



Rochester Hills Minutes

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City Council Budget Work Session

*John L. Dalton, Bryan K. Barnett, Jim Duistermars, Melinda Hill,
Barbara L. Holder, Linda Raschke, Gerald Robbins*

Tuesday, August 31, 2004

7:30 PM

Rochester Hills Museum Dairy Barns
at the Van Hoosen Farms
1005 Van Hoosen Road

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 Budget Work Session would commence at 7:30 p.m. on Tuesday, August 31, 2004 for City Council to continue discussing the proposed 2005 Budget.

CALL TO ORDER

President Dalton called the Special Rochester Hills City Council Budget Work Session Meeting to order at 7:33 p.m. Michigan Time.

ROLL CALL

Present: John Dalton, Bryan Barnett, Jim Duistermars, Melinda Hill, Barbara Holder, Linda Raschke and Gerald Robbins

Others Present:

*Pat Somerville, Mayor
Bev Jasinski, City Clerk
Ed Anzek, Director of Planning/Development
Alan Buckenmeyer, Parks Operations Manager
Scott Cope, Director of Building/Ordinance Enforcement
Ron Crowell, Assistant Fire Chief
Paul Davis, City Engineer
Kurt Dawson, Director of Assessing/Treasurer
Mike Hartner, Director of Parks & Forestry
Julie Jenuwine, Interim Finance Director
Raymond Leafdale, General Superintendent
Roger Moore, Professional Surveyor
Kim Murphey, Administrative Coordinator - DPS
Roger Rousse, Director of DPS/Engineering
Robert Smith, Captain, Oakland County Sheriff's Department
Greg Walterhouse, Fire Chief*

PUBLIC COMMENTS

None.

ADMINISTRATION

Ms. Julie Jenuwine, Interim Finance Director, presented a review of the following funds of the Proposed Year 2005 Budget and addressed questions posed by Council:

2004-0727 Discussion of Special Revenue Funds 2005 Budget (200's)

Attachments: 0727 Resolution.pdf

206 - FIRE DEPARTMENT - REVENUES

FUND BALANCE TO BALANCE

LICENSE & PERMITS - OTHER

INTERFUND CHARGES

606592 Dispatch Services

- Estimated cost of dispatchers' time.
- President Dalton questioned whether the City should be charging more for these services.
- Ms. Jenuwine noted that they would examine that number.

CHARGES FOR SERVICE - OTHER

608003 Fire Protection

* Oakland Township Dispatch Agreement

608007 Restitution

608009 Fireworks

608010 EMS Service

609001 Inspection

- Based on historical trends.

RENTALS

650001 Cell Tower Lease

- Council members questioned why this charge was decreasing having assumed it was a fixed contract. Ms. Jenuwine noted that they would investigate.

FINES & FORFEITURES

655004 OUIL

- Based on six (6) month trend.

INTEREST EARNINGS

664001 Interest & Dividend Earnings

- Anticipated increase in Fund Balance.

TRANSFER IN

699592 Water / Sewer Fund

206 - FIRE DEPARTMENT / 000 - ADMINISTRATION

FUND BALANCE TO BALANCE

701001 Fund Balance to Balance

- Will bring the Fire Operating Fund to roughly over 23% as opposed to the City's 20% policy.

- Ms. Hill suggested that the dedicated Fire Millage should be reduced, as it provides more funds than needed for the operation of the Fire Department. She explained that this reduction would "send the right message" to taxpayers that the City is fiscally responsible and it would encourage voters to approve requested millages for other needed City services such as local road improvements.

- Per Ms. Hill's request, Ms. Jenuwine indicated that she would return to Council with suggested scenarios for addressing this specific issue.

PERSONNEL SERVICES

703000 Salaries & Wages

- Additional overtime budgeted for Assistant Chief and secretary.

OPERATING SUPPLIES

740000 Operating Supplies

PROFESSIONAL SERVICES

801002 Medical Services

- Based on six (6) month trend.

805001 Legal Fees - Labor & Other

- Union negotiations.

900000 Printing & Publishing

- For promotion of new burning permit.

OTHER EXPENSES

929000 Repairs & Maintenance - B/G

- * Repair Station Signs
- * Lawn Irrigation - Stations 2, 4 & 5

931000 Maintenance

- One-time only charge for rehabilitation at Station 1.

TRANSFER OUT

999402 Fire Capital Equipment Fund

999631 Facilities

- * Replace entry steps Station 1

206 - FIRE DEPARTMENT / 339 - FULL TIME FIREFIGHTERS

PERSONNEL SERVICES

703000 Salaries & Wages

- Increased overtime

716000 Health & Optical Insurance

- Was previously under-budgeted.

