



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*

Wednesday, April 27, 2005

7:30 PM

1000 Rochester Hills Drive

CALL TO ORDER

President Hill called the Rochester Hills City Council Work Session Meeting to order at 7:37 p.m. Michigan Time.

ROLL CALL

Present: Melinda Hill, Bryan Barnett, John Dalton, Barbara Holder and Linda Raschke

Absent: Jim Duistermars and Gerald Robbins

Others Present:

*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
Mike Hartner, Director of Parks & Forestry
Julie Jenuwine, Director of Finance
Raymond "Bud" Leafdale, General Superintendent
Pam Lee, Director of Human Resources
Roger Rousse, Director of DPS/Engineering*

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

None.

CITY COUNCIL

2005-0054 Discussions Regarding 2006 Budget

Attachments: Agenda Summary.pdf; 050705 Agenda summary.pdf; Mayor.pdf; Fiscal.pdf; Planning 1.pdf; Planning 2.pdf; Planning 3.pdf; Planning 4.pdf; Planning 5.pdf; DPS and Engineering.pdf; Building.pdf; Parks.pdf; Forestry.pdf; Fire.pdf; OCSD.pdf; MIS.pdf; Clerks.pdf;

President Hill explained that the purpose of this evening's meeting was to continue the discussion of the goals and objectives for the 2006 budget and into the future. She indicated several large posters on the auditorium walls as well as placards placed in front of the dais that outlined the goals and objectives discussed at the March 9th Council Work Session, as well as those items identified in the citizen budget survey. She noted the top five issues indicated by the meeting and the survey:

- Roads
- Parks
- Fire
- Police
- Water & Sewer

President Hill then called for a brief recess to give Council members, staff and audience members the opportunity to review the information on display.

(Recess 7:44 p.m. - 7:57 p.m.)

President Hill stressed that it was not her intention for those in attendance to delve into the "minutia" of each item, but rather to discuss, in general, possible ways to fund City services in the future. She suggested that each of the five top priorities be discussed separately:

ROADS:

The following suggestions arose from Council discussion:

- Charging residents an administrative fee for tax collection services, which could generate an estimated \$1.2 million.
- Raising the General Millage rate to its maximum, which could generate an estimated \$2.8 million.
- Moving the engineering phase of road repairs forward prior to obtaining a source of funding so that there is no delay in repair work once the monies are secured.

Mr. Ed Anzek, Director of Planning/Development, briefly described the Residential Streets Ad Hoc Committee several of whose members were in attendance. He noted that the committee was broken down into three subcommittees to examine the following specific aspects of the local roads issue:

- Trust of government
- Financing issues
- Maintenance/operations

Mr. Anzek noted that the committee has been meeting every other week and working diligently to examine a number of possible solutions to eventually bring forward to City Council.

President Hill noted that she would add a presentation to an upcoming City Council meeting agenda to discuss in greater detail the ideas brought forward by the Residential Streets Ad Hoc Committee, but asked that members of the audience come forward to share some of their ideas.

PUBLIC COMMENT:

Mr. Don Ruff, 3587 Heron Ridge, indicated that he serves on the finance subcommittee and suggested a combination of the following:

- Charge an administration fee for tax collection.
- Increase the general millage rate halfway to the maximum.
- Pass a small millage to pay for road maintenance only.

Mr. Ruff also noted that the finance subcommittee has briefly discussed the possibility of Special Assessment Districts (SAD) and layoffs of some full-time City employees.

Mr. Bill Windscheif, 2872 River Trail, stressed that the committee is not done with its work and he noted he would prefer delaying the discussion of any suggestions until they are better prepared.

Mr. Terry Lanker, 583 Snowmass Drive, noted that subdivision roads were not properly constructed with a six inch sub-base. He stressed that the City needs to find long-term, rather than short-term, solutions. He compared bonding for the roads to gaining a mortgage for your home.

Ms. Susan deCaussin, 456 Wimpole Drive, asked Council to consider whether they are willing to commit to a change in the City Charter to increase the General Fund to address the road problem.

Ms. Brenda Mueller, 2649 Winter Park, noted that, were Council forced to implement an SAD for the sake of public safety, it would be unfair for those residents whose roads were already resurfaced to have to pay for other roads through an SAD.

Ms. Beth Tilove, 769 Snowmass Drive, indicated that the Residential Streets Ad Hoc Committee is looking to City Council for "decisive leadership." She questioned what will happen if a new ballot proposal does not pass. She stressed that Council will have to make "some very hard decisions."

Mr. Michael Wayne, 2817 Eagle Drive, urged Council and staff to be more specific with their intentions to "do something about roads" noting that residents will be more likely to support a millage if it is specific. He suggested ways to reduce road maintenance as a cost-saving measure and encouraged Council and the City Administration to make further spending cuts.

