



Rochester Hills Minutes City Council Work Session

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

Monday, August 22, 2005

7:30 PM

Rochester Hills Museum at Van Hoosen Dairy
Barns, 1005 Van Hoosen Road, Rochester Hills,
MI

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 Monday, August 22, 2005 for City Council to discuss the proposed 2006 Budget.

CALL TO ORDER

President Hill called the Special Rochester Hills City Council Budget Work Session Meeting to order at 7:35 p.m. Michigan Time.

ROLL CALL

Present: Melinda Hill, Bryan Barnett, Jim Duistermars, Barbara Holder and Linda Raschke

Absent: John Dalton and Gerald Robbins

Others Present:

*Pat Somerville, Mayor
Jane Leslie, City Clerk
Ed Anzek, Director of Planning/Development
Scott Cope, Director of Building/Ordinance Enforcement
Ron Crowell, Fire Chief
Kurt Dawson, Director of Assessing/Treasurer
Bob Grace, Director of MIS
Mike Hartner, Director of Parks & Forestry
Julie Jenuwine, Director of Finance
Pam Lee, Director of Human Resources
Roger Rousse, Director of DPS/Engineering
Bob Smith, Captain, Oakland County Sheriff's Department
Jamie Smith, Media Specialist*

Council Member Dalton provided prior notice he would be unable to attend and asked to be excused.

PUBLIC COMMENTS

None.

ADMINISTRATION

Mayor Somerville indicated that, due to time constraints, some changes were made to the 2006 proposed budget that were not reviewed and approved by department directors. She assured Council that these changes would be discussed with department directors before the final budget meeting on Thursday, August 25th. She further noted that she directed the Fiscal Department to reinstate the water reservoir project into the proposed budget. Mayor Somerville, while acknowledging that the City has "numerous problems to deal with," stressed that her "number one priority is for the local road funding issue to be resolved."

2005-0514

Discussion regarding General Fund - 2006 Budget (100's)

Attachments: Agenda Summary Budget Adoption.pdf; 092805 Final Recap all changes.pdf; 091405 Agenda Summary.pdf; Memo Jenuwine 090205.pdf; Memo Jenuwine 082205 - 2006 Q&A.pdf; Memo Jenuwine Monday responses.pdf; Memo Jenuwine Tuesdays II responses1.pdf; Memo Jenuwine

101 GENERAL FUND / 000 REVENUES**LICENSE & PERMITS - BUILDING****451001 Lic. & Pmts. - Comcast/Franchise Fee****451002 Lic. & Pmts. - Wide Open West/Franchise Fee**
1% PEG

- This is now identified as a revenue due to Council's recent decision to suspend distribution of PEG funds to Community Media Network.

452006 Lic. & Pmts. - Sewer Inspection

- The SCADA system is also used by the Building Department for home inspections of underground sewer lines.

452013 Lic. & Pmts. - Fire Alarms

- This charge relates to the cost of permits for new construction.

FEDERAL & STATE GRANTS**547004 State Grant**

Youth Council

- Grant applications have yet to be submitted, therefore, the \$1,200 budget will be drawn from the General Fund.

CHARGE FOR SERVICE - BUILDING**609002 Chg. for Serv. - Re-Inspection**

- Substantial increase will bring the budgeted amount in line with the actual historical cost of these services.

SALES**623001 Sales - Museum**

- Twenty-five percent (25%) reduction is due to local schools discouraging students from bringing money on museum tours.

623003 Sales - Park Concessions

Spencer Park
Borden Park

- Concessions are down approximately 21% due to poor weather conditions and the change at Borden Park from concessions to vending machines.

651001 Rental - Fields

- Down approximately 13% due to weather conditions, however, field rentals are sold out for the coming year.

675002 Contributions & Donations - Fireworks

- The cost of fireworks is covered entirely by contributions and donations every year.

101 GENERAL FUND / 102 CITY COUNCIL**PROFESSIONAL SERVICES****801000 Professional Services**

Sign Language Provider

- This service is provided only upon request.

101 GENERAL FUND / 171 MAYOR'S DEPARTMENT**OPERATING SUPPLIES****740000 Operating Supplies**

First Com. Library

- This is a music library utilized by Channel 55 as the City is not permitted to use copyrighted music.