721000 Workers Compensation

723000 Meal Allowance

OPERATING SUPPLIES

748000 Operating Equipment

PROFESSIONAL SERVICES

- 801000 Professional Services
 - * Ladder Testing - Ground Ladders
 - * Pump Testing
 - Done by independent company
 - Department does not own the proper equipment, and external testing adds legitimacy to the results.

OTHER EXPENSES

- 938000 Maintenance - Vehicles
 - Based on historical trend.

206 - FIRE DEPARTMENT / 340 - PAID ON CALL FIREFIGHTERS

PERSONNEL SERVICES

- 703000 Salaries & Wages
 - Increase in number of hours due to four (4) hours of training per month and an increase in the number of Paid On Call firefighters, thus an increase in those responding to calls.

OPERATING SUPPLIES

- 740000 Operating Supplies
- 748000 Operating Equipment
 - * Turnout Equipment

PROFESSIONAL SERVICES

- 801000 Professional Services
 - * Ladder Testing - Trucks
 - * Pump Test

206 - FIRE DEPARTMENT / 341 - FIRE PREVENTION BUREAU

PERSONNEL SERVICES

- 703000 Salaries & Wages
 - Based on budgeting for a proposed inspector.

OPERATING SUPPLIES

- 748000 Operating Equipment
 - * New Vehicle Equipment (Sirens, etc.)
 - New budget item.

OTHER EXPENSES

- 938000 Maintenance - Vehicles
 - Based on six (6) month trend.

206 - FIRE DEPARTMENT / 342 - TRAINING

PERSONNEL SERVICES

Less overtime was budgeted.

PROFESSIONAL SERVICES

860000 Travel & Seminars

* Fire Dept. - Professional Development

- All training dollars were consolidated into this fund.
- Major training sessions are scheduled for the fall.

OTHER EXPENSES

938000 Maintenance - Vehicles

206 - FIRE DEPARTMENT / 343 - DISPATCH

PERSONNEL SERVICES

703000 Salaries & Wages

- Proposed additional dispatcher position.

721000 Workers Compensation

- Based on numbers reported by Human Resources.

OPERATING SUPPLIES

727000 Office Supplies

- Based on historical trend.

OTHER EXPENSES

932000 Maintenance - Equipment

- Oakland County is providing wireless maintenance.

206 - FIRE DEPARTMENT / 344 EMS SERVICE

PERSONNEL SERVICES

Based on anticipated overtime for firefighters and two (2) new EMT positions.

- Council members questioned the merits of hiring more EMTs rather than paramedics.

- Chief Walterhouse explained that, on average, a fire fighter/paramedic costs the City upwards of \$100,000 annually including benefits, whereas the cost of an EMT is approximately half that amount. He stressed that EMTs, when responding to a basic medical emergency must remain at the hospital and, thus, are unable to respond to a fire call. It is preferable to have a Paid On Call fire fighter/EMT out of commission for a time rather than a Fire Fighter/Paramedic.

OPERATING SUPPLIES

748000 Operating Equipment
- One-time expense for 2004 defibrillator.

PROFESSIONAL SERVICES

801000 Professional Services
850000 Membership & Dues
* EMS Licenses

OTHER EXPENSES

938000 Maintenance - Vehicle
- Based on six (6) month trend.

206 - FIRE DEPARTMENT / 345 - SPECIAL OPERATIONS

Discussed

Enactment No: RES0348-2004

2004-0729

Discussion of Capital Funds 2005 Budget (400's)

Attachments: 0729 Resolution.pdf

402 - FIRE CAPITAL EQUIPMENT FUND - REVENUES

FUND BALANCE TO BALANCE

401001 Fund Balance to Balance

INTEREST EARNINGS

664001 Interest & Dividend Earnings
- Increased fund balance.

TRANSFER IN

669206 Transfer In - Fire Department

402 - FIRE CAPITAL EQUIPMENT FUND - EXPENSES

FUND BALANCE TO BALANCE

701001 Fund Balance to Balance
- Not adding to fund balance.

CAPITAL OUTLAY

977000 Equipment - Capitalized
* Staff Vehicles - Fire Prevention (2)
- Inspectors vehicles are due for replacement.
* Squad Vehicle - Full-Time Firefighters (1)
- Existing squad vehicle is due for replacement and is used when at full staff.
* Community Alert System

- Chief Walterhouse explained that this is an AM radio station, similar to that used in Sterling Heights, used to broadcast emergency information to residents.