Council members and Mr. Anzek responded as follows:

- * While Council does have the prerogative to enforce an SAD if safety is in question, Council has always resisted implementing SADs unless more than 50% of a neighborhood was in favor of it.
- * Since 2003, the City has been practicing "zero based budgeting." While expenses such as health costs, fuel and materials have increased, department directors have kept their budgets at the same level for two years.
- * Health coverage obtained from a new provider the previous year saved the City approximately \$150,000 per year over a two-year contract.
- * Council "challenges" the administration each time a purchase is brought forward for approval.
- * Rochester Hills can no longer "exist on Avon Township taxes."
- * The millage has not been raised for the past seven years.
- * State-shared revenue has been cut by hundreds of thousands of dollars.
- * Council and the City administration are not "getting the message out" about the financial needs for the City.
- * A long-term solution needs to be found, as road repair and maintenance costs will continue to rise.
- * Raising the General Fund millage rate to the maximum would leave no "wiggle room if the City would run into some problem down the road."

PARKS:

Council members noted that parks are extremely popular among residents, especially as evidenced by the negative reaction received from residents when it was rumored that parks may be closed to save money. Noting that parks are funded entirely through the General Fund, it was suggested that perhaps a parks millage would have a greater chance of passing than another local roads millage. Thus, the General Fund money not used for parks could be applied to the maintenance and repair of local roads. Regardless of whether a parks millage were pursued, Council members agreed that the parks should be maintained at their current level, although any improvements are unlikely to be affordable for the time being. City administration was encouraged to pursue any available grant money and/or public and private partnerships that may lead to enhancements of the City parks.

Mr. Barnett stressed the difference between parks and open space preservation, noting that the open space preservation refers to the purchase of land for conservancy, but not as a means to increase parkland in the City.

FIRE:

Council members discussed the following issues:

- * Due to Headlee and Proposal A, the Fire Millage has been reduced, but the funds are sufficient to maintain service levels.
- * The millage rollback will reach capacity in 2010.
- * Emergency call volumes are increasing resulting in increased need for assistance from other communities (mutual aid).
- * Residents need to be educated as to the EMS structure in Rochester Hills.
- * Residents perceive police and fire services to be adequate, thus resulting in failed millage proposals.
- * The Fire Apparatus Fund is an example of a creative way in which the City Council addressed a lack of funding issue.

Suggestions for addressing future Fire funding problems:

- * Join with surrounding communities to create a regional fire department.
- * Subsidize the Fire Department through the General Fund.
- * Attempt to pass a Fire Department millage.

POLICE:

Council members discussed the following issues:

- * The City is currently subsidizing the Police Department at \$2.5 million annually from the General Fund.
- * Police Millage II expires in 2006, at which point the General Fund subsidy will begin to rise.
- * The five-year contract with the Oakland County Sheriff's Department (OCSD) will expire along with the Police II millage.

- * *The City saves "several million dollars" per year by contracting with the OCSD.*
- * *An ordinance to impose fines for false alarms would likely free officers to focus on vital police services.*
- * *There are times when there is no police supervision on duty.*
- * *Without the General Fund subsidy the police force would have to be reduced by thirty-five percent.*
- * *Police millages should provide enough funds to meet the public safety needs of the community.*
- * *The police department has not added a new officer in approximately three years despite a City policy to add one new officer per year.*
- * *The City needs to "get the message out" about public safety needs.*
- * *As development and redevelopment within the City continues, the need for increased police services will grow.*

WATER & SEWER:

President Hill explained that the Water & Sewer Fund is financed primarily through charges to City residents. She noted that when the City was growing rapidly, connection fees subsidized the water and sewer fund, thus keeping water and sewer rates artificially low. However, as growth has decreased and the need to maintain the water and sewer infrastructure has increased, along with the fees charged by the Detroit Water & Sewer Department, it is now necessary for the City to restructure water and sewer rates so that customers are charged more appropriately for services.

Mr. Roger Rouse, Director of DPS/Engineering, described numerous systems and procedures in place to maintain the water and sewer infrastructure and save the City money.

CONCLUSIONS:

President Hill gave everyone a final opportunity to discuss the topic of the budget in general:

Mr. Henry Ware, 433 West Maryknoll, encouraged Council members and residents to "look a little bit more towards Lansing" and to contact legislators in the State's capital with regards to budget concerns.

Mr. Wayne noted his support for the proposed false alarm ordinance and suggested soliciting corporate parties and sponsoring events to raise money for the parks. He also suggested estimates for water and sewer bills as a means to reduce labor costs.

President Hill noted that the meeting had provided much food for thought, and announced that Council would be meeting with City directors on Saturday, May 7th to discuss these and other budget issues in greater detail.

Discussed

COMMENTS & ANNOUNCEMENTS

Ms. Holder noted that the Hills Herald would be coming out with a new edition soon and encouraged everyone to read it, stressing that it is very informative.

President Hill announced that the Rochester School District would be holding focus groups to gather information for their new school superintendent search.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Regular Meeting - Wednesday, May 4, 2005 at 7:30 p.m.

ADJOURNMENT

There being no further business before Council, President Hill adjourned the meeting at 9:46 p.m.

*MELINDA HILL, President
Rochester Hills City Council*

*JANE LESLIE, Clerk
City of Rochester Hills*

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

Approved as presented at the August 3, 2005 Regular City Council Meeting.