PROFESSIONAL SERVICES**850000 Memberships & Dues**

- Duplicate memberships in various departments are a result of individual memberships as there are no Citywide memberships.

President Hill asked that factors such as longevity pay and bonuses not be reflected in the position salaries noted in the Budget Plan Book, as it can be deceiving as to what a position pays as opposed to what a specific individual is earning in that position.

PERSONNEL SERVICES**703000 Salaries & Wages**

- The increase in Salaries & Wages is due to the inclusion of the City Administrator position, which was not included in previous years' budgets.

- Reappropriations of budgeted monies not spent are done in January of the next budget year.

101 GENERAL FUND / 448 SPECIAL LIGHTING**OTHER EXPENSES**

921000 Street Lighting

- Detroit Edison is increasing this charge.

101 GENERAL FUND / 666 COMMUNITY DEVELOPMENT BLOCK GRANT

- The level of funding is determined in the spring; there should be no further reduction for 2006.

101 GENERAL FUND / 852 RETIREE HEALTH

- This estimated amount is based on possible eligible retirements; it is a fixed benefit.

101 GENERAL FUND / 191 ELECTIONS**OTHER EXPENSES****932000 Maintenance - Equipment**

Voter File Maintenance

- Substantial decrease is due to the warranty of the new scanning equipment, which will eliminate the maintenance agreement for two years.

101 GENERAL FUND / 201 ACCOUNTING**OPERATING SUPPLIES****740000 Operating Supplies**

Postage - Water & Sewer Bills

- Decrease due to the change from monthly billing to bi-monthly billing implemented in 2004.

101 GENERAL FUND / 215 CLERK'S DEPARTMENT

- There are concerns about staffing levels particularly in light of the records management program that is soon to be implemented.

Discussed

2005-0516 Discussion regarding Special Revenue Funds - 2006 Budget (200's)

Attachments: 0516 Resolution.pdf

101 GENERAL FUND/ 211 STONEY CREEK PERPETUAL CARE FUND

- More funds were allocated for the cemetery survey and the pole barn.

Discussed

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No discussion.

101 GENERAL FUND / 247 BOARD OF REVIEW

No discussion.

101 GENERAL FUND / 253 TREASURY

- Earnings are not shown for the pool investments as those rates and balances change on a daily basis and would require, on average, over a thousand separate calculations to show the rate of return for the year.

101 GENERAL FUND / 233 HUMAN RESOURCES

PROFESSIONAL SERVICES

802001 Interfund Changes - MIS

- Per unit allocations increased.

101 GENERAL FUND / 371 BUILDING DEPARTMENT

- Overtime increase due to anticipated increase in commercial projects (REI, Grand Sakwa, etc.).

- Inspection needs appear to be shifting away from residential to more commercial inspections.

- There are part-time inspectors who are called upon when necessary due to staff vacations.

- Attempting to improve the time frame for the issuance of permits and the consistency in inspections.

101 GENERAL FUND / 372 ORDINANCE COMPLIANCE

- NO-HAZ program is being utilized by more residents resulting in a budget increase.

101 GENERAL FUND / 535 WEED CONTROL

- Reduction in budget due to an increase in development resulting in a reduced need for this service.

(RECESS 9:13 p.m. to 9:29 p.m.)

101 GENERAL FUND / 400 PLANNING COMMISSION

PERSONNEL SERVICES

707000 Fees & Per Diem

- More meetings are anticipated to address the local roads issue and the zoning rewrite.

101 GENERAL FUND / 401 DEPT. OF PLANNING & DEVELOPMENT

PROFESSIONAL SERVICES

801000 Professional Services*PS-03 - Non-Motorized System Evaluation*

- Included in Planning Department budget rather than Pathways budget due to the limitations imposed by the use of Pathways Millage funds.

900000 Printing & Publishing*Economic Development Marketing*

- Need to review the use of Planning Department funds for this item, as opposed to SmartZone funds.

PERSONNEL SERVICES

- The Planning Technician position was eliminated as the department secretaries are taking on more plan review duties.

President Hill expressed the concern that City employees are taking on added responsibilities and not being properly compensated or provided training through tuition reimbursement.

101 GENERAL FUND / 410 ZONING BOARD OF APPEALS**PERSONNEL SERVICES****707000 Fees & Per Diem**

- There is an anticipated reduction in the number of meetings as the Planning Department is working more extensively with residents to reduce variance requests.