Discussed

Enactment No: RES0350-2004

2004-0710

Discussion of General Fund 2005 Budget (100's)

Attachments: Approval Summary.pdf; Memo J Jenuwine distributed at 9204 WS.pdf; Memo J Jenusine re Mayor's org chart.pdf; Budget Agenda Summary.pdf; 2005 Budget Answers 1.pdf; 2005 Budget Answers 2.pdf; Minutes CC 022504 Budget WS.pdf; Minutes CC 050304 WS.pdf; Minute

101 - GENERAL FUND / 326 - COMMUNICATIONS

OPERATING SUPPLIES

748000 Operating Equipment

- Reduced number of radios for 2005 vs. 2004.
- Some radios are for other departments; most are for the Fire Department.

PROFESSIONAL SERVICES

801000 Professional Services

OTHER EXPENSES

935000 Maintenance - Radio

- Reduction in on-call management.

Discussed

Enactment No: RES0347-2004

2004-0727

Discussion of Special Revenue Funds 2005 Budget (200's)

Attachments: 0727 Resolution.pdf

207 - SPECIAL POLICE FUND - REVENUES

FUND BALANCE TO BALANCE

401002 Fund Balance

FEDERAL & STATE GRANTS

501001 Federal Grant - COPS

- Prorated for four (4) months.

576000 State Revenue - Liquor Licenses

- Fees are paid in the fall.

MUNICIPAL CONTRIBUTIONS

590000 Contribution - City of Rochester

592000 Contribution - Rochester Community Schools

- * School Liaison Program (19.6% of total)
- Contracted to remain at this percentage.

CHARGE FOR SERVICE - PUBLIC SAFETY

- 608005 *Extra Police Protection*
 - * *Mini-Contracts*
 - *Historic trend.*
- 609010 *Breathalyzer*
 - * *Preliminary Breath Testing - Court Ordered*
 - *Adjustment based on actual figures.*
- 620001 *Printed Materials*
 - * *Police Reports and Finger Printing*
 - *Adjustment based on actual figures.*

FINES OR FORFEITURES

- 655002 *Fines - District Court*
 - * *Assessed and Collected by 52/3 District Court*
 - City Receives 33% of total*
 - *Adjustment based on actual figures.*
- 655004 *Fines - OUIL*
 - *Based on six (6) month figures.*

207 - SPECIAL POLICE FUND - EXPENSES

OPERATING SUPPLIES

- 727000 *Office Supplies*
 - *Based on actual numbers.*
- 748000 *Operating Equipment*
 - * *Bicycle Accessories (Key Tags, Lights, Helmets)*
 - *Based on historical average.*

PROFESSIONAL SERVICES

- 802001 *Interfund Charges - MIS*
 - *Elimination of computer.*
- 807001 *Contractual Police Services*
 - *Increase in contract.*
 - *Mayor Somerville and Council members expressed their concern that Rochester Hills is paying a disproportionate amount for the School Liaison program and suggested that next year's contract be renegotiated.*
- 880000 *Community Promotions*
 - *Based on 2003 actual figures.*

OTHER EXPENSES

- 932000 *Maintenance - Equipment*
- 946000 *Occupancy - Facility Charge*
 - *2004 budget did not include utilities in the new building.*

- *Mr. Robbins questioned why it appears the City is not adhering to its policy to add one (1) new deputy each year.*

- *Ms. Hill indicated that the money is not available in the budget for additional officers and rejected the suggestion that the funds be taken from General Fund to "subsidize" the police millage.*

- Mr. Robbins stated that the basic role of City Council is "to serve and protect" the community. He stressed that, despite the failure at the polls of the most recent police millages, it is the Council's responsibility to display the appropriate fiscal responsibility to assure that the "needs" of the community are met before the "wants" are addressed.

202 - MAJOR ROAD FUND - REVENUES

Following extensive discussion regarding the proposed new structure of Major and Local Road Funds, it was the consensus of Council members that this portion of the budget be structured as it has been in previous years wherein the Major and Local Road Funds are broken down into the following "departments": Administration, Construction, Traffic Services, Routine Maintenance and Winter Maintenance. It was noted that, although detailed information would be available through JDE Work Orders, Council preferred this structure for estimating the budget for these functions.

FUND BALANCE TO BALANCE

FEDERAL & STATE GRANTS

544000 State Transportation Funds

- Determined using a formula based on such factors as population and unit weight.

