day plus fire flow in storage in your system.*
- \* *Historically, most communities in DWSD system do not have storage and rely heavily on DWSD to supply those peak flows.*
- \* *Due to rate structure and increased rates, many communities are considering water storage.*
- \* *If all communities opted for water storage, DWSD indicated that:*
  - \* *Communities that opt out of water storage will see a high water rate increase due to other communities eliminating their peak.*
  - \* *When all Communities opt in, peaks are eliminated resulting in equal water rates for all communities.*
  - \* *Potential financial impact on the very last community would be very high water rates for that community.*
  - \* *If all communities installed water reservoirs, DWSD improvements to existing systems would be compromised; therefore, DWSD would increase rates.*
  - \* *DWSD verified in writing from Victor Mercado, Director of DWSD and Greg White, Head of Engineering Department, stating that as of today, nothing is going to change and Rochester Hills can proceed with installing water storage as long as boundary conditions were met.*
  - \* *The only way to deal with DWSD uncertainty is to get off the system.*
- \* *Other communities considering water storage are the following:*
  - \* *Auburn Hills*
  - \* *Northville Township*
  - \* *Plymouth Township*
  - \* *Canton*

*Ms. Hauser reviewed the Theoretical Cost Effective Analysis: Compared Doing Nothing vs. Building Water Reservoirs*

- \* *Doing nothing includes:*
  - \* *Only cost is what Rochester Hills pays DWSD.*
- \* *Annual cost of water storage includes:*
  - \* *Building Facilities*
  - \* *Paying for Facilities*
  - \* *Operational cost*
  - \* *Maintenance cost*
- \* *Bonding for twenty (20) years at a rate of 4.5% percent to 5.0% percent .*
- \* *Analysis showed that it is approximately \$500,000 less expensive annually if Rochester Hills builds the facilities.*
- \* *Theoretical payback analysis based on assumptions and averages show to be at just over ten (10) years.*

\* *Payback Analysis: Based on variables that change from year-to-year. Total project cost divided by net profit or savings.*

- \* *Total project cost \$7.7 million*
- \* *Maximum savings \$1.57 million*
- \* *Minimum savings \$1.2 million*
- \* *Average savings \$1.4 million*

\* *Operation and Maintenance costs consist of three main items as follows:*

- \* *Personnel.*
- \* *Electrical/chemical costs*
- \* *Replacement costs.*

\* *Facilities would be very automated, monitored by one (1) personnel for one-half (1/2) hour per day.*

\* *Majority of operation and maintenance costs would be electrical.*

*Committee members discussed possible pressure problems and solutions as follows:*

\* *Water storage will create improved water flow without increased pressure in the lines.*

\* *Challenge will be to set correct pressure on pump controls.*

\* *Community wide range of grades and elevations could cause over pressure.*

\* *Generally for each vertical foot equals about 2.3 psi.*

\* *Water lines were originally designed for much higher pressure.*

\* *Weakest point of water system will be water leads; service leads which handle 200 lbs. psi.*

\* *Customers are not served directly off pressure from the water storage tank; the booster pumps re-pressurize the water.*

*ARCADIS Conclusion is as follows:*

\* *Study shows water storage is both technically and economically desirable.*

- \* *Ten (10) year payback*
- \* *Lower fees*
- \* *Solves pressure problems and deficiencies*
- \* *Reduces vulnerability and improves flexibility in system operation*
- \* *Increases reliability*

\* *Tanks depreciate over fifty (50) years but should last much longer.*

\* *Pumps depreciate over fifteen (15) to twenty (20) years.*

\* *Concrete cylinder tank has an indefinite life.*

\* *Maintenance is higher on an elevated tank vs. ground storage tank.*

\* *Construction is higher on an elevated tank vs. ground storage tank.*

\* *Below grade storage has the potential for ground water contamination.*

\* Study used three (3) million gallon tank is 35 feet high and 140 feet in diameter.

\* Two (2) million gallon tank is 100 feet in diameter.

\* Water Storage is the only solution to solve all the problems.

Committee agreed to discuss all water and sewer projects and make a motion to move all to a workshop.

### Discussed

#### 2005-0235

Discussion regarding Purchase of AMR Radio Read System

**Attachments:** Agenda Summary.pdf; Meter Reading Costs.pdf; Radio Read Bid Tabs.pdf; Radio Read Return Investment.pdf; Selection of AMR Vendor.pdf; Meter Reading Options FSC Memo.pdf; Radio Communications re radio reads.pdf; Meter Reading Brief.pdf; 012605 CC Minutes.pd

Committee members discussed Radio Read System.