101 GENERAL FUND / 804 HISTORIC DISTRICT COMMISSION

No discussion

Discussed**2005-0521**

Discussion regarding Component Units - EDC and LDFA - 2006 Budget (800's)

848 LOCAL DEVELOPMENT FINANCE AUTHORITY (LDFA)

- The approximate 46% increase in revenue was due to the change in the definition of eligible properties resulting in the inclusion of high-tech and research properties.

893 ECONOMIC DEVELOPMENT CORPORATION

- This is a corporation that has to be kept in place until the bonds retire
- EDC holds an annual meeting.

Discussed**2005-0514**

Discussion regarding General Fund - 2006 Budget (100's)

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101 GENERAL FUND / 756 PARKS DEPARTMENT

PROFESSIONAL SERVICES**801000 Professional Services**

PS-02 - Undeveloped Parklands / Concept Plans for Nowicki Park

- *It is unlikely any possible grant money for development will be attained prior to December of 2006.*
- *Parks are developed on major roads to take advantage of road design and construction to accommodate park traffic.*
- *A formula developed by the Department of Natural Resources, in conjunction with counts collected using pneumatic strips across park entrances that count cars, is used to estimate park attendance numbers.*

OTHER EXPENSES**929000 Repairs & Maintenance**

Clinton River Trail - Maintenance, Signage

- *The City did not receive grant money for the surfacing of the Clinton River Trail.*

President Hill suggested that, should the proposed road millage not pass in November, the funds diverted to the Capital Improvement Fund be used to fund Clinton River Trail surfacing.

Mr. Paul Miller and **Mr. Ronald Stewart**, representatives of the Paint Creek Trail Commission, provided a brief presentation to City Council stressing the need for a Boundary Map Survey to be funded by the member communities at a cost to Rochester Hills of \$7,040.

932000 Maintenance Equipment

General Parks - Tractors, Mowers, Trailers

President Hill questioned why this expense was being taken from the Capital Improvement Fund (CIF) as it was an unrated project for less than \$25,000, thus it does not meet the Capital Improvement Policy threshold.

Ms. Julie Jenuwine, Director of Finance, noted that, as a matter of accounting, capital expenditures over \$3,000 must come from the CIF.

PUBLIC COMMENT:

Mr. Lee Zindel, 1575 Dutton Road, questioned the accuracy of the park attendance data provided in the Budget Plan book.

101 GENERAL FUND / 774 FORESTRY

No discussion.

Discussed**2005-0516**

Discussion regarding Special Revenue Funds - 2006 Budget (200's)

Attachments: 0516 Resolution.pdf

232 TREE FUND**PROFESSIONAL SERVICES**

807000 Contractual Services

Tree Maintenance on City Property - Including Ash Removal

- *This is the second full year of the ash tree removal program; one thousand trees were removed each year and it is likely as many will require removal next year.*

Discussed

2005-0518 Discussion regarding Capital Improvement Funds - 2006 Budget (400's)

Attachments: 0518 Resolution.pdf

420 CAPITAL IMPROVEMENT FUND (CIF)

President Hill expressed her opinion that the variance transfer of approximately \$1.7 million in association with the proposed road millage should be earmarked specifically for road maintenance in the event that the road millage fails. She further noted that, as there has been "extra money" left in the CIF during previous years, the General Levy could be reduced.

Discussed

2005-0514 Discussion regarding General Fund - 2006 Budget (100's)

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990 GENERAL FUND - TRANSFER

President Hill reiterated her concerns regarding the purchase of capital items that do not reach the Capital Improvement Policy threshold of \$25,000 or higher.

Discussed

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

- *Budget Work Sessions: August 23 and 25, 2005 7:30 p.m. - Museum*
- *Special Meeting: August 23, 2005 6:45 p.m. - Museum*
- *Regular Meeting/Budget Work Session: August 24, 2005 7:30 p.m. - City Hall*

ADJOURNMENT

There being no further business before Council, President Hill adjourned the meeting at 10:57 p.m.

*MELINDA HILL, President
Rochester Hills City Council*

*JANE LESLIE, Clerk
City of Rochester Hills*

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

Approved as presented at the January 4, 2006 Regular City Council Meeting.