SALES

630003 Fees - Franchise Utilities

MISCELLANEOUS REVENUE

677002 Reimb. - Road Commission of Oakland County

- * Tienken Road

OTHER FINANCING SOURCES

698000 Bond Proceeds

- * MR-01B - Crooks Road (M-59 - Auburn)
- * MR-01C - Crooks Road (Auburn - South Blvd.)
- * MR-31 - John R Rehab. 2005 Preliminary
- * MR-31 - John R Rehab. 2006 Construction
- * MR-06A - Tienken Road & Bridge Rehabilitation
- * MR-44 - Powderhorn Ridge Reconstruction

TRANSFER IN

699101 General Fund

- * 0.5000 Mill Transfer (Optional - 16th yr. of 15 yr. policy)

202 - MAJOR ROAD FUND - EXPENSES

FUND BALANCE

701001 Fund Balance to Balance

PERSONNEL SERVICES

- 703000 Salaries & Wages
 - Based on 2004 wages.
- 724000 Tuition Refund

OPERATING SUPPLIES

- 740000 Operating Supplies
 - Based on actual figures.
- 781000 Materials
 - Based on actual figures.

PROFESSIONAL SERVICES

- 801000 Professional Services
 - * PS-08 - Master Thoroughfare Plan
(50% share with Planning/ Includes PS-03 - Non-motorized System Evaluation)
 - This cost is shared with the Planning Department.
- 802001 Interfund Charges - MIS
 - Allocated office staff under Major Roads.
- 807000 Contractual Services
 - * Boulevard Lawn Mowing (Routine Maint.)
 - Reduced.
 - * Pavement Marking Program (Traffic Service)
- 850000 Membership & Dues
 - * 75% of Traffic Institute of America (Traffic Serv.)
- 860000 Travel & Seminars

OTHER EXPENSES

- 932000 Maintenance - Equipment
 - Based on historical trend.
- 941000 Rental - Uniform
 - Slight decrease of employees.

CAPITAL OUTLAY

- 970001 Construction - Streets
 - * MR-06B - Kings Cove @ Tienken - Traffic Signal Construction (33% City Share)
Equipment Purchase (33% City Share)
 - Potential delay.
 - * MR-20A - Grandview @ Tienken (Traffic Signal & Road Improvements)
Preliminary Engineering (100% City Share)
Construction (100% City Share)
Equipment Purchase (50% City Share)
 - * MR-44 - Powderhorn Ridge Reconstruction
Preliminary Engineering (100% City Share)
Construction (100% City Share)
 - Collector Road.
 - * MR-51 - Rochester Hills Drive - Rehabilitation
Preliminary Engineering (100% City Share)
Construction (100% City Share)
 - * MR-26 - Livernois - Emergency Flasher Removal
Construction (100% City Share)

- * MR-15B - Butler Road - Traffic Island Removal
Preliminary Engineering (100% City Share)
Construction (100% City Share)
- Plan to make it a through road.
- 973000 Land - ROW Acquisition
- Rolled over CIP projects.

203 - LOCAL ROAD FUND - REVENUES

FUND BALANCE TO BALANCE

401002 Fund Balance

LICENSE & PERMITS - OTHER

451005 Engineering Department
- Based on actual revenue.

CHARGE FOR SERVICE - OTHER

607001 Administration Fees
- Based on actual revenue.

607010 Legal Review Fees
- Based on historical trend.

CHARGE FOR SERVICE - DPS

610003 City Engineering Department
* Inspectors Charges for Inspections
- Based on 2003 actual revenue and anticipated inspections.

610005 Engineering Consultant
- Based on 2002 and 2003 average.

610008 Labor & Signs
- Based on 2003 actual and six (6) month trend.

612002 Tree Trimming / Removal
- Based on first six (6) months.

INTEREST EARNINGS

664001 Interest & Dividend Earnings
- Falling fund balance.

TRANSFER IN

699101 General Fund
699202 Major Roads
- 25% of Major Road Fund Act 51 Revenues

Ms. Hill questioned the transfer in of 25% of the Act 51 money from the Major Road Fund, noting that she was under the impression that the budget would not reflect such transfers from either Major Roads or the General Fund. She stressed that including such a transfer would discourage residents from voting for the proposed Local Roads Millage in November.

Ms. Jenuwine indicated that the budget had been prepared in anticipation of the millage

failing at the polls, reminding Council members of the struggle the Fiscal team undertook when the police millage failed and its failure had not been anticipated in that year's budget.

Discussed

Enactment No: RES0348-2004

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Regular City Council Meeting - Wednesday, September 1, 2004 at 7:30 p.m.

Special Budget Work Session - Wednesday, September 1, 2004 immediately following Regular meeting.

ADJOURNMENT

There being no further business before Council, President Dalton adjourned the meeting at 11:07 p.m.

*JOHN L. DALTON, President
Rochester Hills City Council*

*BEVERLY A. JASINSKI, Clerk
City of Rochester Hills*

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

Approved as presented at the November 17, 2004 Regular City Council Meeting.

Complete proceedings recorded in the Official Minutes Book on file in the office of the City Clerk and by this reference is made a part hereof.