Roger Rousse, DPS Director, explained Radio Read System as follows:

\* There are three (3) features of the Radio Read System:

- \* Purchase Cost of Units.
- \* Installation Cost.
- \* Operating Cost.

Purchase Cost:

\* Unknown factor is the purchase cost.

\* Preliminary purchase cost figures range from \$2 million to \$2.7 million.

\* One Vendor projects one (1) unit will read up to sixteen (16) meters.

\* Another Vendor projects one (1) unit per one (1) meter.

\* City personnel are in the process of taking inventory of needed units for entire City which includes thirty-two (32) square miles, 30,000 customers.

\* Inventory data will show total number of units needed for entire community.

Installation Cost:

\* One system being considered adds a touch pad to existing equipment.

\* Another system requires replacement of existing equipment.

\* In order to obtain installation cost, the number of units needs to be determined

\* Number of units needed will be determined by taking inventory of the entire City.

\* Currently installation costs is approximately twenty (\$20) per unit.



- \* One vendor's installation bid came in at thirty-nine (\$39) per unit.

*Operating Cost:*

- \* The largest cost are the batteries required for these systems.
- \* One vendor guaranteed battery life expectancy at twenty (20) years.
- \* Another vendor guaranteed battery life expectancy at ten (10) years.
- \* Operating Cost based on initial evaluation and how many units are needed.
- \* Some units require meter reader to be within 100 feet of them, other units went one-half (1/2) mile.
- \* Software upgrades will be ongoing which some vendors include as a flat rate.
- \* Other vendors software upgrades may be a variable rate.

*Committee members discussed City Council prior approval of Radio Read System*

*Mr. Rousse responded to questions noting the following:*

- \* Requested approval to continue to map the city and move forward with Radio Read System.
- \* Radio Read System was approved by City Council over a three (3) year period for one-third (1/3) in 2003, 2004 and 2005.
- \* The project has not gone through the proper purchasing process according to purchasing ordinance by bidding it out.
- \* Radio Read System was brought back for discussion because it is part of what affects water rates.
- \* Budget review history reflects \$637,000 in the 2004 budget year for Radio Read System.
- \* Radio Read System project monies are currently being collected annually.
- \* 2005 Budget reflects approximately \$300,000 in water and \$300,000 in sewer for Radio Read System.

*Committee members discussed payback analysis as follows:*

- \* In the original analysis, one vendor stated payback in seven (7) years ten and ten (10) months.
- \* A weakness in their analysis is the assumption that current meters are inaccurate.
- \* Vendor stated that if City replaces meters, new meter will provide greater accuracy.
- \* Greater accuracy equals increased revenues.
- \* DPS's staff is not in agreement with vendor assumptions pertaining to accuracy.
- \* Currently, new meters reading at ninety (90) percent accuracy.

*Ms. Julie Jenuwine, Finance Director, stated that payback analysis has not been*

*confirmed accurate and would like DPS to provide a report to verify numbers. In addition, the cost of battery repair and battery installation costs were not included. She noted that another alternative would be to contract with Consumers Power to read meters; however, Consumers Power would not do the billing, only read meters.*

*In response to Ms. Hill's question regarding contact with Consumer's Power in the past, Ms. Kim Murphy, DPS Administrative Coordinator, confirmed meeting with Consumers Power noting Consumers Power was not interested in reading Rochester Hills meters at that time.*

*Ms. Hill inquired whether the costs have changed for this project.*

*Ms. Jenuwine responded that DPS is reviewing whether the payback is past the life of these units, noting a seven (7) year payback was assuming a meter replacement program without battery repair or battery installation costs.*

*Mr. Rousse acknowledged that this is a small scale affect vs. large scale affect on payback. He noted additional analysis gave preliminary numbers which will not significantly affect the payback. One vendor might have a lower purchase price and higher installation and operating costs. Mr. Rousse questioned whether or not that small scale affect would change the decision City Council made to move forward with project.*

*Mr. Rousse stated that original bid from INVENSYS was \$130 per add on to existing equipment noting that INVENSYS unit can read up to sixteen (16) meters. He further noted that another vendor was half the cost of original INVENSYS bid but required more units and installation costs.*

*Ms. Jenuwine stated ETNA, the current vendor RFP, bid \$2.7 million with lower comparable meters.*

*Mr. Rousse stated that Neptune and Data Management replaced one meter with one unit and for a comparable bid with INVENSYS, City needs to determine exact number of meters. He noted that the Radio Read System currently seems to be the standard of the industry for the past ten (10) years.*

*Ms. Jenuwine stated that Radio Read System is ten (10) year old technology and Consumers Power considers it is in the past and is going away. She noted that other communities, Troy, Sterling Heights, Warren are not going forward with the Radio Read System.*

*Ms. Jenuwine would like clarification on the following:*

- \* Estimated costs for replacing batteries.*
- \* Labor Costs.*
- \* Software Costs for set-up of water billing system.*
- \* Analysis on failure rates and replacement costs.*

*Mr. Rousse stated that there are other communities that have had the Radio Read System in place for the past ten (10) years.*

*Committee discussed savings and costs of meter readers as follows:*

- \* Radio Read savings are clear due to not needing individual meter readers.*
- \* Currently, three (3) full-time employees read meters monthly.*
- \* An additional meter reader will be needed by 2007 if City continues to manually read meters.*

- \* Over a twenty (20) year period three (3) meter readers would cost the City \$9.5 million.
- \* Over a twenty (20) year period for purchase price and ongoing costs of units would range from \$3.5 million to \$4 million.

*Bud Leafdale, DPS General Superintendent, explained City's use of meter readers as follows:*

- \* *City has one (1) position under classification of Meter Reader who reads meters full time.*
- \* *City has not replaced other classifications of Meter Readers.*
- \* *City has placed employees in the classification of Laborer.*
- \* *Two (2) Laborers have been trained to read meters.*
- \* *Using Laborers creates a shortage of road crew or water crew personnel.*
- \* *Cross Training Meter readers consists of a rotation of laborer employees.*
- \* *Cross Training saves the City monies in Wages and Benefits.*
- \* *JD Edwards System reflects two (2) full time employees being utilized for meter reading.*
- \* *In 2004, there were 4900 hours of re-reads and final reads combined.*
- \* *An additional liability savings would be for employee slip and fall, dog bites etc.*

*Ms. Jenuwine stated every \$40,000 the City spends, the City has to raise our water rates one penny. She stated that costs exceed revenues and revenues are our rates. She further noted the City is not recovering expenditures and the City will have to raise rates to pay for DPS projects.*

*Committee requests for workshop discussion:*

- \* *A memo from Administration indicating clearly what is needed to get into compliance with ordinance.*
- \* *Memo will determine whether City will go out for bid on Radio Read purchasing price or circumvent sewer resolution.*
- \* *Hypothetical financial model reflecting possibilities of proposed DPS projects.*

**Discussed**

**Enactment No:** RES0152-2005

**2005-0029**

Review of First Quarter 2005 Budget Amendments.

**Attachments:** Agenda Summary.pdf; Public Hearing Notice.pdf; 1st Qtr Budget Amendment Memo.pdf; 2005 - 1st Qtr Budget Amendment.pdf; 0029 Resolution.pdf

*Committee members discussed 2005 Budget Amendments.*

*Ms. Julie Jenuwine, Finance Director, reviewed the 2005 First Quarter Budget Amendments noting the following:*

*Page 1*

*\* Most information provided is reclassification of account number 940.*

*\* Account number 940 has been changed to an Inter Fund Charge to avoid double counting of expenditures.*

*\* Basically this change is for fleet and facilities charges.*

*\* Change is to simply pay another Department within the City.*

*\* Budget Amendments also reflect minor reclassifications, such as, operating supplies back into office supplies.*

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*\* Major Roads Fund - balance of Clinton River Trail Work Safety Island.*

*Ms. Jenuwine provided clarification to Mr. Zendel's questions regarding the following items:*

- \* Rental Equipment (page 2)*
- \* Fund 207 (page 3)*
- \* Fund 402 (page 3)*
- \* Fire Equipment*
- \* Fire Fund maintenance reduction*

*Ms. Jenuwine further clarified carry overs from 2004 Budget.*

- \* Sewer Fund Van*
- \* Red House Rehabilitation*
- \* Fire Station on Tienken Road upgrade to heating system*
- \* Spencer Beach House*
- \* Clinton River Road Crossing*
- \* MIS Enhancements to the GIS System*
- \* People Soft Function of Report Writer Computer Network Upgrade*
- \* Fleet Fund*

## **Discussed**

**2005-0031**

**Water & Sewer Fund Structure & Financial Discussion.**

**Attachments:** Agenda Summary.pdf; W&S - Funding Picture.pdf; Memo Jenuwine 011305.pdf; Min FS Mtg 021705.pdf

*Committee members discussed water/sewer fund as follows:*

*Ms. Jenuwine reviewed her memorandum noting the following:*

*\* Expressed concerned that City's Water and Sewer Fund Structure does not mirror Ordinance.*

\* *Noted consultants Black and Veach Report closely mirrors what Ordinance says.*

\* *Recommended that the City follow Black and Veach by setting up certain accounts that same way.*

\* *Recommended that Capital and Lateral revenues for Water and Sewer charges not be used to offset Operating Expenditures.*

*Ms. Jenuwine reiterated that there are two issues, (1) the fund set up; and (2) the capital/lateral charges that affect the rate.*

**A motion was made by Dalton, seconded by Holder, that this matter be Approved and Referred to the City Council Work Session.**

**Whereas, the Financial Services Committee received reports and discussed the following DPS Projects:**

**Water Reservoirs  
Radio Read System  
Water & Sewer Fund Structure**

**Resolved that the Financial Services Committee recommends these items be scheduled for the City Council Work Session on January 26, 2005.**

**The motion carried by the following vote:**

**Aye:** Hill, Holder, Dalton and Zendel

**Absent:** Atkinson

## **YOUTH COMMENTS**

*None Presented*

## **ANY OTHER BUSINESS**

**2005-0227**

Stump Grinding - Emerald Ash Borer

**Attachments:** Agenda Summary.pdf; Tabulation.pdf; 0227 Resolution.pdf

*Committee members discussed Stump Grinding as follows:*

*Mike Hartner, Parks & Forestry Director, provided information regarding implications of Emerald Ash Borer.*

\* *City removed 1000 Emerald Ash Trees in 2004.*

\* *Many residents have unsightly tree stumps left in right-of-way in front of their homes.*

\* *These residents have inquired when the City will remove the tree stumps.*

\* *Usually stumps are removed when the tree is cut down.*

\* *Because of the amount of tree removal, stump removal was put off.*

- \* *Currently, there are approximately 700 stumps that need to be removed and could exceed 900 in the coming year.*
- \* *Approximately 130 to 140 stumps are removed per year.*
- \* *Approximately fifty (50) residents have contacted the City regarding stump removal.*
- \* *Parks & Forestry has created a waiting list for stump removal.*
- \* *Suggested City to go out for bid and use City's Tree Fund to hire outside contractors.*
- \* *Historically Local Road Fund has been used for this type of maintenance.*
- \* *Report shows \$100,000 total liability for 1700 trees.*
  - \* *Contractor charge is approximately \$5.00 per inch.*
  - \* *Some trees are 40 to 50 inches in diameter.*
  - \* *Currently, the fifty (50) trees on waiting list average 11.5 inches in diameter.*
  - \* *Smaller trees can be removed easily from ground.*
  - \* *Larger trees will cost approximately \$50 to \$60 for set-up and removal.*

*Committee discussed what the Tree Fund should be used for as follows:*

- \* *Tree Fund money is currently being used in lieu of dollars that would normally come from Local Road Fund.*
- \* *Tree Fund money is currently used as follows:*
  - \* *Replacement*
  - \* *Maintenance*
  - \* *Protect Oak Trees from Gypsy Moth problem.*
  - \* *Cooperative tree planting 50/50 as the match for residents to plant another tree.*
  - \* *In 2004, 146 residents utilized Cooperative Tree Planting Tree Fund.*

*Safety concerns that require immediate action are as follows:*

- \* *Sign Clearance*
  - \* *Site Distance*
  - \* *Removing diseased or infested trees.*
- \* *Stump removal is not considered a safety hazard.*

**A motion was made by Dalton, seconded by Holder, that this matter be Discussed.**

**Resolved that the Financial Services Committee requests the Park and Forestry Department send out requests for proposals (RFP's) for Stump Grinding and forward the RFP's upon receipt to City Council for consideration and approval.**

**The motion carried by the following vote:**

**Aye:** Hill, Holder, Dalton and Zendel

**Absent:** Atkinson

**Enactment No:** RES0105-2005

## **NEXT MEETING DATE**

*February 10, 2005*

## **ADJOURNMENT**

*There being no further business to discuss, Chairperson Hill adjourned the meeting at 7:50 p.m.*

*Minutes prepared by Sue Busam*